

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 07-0229

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Prime Sponsor(s): Rep. Levy
Sen. Gordon

Bill Status: House Transportation & Energy

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TITLE: CONCERNING THE REQUIREMENT THAT CERTAIN LOCAL GOVERNMENTS ADOPT AN ENERGY EFFICIENCY CODE IN CONNECTION WITH THE CONSTRUCTION OF CERTAIN BUILDINGS.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
State Revenue	\$0	\$0
State Expenditures	Potential Reallocation of Current Funding	
FTE Position Change	0.0 FTE	0.0 FTE
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2007-2008: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

The bill requires every board of county commissioners and every municipal governing board with a building code to adopt and enforce a building energy code that meets or exceeds the 2003 International Energy Conservation Code standard within one year of this bill’s effective date. The energy code applies to the construction, renovation, and additions to all commercial and residential buildings. The bill exempts certain buildings from the energy code.

The Governor's Office of Energy Management and Conservation (OEMC) is required to provide information that explains the requirements and compliance methods of the energy code to builders, designers, engineers, and architects. OEMC must also provide technical assistance to local governments regarding the function and enforcement of the code.

The Department of Local Affairs (DOLA) is authorized to award grants to local governments and nonprofits from available moneys in the Energy and Mineral Assistance Program for training, technical assistance, compliance, and enforcement of the energy code.

State Expenditures

Governor's Office of Energy Management and Conservation. The OEMC currently supports statewide efforts to create greater energy efficiency through the use of public/private partnerships and the testing of emerging technologies. This bill requires the OEMC to do the following:

- ensure that information explaining energy code requirements and compliance methods is available to builders, designers, engineers, and architects; and
- provide technical assistance to local governments concerning the implementation and enforcement of the energy code.

The OEMC currently provides information on the international energy code to builders, designers, engineers, and architects. The OEMC will conduct regional technical assistance training sessions for local governments on the implementation and enforcement of the energy code. The cost of these sessions is estimated at \$10,000 in FY 2007-08 and \$7,500 in FY 2008-09. The OEMC will contract for all-day training sessions at a cost of \$2,500 per session (4 sessions in year one and 3 in year two). The fiscal note assumes that these costs can be met within the existing budget for OEMC. The FY 2005-06 OEMC budget was \$28.6 million. The OEMC operates, for the most part, on federal grants which the Governor's Office has discretionary authority over.

Department of Local Affairs. The bill authorizes DOLA to make grants to local governments and non-profits for training and technical assistance to carry out the energy code from moneys available to the Local Government Energy and Mineral Assistance Program. For the current fiscal year, \$63.3 million is appropriated for this purpose. Should DOLA authorize grants under this bill, the fiscal note assumes some reallocation of current grant funding under the program as a whole. At this time, it is assumed that no new funding is required.

Local Government Impact

The bill requires municipalities and counties with a building code to modify their codes to meet the energy efficiency standards of the 2003 International Energy Conservation Code. There may be administrative costs to modify these codes. These costs are not quantified.

Departments Contacted

Governor's Office

Local Affairs