

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 332

(Senators Frosh and Brochin)

Budget and Taxation

Health and Government Operations and
Appropriations

Maryland Green Building Council

This bill codifies the Maryland Green Building Council within the Department of General Services (DGS) to advise the Governor and the General Assembly on strategies for using green building technologies in State construction projects.

The bill takes effect June 1, 2007.

Fiscal Summary

State Effect: The bill codifies an existing council. Any additional costs are assumed to be minimal and absorbable within existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: DGS is responsible for staffing the council, with assistance as necessary from other State agencies.

By September 30, 2007, the council must:

- evaluate current green building technologies;

- recommend cost-effective green building technologies that the State may consider incorporating into the construction of new State facilities; and
- develop a list of building types for which green building technologies should not be applied.

By November 1, 2007 and each year thereafter, the council must report to the Governor and the General Assembly regarding plans for implementing a high performance building program within the State, and progress made during the year.

Current Law: The Green Building Council was created by Executive Order 01.01.2001.02 in March 2001. Chapter 610 of 2006 established a Task Force on Green Building to evaluate and make recommendations regarding methods of facilitating public demand for environmentally sensitive communities and improving low-impact sustainable communities. A preliminary report was due to the Governor and the General Assembly by January 1, 2007, but appointments to the task force have not been completed. A final report is due October 1, 2007.

Chapter 459 of 2005 defines a high performance building as one that:

- achieves at least a silver rating according to the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) rating system as adopted in 2001 or subsequently by the Maryland Green Building Council;
- achieves at least a two globe rating according to the Green Globes Program as adopted by the Green Building Initiative (GBI);
- achieves a comparable numeric rating according to a nationally recognized, accepted, and appropriate numeric sustainable development rating system, guideline, or standard; or
- meets nationally recognized, consensus-based, and accepted green building guidelines, standards, or systems approved by the State.

DBM has to approve a proposal for preliminary planning of a capital project before it receives any planning funds. Chapter 459 also allows State agencies that request an appropriation for preliminary planning of a proposed capital project to propose that a building be constructed as a high performance building. It requires DBM to review the request to determine whether the justification for constructing a high performance building is practicable and fiscally prudent.

Both DBM and the Department of General Services (DGS) have to approve the design of a capital project before it receives any funds for construction.

Chapter 519 of 2004 provides a property tax credit for buildings having at least a silver LEED rating.

Background: The USGBC is a national coalition of building industry leaders formed to promote construction that is environmentally responsible, profitable, and that creates healthy places to live and work. It claims more than 7,500 members and 75 regional chapters. USGBC developed LEED as a self-assessment tool that measures the extent to which a building meets green building criteria on six dimensions: sustainable sites, water efficiency, energy and atmosphere, materials and resources, indoor environmental quality, and innovation and design process. Version 2.2 of the LEED system was released in October 2005. The rating scale has a maximum score of 69 points and four ratings:

- platinum (52-69 points);
- gold (39-51 points);
- silver (33-38 points); and
- certified (26-32 points).

GBI is a coalition representing industry, construction companies, architectural firms, and academic institutions to promote green building. Through a strategic partnership with the National Association of Home Builders, GBI developed the online Green Globes assessment tool that builders can use to measure the extent to which a building meets green building criteria on seven dimensions: project management, site, energy, water, resources and materials, emissions and effluents, and indoor environment. The rating scale has a maximum score of 1,000 points and four ratings:

- 4 globes (85-100%);
- 3 globes (70-84%);
- 2 globes (55-69%); and
- 1 globe (35-54%).

To date, three State-funded buildings have been built as high performance buildings, although none of them are scheduled to be completed until summer 2007. According to DGS, the Hammerman Beach Services building at Gunpowder Falls State Park cost about 5.5% more than a nonhigh performance building would have cost. Two larger projects on the campus of St. Mary's College of Maryland are estimated to carry a 3.5% cost premium. The Maryland Aviation Administration provided data on two LEED certified airport terminals, one in Salt Lake City and one in Boston. The initial cost premium of these two projects is estimated to be between 5% and 10%. DGS estimates a 10% cost premium for all high performance building plans.

A 2005 report prepared for the Massachusetts Executive Office of Environmental Affairs indicates that statutes in four states (Washington, Nevada, Minnesota, and Arkansas) require or promote green buildings in public construction programs. Similarly, executive orders in 10 other states also require or promote green buildings in public construction. At least four states require LEED silver certification for new public buildings, and one (California) requires LEED silver certification in all new buildings as well as significant renovations to public buildings.

Additional Information

Prior Introductions: None.

Cross File: HB 942 (Delegate Bronrott, *et al.*) – Appropriations and Health and Government Operations.

Information Source(s): Department of General Services, Board of Public Works, University System of Maryland, Maryland Department of Transportation, Department of Budget and Management, Department of Legislative Services

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