

Department of Legislative Services
 Maryland General Assembly
 2012 Session

FISCAL AND POLICY NOTE

House Bill 940

(Delegate Stein, *et al.*)

Environmental Matters

Education, Health, and Environmental Affairs

Maryland Building Performance Standards - Hotels - Mandatory Master Control Device

This bill requires each hotel guest room in a newly constructed hotel to be equipped with a master control device that automatically turns off the power to all of the lighting fixtures in the guest room no more than 30 minutes after the room has been vacated. A master control device may also control other specified items. The Department of Housing and Community Development (DHCD) must adopt the bill’s provisions as part of the Maryland Building Performance Standards (MBPS).

The bill applies to a building permit application submitted to a local jurisdiction and to industrialized building plans submitted to DHCD on or after October 1, 2012.

Fiscal Summary

State Effect: General fund expenditures increase by \$10,000 in FY 2013 for DHCD to hire an energy code consultant to determine any inconsistencies with the International Building Code (IBC) and the International Energy Conservation Code (IECC) and address any questions that arise during the adoption process. State revenues are not affected.

(in dollars)	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	10,000	0	0	0	0
Net Effect	(\$10,000)	\$0	\$0	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Some local governments may experience a minimal increase in expenditures to conduct additional work during inspections of newly constructed hotels. Local revenues from building permit fees may increase minimally.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: The bill defines “hotel” as an establishment that offers sleeping accommodations for compensation. “Hotel” does not include a bed and breakfast establishment.

In addition to controlling power to all of the lighting fixtures, a master control device may also control the heating, ventilation, or air conditioning default settings in hotel guest rooms 30 minutes after a room has been vacated by increasing or decreasing the set temperature by at least three degrees Fahrenheit when in air conditioning mode or heating mode, respectively.

In order to accommodate the bill’s changes, the bill authorizes DHCD to adopt as part of MBPS a modification of a building code requirement that is more stringent than the requirement in IBC.

Current Law: DHCD is required to adopt, as MBPS, the most recent version of IBC, along with applicable modifications authorized in Title 12 of the Public Safety Article. Within 12 months of the release of each new version of IBC, DHCD is required to review the new version and consider modifications. Chapter 294 of 2009 required DHCD to also adopt IECC and to consider changes to IBC to enhance energy conservation and efficiency. DHCD is generally prohibited from adopting any modification that is more stringent than IBC, but an energy conservation requirement may be more stringent than IECC. As of January 1, 2012, DHCD has adopted the 2012 IBC and the 2012 IECC.

Chapter 369 of 2011 authorized DHCD to adopt by regulation the International Green Construction Code (IGCC). Regardless of whether IGCC is adopted by DHCD, local governments may also adopt IGCC and make amendments to it. Chapter 369 takes effect March 1, 2012.

Each local jurisdiction must implement and enforce the most current version of MBPS and any local amendments to MBPS. A local jurisdiction may adopt local amendments to MBPS if the local amendments do not prohibit minimum implementation and enforcement activities or weaken energy conservation and efficiency provisions contained in MBPS. If a local jurisdiction adopts a local amendment to MBPS, the amendment applies in the local jurisdiction and prevails against MBPS if there is a conflict. A local jurisdiction that adopts a local amendment to MBPS must ensure that the amendment is adopted in accordance with the applicable local law.

Background: Several jurisdictions have enacted requirements similar to those in this bill. In 2010, New York City amended its administrative code to require that specified types of rooms in buildings in the city must have an occupant sensor installed that automatically turns lighting off within a maximum of 30 minutes of all occupants leaving a space. These sensors must be installed in specified classrooms, conference or meeting rooms, employee lunch and break rooms, and offices smaller than 200 square feet.

The 2009 energy code in the state of Washington requires all hotels and motels with more than 50 guest rooms to install a device that turns off any lights in a room when the occupant is not in the room. The device may either be an occupancy sensor control or a control that is activated by a room access method, such as a key or card.

State Fiscal Effect: General fund expenditures increase by \$10,000 to hire a consultant with expertise in energy codes to determine whether the bill's proposed requirements conflict with IBC or IECC. As noted above, MBPS may not be more stringent than IBC or less stringent than IECC. DHCD advises that it does not have an energy code expert on its staff, and any consultant that is hired must review and recommend a device and provide expertise to address questions from the public and local code officials.

Local Fiscal Effect: Caroline, Calvert, Montgomery, and Prince George's counties, the Town of Rising Sun, and Baltimore City report the bill does not materially affect local operations or finances. However, some local governments may experience a minimal increase in expenditures to conduct additional work during inspections of newly constructed hotels. The City of Frederick reports that expenditures increase by \$6,900 in fiscal 2013 and subsequent years due to the need to hire a part-time inspector to ensure compliance with the bill's requirements.

Local revenues may increase minimally as a result of increased building permit fees due to higher construction costs. The City of Glenarden, for example, advises that it charges a base of \$75 and an additional \$6 for each \$1,000 in construction costs.

Small Business Effect: Builders could experience an increase in expenditures in order to install master control devices in each room of a newly constructed hotel. It is assumed, however, that any increase in costs are passed on in the form of higher construction prices to hotel owners. While hotel owners may incur an initial increase in construction costs, any increase may be offset by lower utility costs in subsequent years. The use of master control devices is anticipated to result in long-term savings.

Additional Information

Prior Introductions: None.

Cross File: SB 869 (Senator Conway) - Education, Health, and Environmental Affairs.

Information Source(s): Caroline, Calvert, Howard, Montgomery, and Prince George's counties; cities of Frederick, Glenarden, and Havre de Grace; Town of Rising Sun; Baltimore City; Department of Housing and Community Development; New York City Council; Washington State Legislature; Office of the Attorney General; Department of Legislative Services

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mlm/lgc

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