

MEMORANDUM
(REVISED November 19, 2007)

TO: County Council

FROM: Kathleen Boucher, Senior Legislative Attorney *KWB*
Amanda Mihill, Legislative Analyst *AM*

SUBJECT: **Introduction: Bill 31-07, Real Property – Energy Performance Audits**

Bill 31-07, Real Property – Energy Performance Audits, sponsored by Councilmembers Berliner and Elrich, is scheduled to be introduced on November 20, 2007. A public hearing is tentatively scheduled for January 17, 2008 at 7:30 p.m.

The bill prohibits the sale of a single-family residential building for which a home inspection is completed unless the home inspection includes a home energy audit conducted by a qualified home energy performance rater. The rater must prepare a written report which: (1) contains findings and recommendations for improving the home's energy efficiency; (2) identifies energy efficiency improvements which would generate energy cost savings that would fully or partially fund the cost of improvements; and (3) identifies any public or private financing mechanism known to the home energy performance rater that could be used to impellent energy efficiency improvements.

This bill is identical to the version of Bill 31-07 that was distributed to Councilmembers on Friday, November 16 except that it:

- (1) Deletes language requiring a blower door test;**
- (2) Requires that a home energy audit be conducted only if a home inspection is completed; and**
- (3) Authorizes the Director of the Department of Permitting Services to delay the effective date of the bill for up to 1 year if the market rate for a home energy audit is not reasonable.**

This packet contains:

Bill 31-07

Legislative Request Report

Circle #

1

4

Bill No. 31-07
Concerning: Real Property – Energy
Performance Audits
Revised: 11/19/07 Draft No. 2
Introduced: November 20, 2007
Expires: May 20, 2009
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

**COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND**

By: Councilmembers Berliner and Elrich

AN ACT to:

- (1) require that a home energy audit be conducted as a part of a home inspection completed in connection with the sale of a single-family residential building; and
- (2) generally amend the law relating to real property, energy, and environmental policy.

By adding

Montgomery County Code
Chapter 40, Real Property
Section 40-13A

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

1 **Sec. 1. Section 40-13A is added as follows:**

2 **40-13A. Energy performance audits – single family homes.**

3 (a) Definitions. In this Section, the following words have the meanings
4 indicated:

5 “Department” means the Department of Environmental Protection.

6 “Director” means the Director of the Department or the Director’s
7 designee.

8 “Home energy audit” means an evaluation of the energy efficiency of a
9 home which includes:

10 (1) A thermographic scan; and

11 (2) Any other test or diagnostic measurement which the Department
12 finds necessary to:

13 (A) Ensure that a home’s energy efficiency is accurately
14 measured; or

15 (B) Identify steps that can be taken to improve a home’s
16 energy efficiency.

17 “Qualified home energy performance rater” means an individual who:

18 (1) Is certified by RESNET as a home energy performance rater; or

19 (2) Meets other equivalent requirements approved by the Director.

20 “RESNET” means the Residential Energy Services Network.

21 “Single-family home” means a single-family detached or attached
22 residential building.

23 “Thermographic scan” means a test to detect heat loss and air leakage in
24 a building using infrared scanning.

25 (b) Home energy audit. If a home inspection is completed in connection
26 with the sale of a single-family home, the home inspection must include

27 a home energy audit conducted by a qualified home energy performance
 28 rater.

29 (c) Report. The qualified home energy performance rater must prepare a
 30 written report for the buyer before the home is sold which:

31 (1) Contains findings and recommendations for improving the
 32 home's energy efficiency;

33 (2) Identifies energy efficiency improvements which would generate
 34 energy cost savings that would fully or partially fund the cost of
 35 the improvements; and

36 (3) Identifies any public or private financing mechanisms known to
 37 the home energy performance rater that could be used to
 38 implement energy efficiency improvements.

39 (d) Costs. The buyer must pay for the home energy audit unless the seller
 40 agrees to pay for the audit as a condition of a sales contract.

41 (e) Applicability. This Section does not apply to the initial sale of a
 42 covered building under Section 8-54.

43 **Sec. 2. Applicability.**

44 (a) Subject to subsection (b), Section 40-15, as added by Section 1 of this
 45 Act, applies to any sales contract signed on or after January 1, 2009.

46 (b) The Director of the Department of Permitting Services may delay the
 47 applicability of Section 40-15, as added by Section 1 of this Act, for up
 48 to 1 year if the Director finds that:

49 (1) there is an insufficient number of qualified home energy
 50 performance raters doing business in the County on January 1,
 51 2009; or

52 (2) the market rate for a home energy audit is unreasonable.

LEGISLATIVE REQUEST REPORT

Bill 31-07

Real Property – Energy Performance Audits

DESCRIPTION: Require a home energy audit to be conducted as a part of a home inspection completed in connection with the sale of a single-family residential building.

PROBLEM: Existing homes, particularly older homes, are often energy inefficient. There are currently very few programs that assist homeowners in making important energy efficiency retrofits to reduce energy consumption.

GOALS AND OBJECTIVES: To assist homeowners in obtaining an analysis of how a home's energy efficiency can be improved.

COORDINATION: Department of Environmental Protection.

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Kathleen Boucher, Senior Legislative Attorney (240) 777-7940
Amanda Mihill, Legislative Analyst (240) 777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: Class A violation.