



Ohio Legislative Service Commission

Bill Analysis

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Am. Sub. H.B. 7

128th General Assembly
(As Passed by the House)

Reps. Harris and Pillich, Garrison, Stewart, B. Williams, Phillips, Hagan, Fende, Murray, Ujvagi, Koziura, Newcomb, Szollosi, Bolon, Letson, Yuko, Luckie, S. Williams, Heard, Belcher, Boyd, Brown, Celeste, Chandler, DeBose, Domenick, Driehaus, Dyer, Foley, Garland, Moran, Patten, Pryor, Skindell, Weddington, Winburn, Yates

BILL SUMMARY

- Requires a building or structure constructed using state capital budget moneys to adhere to certain green building and energy efficiency standards.
- Requires reasonable efforts to recoup over 20 years the costs of complying with the green building and energy efficiency standards through reduced energy costs.
- Requires reasonable efforts in using Ohio-produced products for the construction of a building or structure using any state capital budget moneys.
- Provides for a waiver of the bill's requirements if state moneys are used for 10% or less of total project costs.

CONTENT AND OPERATION

Energy efficiency building standards

(R.C. 153.013(A) and (F))¹

The bill requires that whenever any building or structure is constructed using any state capital budget moneys, including moneys from the Education Facilities Trust

¹ A technical amendment is necessary to relocate the bill's provisions to an available R.C. section number. Am. Sub. H.B. 1 of the 128th General Assembly enacted a section 153.013, so this number is no longer available.

Fund, the building or structure must meet at least one of three building standards and at least one of two energy efficiency standards.

The three building standards are as follows:

(1) Certification at the silver level or higher from the Leadership in Energy and Environmental Design (LEED) Green Building Rating System developed by the United States Green Building Council (USGBC). USGBC is a nonprofit organization that is committed to expanding sustainable building practices. According to its web site, LEED "provides building owners and operators with a concise framework for identifying and implementing practical and measurable green building design, construction, operations and maintenance solutions."² The LEED Green Building Rating System "encourages and accelerates global adoption of sustainable green building and development practices through the creation and implementation of universally understood and accepted tools and performance criteria."³ LEED certification provides third-party verification that a building project meets the highest green building and performance measures.⁴ To earn LEED certification, a project must satisfy all prerequisites and earn a minimum number of points.⁵ There is an application process and fees involved in the certification. A rating system assigns points to certain criteria. In order to obtain the silver level as optioned under the bill, the applicant must receive enough points to fall within the range allotted for that level. The silver level ranks above the certified level and below gold level, which in turn ranks below the platinum level.⁶

(2) Certification at the two green globes level or higher from the Green Globes Environmental Assessment and Rating System owned and operated in the United States by the Green Building Initiative (GBI). The GBI states, "The Green Globes environmental analysis and assessment process is one of the leading green building rating systems in the U.S."⁷ Under this system, "new and existing commercial buildings can be certified for their environmental achievements and sustainability by pursuing Green Globes certification that assigns a rating of one to four globes."⁸ The two green

² <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1988>.

³ <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=222>.

⁴ <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=64>.

⁵ <http://www.usgbc.org/DisplayPage.aspx?CMSPageID=1497>.

⁶ <http://www.usgbc.org/ShowFile.aspx?DocumentID=5546>.

⁷ <http://www.thegbi.org/>.

⁸ <http://www.thegbi.org/green-globes/>.

globes level optioned under the bill "demonstrates excellent progress in reducing environmental impacts by applying best practices in energy and environmental efficiency."⁹ The process for achieving a Green Globes certification requires purchasing a subscription and following a number of steps.¹⁰

(3) A design standard determined by the Director of Administrative Services to be a nationally recognized green building rating standard equivalent to the standards listed above. The Director is authorized to adopt rules establishing a process and criteria for recognizing these equivalent green building rating standards.

The two energy efficiency standards are as follows:

(1) Exceed by at least 30% the most current energy efficiency standards developed by the American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE). ASHRAE states that their "certification programs are developed by industry practitioners who understand the knowledge and experience that are expected for superior building design and system operation."¹¹

(2) Achieve a national energy performance rating of not less than 77 using the Energy Star rating system developed by the United States Environmental Protection Agency (EPA) as validated by a professional engineer. The EPA has a free online tool, Portfolio Manager, that calculates a building score on a scale of one to 100. Buildings that score a 75 or greater may qualify for the ENERGY STAR.¹²

Use of Ohio products and recoupment of costs

(R.C. 153.013(B))

The bill requires reasonable efforts to be made to use Ohio products and materials with respect to the award of any contract for construction of a building or structure using any state capital budget moneys, including moneys from the Education Facilities Trust Fund. For the same awards, the bill requires reasonable efforts to recoup the costs of meeting the bill's building and energy efficiency standards, over a period of not more than 20 years as measured by reduced energy costs.

⁹ <http://www.thegbi.org/green-globes/ratings-and-certifications.asp>.

¹⁰ *Id.*

¹¹ <http://www.ashrae.org/certification/>.

¹² http://www.energystar.gov/index.cfm?c=business.bus_bldgs.

Compliance oversight

(R.C. 153.013(E))

Except as otherwise provided by law, the bill requires each state agency, entity, or person overseeing the erection or construction of a building or structure using any state capital budget moneys, including moneys from the Education Facilities Trust Fund, to oversee compliance with the bill.

Exemptions from the bill

(R.C. 153.013(C), (D), and (F))

The bill permits a state agency, entity, or person overseeing the erection or construction of a building or structure using state capital moneys, including moneys from the Education Facilities Trust Fund, to request a waiver from the bill's requirements if the state moneys constitute 10% or less of the total project costs.

The bill exempts the following construction projects from its requirements:

- (1) A building or structure that is less than 5,000 square feet;
- (2) A building or structure that does not consume energy for heating, ventilating, or air conditioning;
- (3) A building or structure that has construction costs less than \$500,000.

The bill allows the Director of Administrative Services to adopt rules establishing waiver requirements and procedures pertaining to the bill.¹³

¹³ The bill is unclear as to whether or how its two waiver provisions are related. Specifically, the two provisions (1) permit the Director of Administrative Services to establish "waiver requirements and procedures pertaining to [the bill]" and (2) permit a compliance overseer to request a waiver from the bill's requirements when state moneys compose 10% or less of construction costs. The bill does not indicate whether the waiver requirements and procedures that the Director may establish must pertain only to a situation involving state moneys totaling 10% or less of construction costs, or whether the Director may establish requirements and procedures for waivers under other circumstances.

HISTORY

ACTION

DATE

Introduced	02-17-09
Reported, H. Local Gov't & Public Administration	10-14-09
Passed House (55-43)	12-16-09

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