

**Department of Legislative Services**  
Maryland General Assembly  
2020 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

Senate Bill 655

(Senator Hettleman)

Education, Health, and Environmental Affairs

Appropriations

**Capital Projects – High Performance and Green Buildings – Alterations (Green Building Restoration Act)**

This bill expands the application of the State’s high-performance building requirement to any capital project for which more than 50% of the funding for the acquisition, construction, or renovation of the project is State funds, subject to existing exemptions and waiver processes; public schools and community college capital projects that receive *any* State funds are still required to be built as high-performance buildings. The bill also repeals a requirement that the Maryland Green Building Council (MGBC) develop guidelines for new public school buildings to achieve the equivalent of a silver rating under the U.S. Green Building Council’s Leadership in Energy and Environmental Design (LEED) program without requiring an independent certification, and instead requires that MGBC ensure that applicable buildings meet the high-performance building requirement. Specified guidelines developed by MGBC before July 1, 2020, may not be used for new public school buildings. **The bill takes effect July 1, 2020.**

**Fiscal Summary**

**State Effect:** None. State buildings are built only with State funds, so the bill has no practical effect on the costs of constructing State buildings. No effect on revenues.

**Local Effect:** No effect on total local resources available for local capital projects. To the extent that local capital projects (other than public schools, which are not affected) are built with at least 50% State funds, total construction costs for individual projects may increase to comply with the high-performance building requirement. The number of local projects affected is likely very limited, and any cost increase for each project is similarly minimal. Revenues are not materially affected.

**Small Business Effect:** Potential minimal.

## Analysis

**Bill Summary/Current Law/Background:** Chapter 124 of 2008 requires new or renovated buildings constructed *entirely* with State funds and new school buildings that receive *any* State funds to be constructed as high-performance buildings under specified circumstances and subject to specified waiver processes. Chapters 527 and 528 of 2010 extended the requirement to community college capital projects that receive *any* State funds to be constructed as high-performance buildings. The bill does not alter the criteria for public school buildings or community college buildings.

Statute defines a “high-performance building” as one that:

- meets or exceeds the criteria for a silver rating under the LEED program; achieves a comparable numeric rating according to a nationally recognized, accepted, and appropriate standard approved by the Department of Budget and Management (DBM) and the Department of General Services (DGS); or
- complies with a nationally recognized and accepted green building code, guideline, or standard reviewed and recommended by MGBC and approved by DBM and DGS.

Based on actions approved by MGBC, DGS, and DBM, a “high-performance building” is one that (1) achieves a LEED silver rating or better; (2) earns a two Green Globes rating or better under the Green Building Initiative’s Green Globes rating system; or (3) complies with MGBC’s supplement to the International Green Construction Code enacted in November 2014.

Chapter 14 of 2018 required MGBC to develop guidelines that enable new public school buildings to meet the equivalent of a LEED silver standard without requiring an independent certification that the buildings have achieved the required standard. The council finalized the guidelines in November 2019; thus, these standards cannot be used for new public school buildings under the bill.

**Local Expenditures:** Other than public schools and community college buildings, which are not affected by the bill, the number of local capital projects built with more than 50% in State funds is very limited. When first enacted in fiscal 2008 for State buildings and public schools, the high-performance building standard was expected to add between 2% and 5% to total project costs in order to comply with the requirement. Since then, building codes and construction practices have increasingly reflected high-performance building standards, so the cost differential between “green” buildings and other buildings has lessened considerably. Thus, any increase in local expenditures for specific capital projects is unlikely.

Similarly, the cost of having to once again get third-party certification of LEED silver status for public school buildings is only a small fraction of total project costs and, thus, likely has little or no noticeable effect on local capital expenditures.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** HB 1636 (Delegate Forbes) - Rules and Executive Nominations.

**Information Source(s):** Maryland Higher Education Commission; Public School Construction Program; Department of Budget and Management; Department of General Services; Department of Legislative Services

**Fiscal Note History:** First Reader - February 17, 2020  
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Analysis by: Michael C. Rubenstein

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510