

SENATE THIRD READING
 SB 1473 (Charles Calderon)
 As Amended August 8, 2008
 Majority vote

SENATE VOTE: 25-10

BUSINESS & PROFESSIONS 7-3

NATURAL RESOURCES 7-1

Ayes: Eng, Carter, Hayashi, Hernandez,
 Price, Torrico, Lieu

Ayes: Hancock, Aghazarian, Brownley,
 Fuentes, Laird, Saldana, Wolk

Nays: Emmerson, Horton, Maze

Nays: Fuller

APPROPRIATIONS 12-4

Ayes: Leno, Caballero, Davis, DeSaulnier,
 Furutani, Huffman, Karnette,
 Krekorian, Lieu, Ma, Nava, Solorio

Nays: Walters, Emmerson, La Malfa,
 Nakanishi

SUMMARY: Requires cities and counties to collect a fee on building permit applicants to fund the development of building standards and educational efforts for "green buildings" by the Building Standards Commission (BSC) and other state agencies, and building code enforcement education by local governments. Specifically, this bill:

- 1) Requires every city and county to collect a fee of up to \$4 per \$100,000 in valuation from every applicant for a building permit.
- 2) Authorizes the city, county, or city and county to retain not more than 10% of the fees collected for related administrative costs and for code enforcement education, including certifications in the voluntary construction inspector certification program, and requires the city, county, or city and county to transmit the remainder to the BSC for deposit in the Building Standards Administration Special Revolving Fund (Fund) which this bill creates.
- 3) Authorizes BSC, Department of Housing and Community Development, and State Fire Marshall, to expend the moneys in the Fund for the purpose of funding the development of building standards with emphasis on the development, adoption, publication, updating and education efforts associated with green building standards.
- 4) Requires the BSC to develop and adopt green building standards for any building type for which no state agency currently has authority to propose such standards.
- 5) Requires BSC to establish procedures, by January 2010, to identify revenues and expenditures from the Fund.

- 6) Requires the BSC to develop and adopt green building standards for any building type for which no state agency currently has authority to propose such standards
- 7) Stipulates that, for model building codes currently referenced in statute but no longer published, the standards most recently approved by the BSC are those contained in the most recent additions of model codes approved by the BSC as the basis for the 2007 edition of the California Building Standards Code.
- 8) States legislative intent that this bill shall not affect the ability of local governments to adopt changes, modifications, amendments, additions, or deletions to the Building Standards Code.
- 9) States legislative intent that the BSC and HCD jointly develop an expenditure plan for the use of funds allocated under the provisions of this bill.

EXISTING LAW:

- 1) Establishes the BSC within the State and Consumer Services Agency.
- 2) Requires state agencies that adopt or propose adoption of any building standard under the California Building Standards Code to submit the building standard to the BSC for review and approval or adoption.
- 3) Requires the Department of Housing and Community Development (HCD) to propose the adoption, amendment, or repeal of building standards to the BSC relating to hotels, motels, lodging houses, apartment houses, and dwellings and associated buildings and structures.
- 4) Requires the State Energy Resources Conservation and Development Commission (Energy Commission) to prescribe building design and construction standards as well as energy conservation design standards that increase energy efficiency for new residential and non-residential buildings.
- 5) Authorizes a local government to make changes or modifications in building standards to provide for local variances relating to local climatic, geological, or topographical conditions, upon making certain findings and filing those findings with the BSC.

FISCAL EFFECT: According to the Assembly Appropriations Committee:

- 1) Annual fee revenue would vary based on the level of building permit activity. Based on historical data from the past ten years, the fee would generate between \$1.5 million and \$2.5 million annually for state purposes. In addition, the fee would generate several hundred thousand dollars annually for local jurisdictions' administrative purposes and code enforcement education.
- 2) The Building Standards Commission (BSC) will incur costs, funded through fee revenues, of \$500,000 in the first year and \$450,000 ongoing for five positions related to new statewide training and educational workload, including supporting building code development for green buildings, outreach, technical assistance, and training and education to affected state agencies and local governments. The commission will incur significant additional costs for

producing educational and training materials and providing the training statewide.

- 3) HCD and the State Fire Marshal will incur similar costs, funded through the fee revenues, as the BSC.

COMMENTS: According to the author's office, "Four state agencies, (Department of Housing and Community Development (HCD), Building Standards Commission (BSC), Division of the State Architect and the Office of Statewide Health Planning & Development (OSHPD) are presently developing the first set of green building standards for the State of California. It is anticipated that these building standards will be adopted by the Building Standards Commission during the third quarter of this year. Upon adoption and publication of the green building standards, these state agencies will commence work on the second iteration of these standards.

"There is no statutory requirement that would have these agencies update these green building standards on a regular basis (similar to other building standards). While the current Administration certainly plans to update these regulations, there is no requirement that future administrations will continue to follow this path. An example of this in current statute is the requirement for the California Energy Commission to update their building energy efficiency standards on a regular basis.

"If the Building Standards Commission and HCD will be updating these regulations on a very regular basis over the next decade, these agencies will need an adequate level of funding to conduct the ongoing code-development and adoption process, including limited investigation and research. And just as important as the code-development process, these agencies will need adequate resources to allow for the ongoing preparation of education and training material needed by local code enforcement personnel and industry."

The California Building Standards Law defines building standards and establishes the BSC and the process for adopting state building codes. Under this process, relevant state agencies propose amendments to model building codes, which the BSC must then adopt, modify, or reject. For example, HCD is the relevant state agency for residential building codes, OSHPD is responsible for hospitals and clinic, and the State Architect is the relevant agency for schools and emergency service buildings.

Under current law, local governments may amend state building standards if they make a finding that the amendments are reasonably necessary because of local climatic, geological, or topographical conditions.

The BSC, HCD, the State Architect, and the OSHPD are presently developing the first set of green building standards for California. It is anticipated that these building standards will be adopted by the BSC by the end of 2008. Many of the proposed standards, especially with respect to non-residential construction, are voluntary. However, according to the BSC, a more stringent set of standards will likely be adopted in 2010.

The BSC is reimbursed for its costs by fees paid by the state agencies seeking the BSC's adoption or amendment of building codes.