

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 82ND LEGISLATIVE REGULAR SESSION

May 19, 2011

TO: Honorable Troy Fraser, Chair, Senate Committee on Natural Resources

FROM: John S O'Brien, Director, Legislative Budget Board

IN RE: HB51 by Lucio III (Relating to energy efficiency standards for certain buildings and to high-performance design, construction, and renovation standards for certain buildings and facilities of institutions of higher education.), **Committee Report 2nd House, Substituted**

There is an indeterminate fiscal cost to the state from the provisions of the bill.

The bill would establish high-performance sustainable-design standards for the construction or renovation of state buildings, including those of institutions of higher education. The State Energy Conservation Office (SECO) would be responsible for setting, with the assistance of an advisory commission, applicable design and construction standards. Minimum standards would be set to achieve a 15 percent reduction in water use compared to relevant plumbing fixtures identified in the Energy Policy Act of 1992. The bill would exempt institutions of higher education that take certain actions.

The statewide fiscal impact of the bill's provisions cannot be determined at this time due to unknown factors, including: (1) the full scope of the standards that would be set by SECO and the advisory council; and (2) the number and estimated costs of construction and renovation projects that would be authorized, planned, and funded in future fiscal years.

State agencies report that changes to current building construction standards necessary to meet existing general high-performance standards would increase total construction costs between 2 and 9 percent. Some of the standards referenced in the bill are already used in certain state construction projects and would, therefore, result in no additional costs. Several agencies also responded that reductions in utility expenses resulting from the intended increased building efficiencies would offset some of the increased construction costs.

The Texas Facilities Commission reported the need for an additional senior engineer to coordinate compliance with the requirements of the bill.

The requirements of the bill would apply only to buildings for which a design services contract is entered into on or after September 1, 2013. The bill would take effect September 1, 2011.

Local Government Impact

Local municipalities could see increased costs from the bill's provisions requiring tracking and reporting of related activities to the State Conservation Office. This analysis assumes that any costs associated with implementing the bill's provisions could be met with existing resources.

Source Agencies:

303 Facilities Commission, 304 Comptroller of Public Accounts, 305 General Land Office and Veterans' Land Board, 332 Department of Housing and Community Affairs, 405 Department of Public Safety, 529 Health and Human Services Commission, 539 Aging and Disability Services, Department of, 582 Commission on Environmental Quality, 601 Department of Transportation, 710 Texas A&M University System Administrative and General Offices, 712 Texas Engineering Experiment Station, 768

Texas Tech University System Administration, 769 University of North Texas System Administration, 781 Higher Education Coordinating Board, 783 University of Houston System Administration, 802 Parks and Wildlife Department

LBB Staff: JOB, KY, SZ, JI