

MEMORANDUM

TO: County Council

FROM: ~~W~~ Amanda Mihill, Legislative Attorney *amihill*
Michael Faden, Senior Legislative Attorney

SUBJECT: **Action:** Bill 10-14, Buildings – Solar Permits – Expedited Review

Transportation, Infrastructure, Energy and Environment Committee recommendation (2-0): enact Bill 10-14 with amendments to:

- allow a fast track permit process for installations on a single family detached home; and
- require the Department to set standardized fees by Method 2 regulation.

Bill 10-14, Buildings – Solar Permits – Expedited Review, sponsored by Councilmembers Berliner, Floreen, and Riemer, Council Vice President Leventhal, Council President Rice, and Councilmembers Elrich, Andrews, and Navarro, was introduced on January 28, 2014. A public hearing was held by the Committee on February 11 and a Transportation, Infrastructure, Energy and Environment Committee worksession was held on February 26.

As introduced, Bill 10-14 would require the Department of Permitting Services to implement an expedited review process for permits to install rooftop solar photovoltaic systems and require the Department to charge reduced fees for those permits.

Councilmember Berliner explained the purpose of this Bill in his January 14 memorandum describing his proposed energy/environmental package (©8).

The Fiscal and Economic Impact statement for this Bill are on ©12. DPS estimates lost revenue of \$187,000 per year, assuming that 12 permits are filed each week and the permit fees are reduced by 50%.

Committee Discussion/Recommendation

Should these permits be treated as expedited permits? The Maryland National Capital Building Industry Association (BIA) noted that these permits may be part of a larger permit application and not easily separated for expedited review and urged the County to instead continue to improve the overall permit review and approval process. While Council staff agrees that continued improvements to the overall process are beneficial, enacting this bill could provide an incentive for residents to install these environment-friendly devices.

Amendment proposed by the Executive staff Diane Jones, Director of the Department of Permitting Services urged the Committee to amend Bill 10-14 to allow a fast track permit process for installations on a single family detached home and require the Department to set standardized fees by Method 2 regulation. The Committee (2-0, Councilmember Floreen temporarily absent) supported these amendments and recommended enactment of Bill 10-14 as amended.

This packet contains:

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Bill No. 10-14
Concerning: Buildings – Solar Permits – Expedited Review
Revised: 3/4/2014 Draft No. 2
Introduced: January 28, 2014
Expires: July 28, 2015
Enacted: _____
Executive: _____
Effective: _____
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmembers Berliner, Floreen, and Riemer, Council Vice President Leventhal, Council President Rice, and Councilmembers Elrich, Andrews, and Navarro

AN ACT to:

- (1) require the Department of Permitting Services to implement ~~[[an expedited]]~~ a fast track review process for permits to install rooftop solar photovoltaic systems for single family detached homes that meet standardized requirements adopted by the Department;
- (2) require the Department to ~~[[charge reduced]]~~ set fees for permits to install rooftop solar photovoltaic systems for single family detached homes that meet standardized requirements adopted by the Department; and
- (2) generally amend County law regarding building permits.

By adding

Montgomery County Code
Chapter 8, Buildings
Section 8-24C

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 8-24C is added as follows:**

2 **8-24C. Expedited review process for a solar photovoltaic system.**

3 The Department must adopt [[an expedited]] a fast track review process for
4 each permit to install a rooftop solar photovoltaic system for a single family
5 detached home that meets standardized requirements adopted by the Department.

6 The Department must set the application fee by Executive Regulation adopted
7 under Method 2 for each permit to install a rooftop solar photovoltaic system for a
8 single family detached home that meets standardized requirements adopted by the
9 Department [[must not exceed half the amount the Department charges for a
10 similar permit]].

11 *Approved:*

12
13
14 _____
14 Craig L. Rice, President, County Council

Date

15 *Approved:*

16
17
18 _____
18 Isiah Leggett, County Executive

Date

19 *This is a correct copy of Council action.*

20
21
22 _____
22 Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 10-14

Buildings – Solar Permits – Expedited Review

DESCRIPTION: Would require the Department of Permitting Services to implement an expedited review process for permits to install rooftop solar photovoltaic systems, and to charge reduced fees for those permits.

PROBLEM: Permitting times and costs may discourage some residents from applying for permits to install certain renewable energy devices, including solar photovoltaic systems.

GOALS AND OBJECTIVES: To encourage residents to increase the use of solar photovoltaic systems.

COORDINATION: Department of Permitting Services

FISCAL IMPACT: To be requested.

ECONOMIC IMPACT: To be requested.

EVALUATION: To be requested.

EXPERIENCE ELSEWHERE: To be researched.

SOURCE OF INFORMATION: Amanda Mihill, 240-777-7815

APPLICATION WITHIN MUNICIPALITIES: To be researched.

PENALTIES: N/A



ROCKVILLE, MARYLAND

MEMORANDUM

February 5, 2014

TO: Craig Rice, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECTS: Bill 2-14, Environmental Sustainability – Buildings – Benchmarking
Bill 3-14, Buildings – Energy Efficiency – Energy Standards
Bill 4-14, Street and Roads – County Street Lights
Bill 5-14, Environmental Sustainability – Social Cost of Carbon Assessments
Bill 6-14, Environmental Sustainability - Office of Sustainability – Established
Bill 7-14, Contracts and Procurement – Certified Green Business Program
Bill 8-14, Buildings – County Buildings – Clean Energy Renewable Technology
Bill 9-14, Environmental Sustainability – Renewable Energy – County Purchase
Bill 10-14, Buildings – Solar Permits – Expedited Review
Bill 11-14, Buildings – Electric Vehicle Charging Station Permits – Expedited Review

As required by Section 2-81A of the County Code, we are informing you that transmittal of the fiscal and economic impact statements for the above referenced legislation will be delayed because more time is needed to coordinate with the affected departments, collect information, and complete our analysis of the fiscal and economic impacts. While we are not able to conduct the required detailed analyses at this time, it is clear that a number of these bills could have significant fiscal impacts.

Due to this year's heavy workload on Executive branch staff in developing both a full capital budget and an operating budget, the fiscal and economic statements will be transmitted after March 17, 2014.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Marc P. Hansen, Office of the County Attorney
Robert Hagedoorn, Department of Finance
David Platt, Department of Finance
Alex Espinosa, Office of Management and Budget
Mary Beck, Office of Management and Budget
Nacem Mia, Office of Management and Budget
Felicia Zhang, Office of Management and Budget

TESTIMONY ON BEHALF OF COUNTY EXECUTIVE ISIAH LEGGETT

ON ENVIRONMENTAL AND SUSTAINABILITY PACKAGE

Bills 2-14, 3-14, 4-14, 5-14, 6-14,7-14, 8-14, 9-14, 10-14, 11-14, 12-14

February 11, 2014

Good evening Council President Rice and members of the County Council. My name is Bonnie Kirkland and I am pleased to be here on behalf of County Executive Isiah Leggett to testify on the package of environmental and sustainability measures introduced on February 4, 2014 by Councilmember Berliner and others. Mr. Leggett supports Councilmember Berliner's initiative and the Council's efforts to address the need for more sustainable development in Montgomery County. Following up on recommendations from the Sustainability Workgroup, this package of renewable energy, energy efficiency and sustainability measures will take the County to the next level of environmental excellence.

Sustainable development has been defined as meeting the needs of the present without compromising the ability of future generations to meet their own needs.¹ The path forward requires understanding and planning: understanding how existing buildings perform and how planned buildings are expected to perform; and designing buildings and other infrastructure that reduce materials consumption, reuse materials, reduce energy consumption and maximize the use of renewable resources.

County Executive Leggett recognizes that the path forward will involve substantial change and commitment on the part of both the public sector and the private sector. He is committed to working with the Council on this package during the coming weeks to develop the most progressive and reasonable legislation achievable that will balance both the compelling need to achieve sustainable development and the budgetary realities faced by the County and our local businesses to fully implement the approved changes the legislative package requires.

Stewardship for future generations has been a cornerstone of Mr. Leggett's Smart Growth Initiative in terms of planning for future growth at appropriate transit oriented locations. The County Executive applauds Councilmember Berliner's and the sponsoring council members' vision and recognition of the need for stewardship of our precious resources for future generations.

¹ International Institute for Sustainable Development quoting from the World Commission on Environment and Development (WCED). *Our common future*. Oxford: Oxford University Press, 1987 p. 43.

Mihill, Amanda

From: Faden, Michael
Sent: Tuesday, February 11, 2014 1:24 PM
To: Mihill, Amanda
Subject: FW: Energy Bills Testimony

From: Robert Kaufman [mailto:rkaufman@mncbia.org]

Sent: Tuesday, February 11, 2014 12:44 PM

To: Berliner's Office, Councilmember; Riemer's Office, Councilmember; Floreen's Office, Councilmember; Leventhal's Office, Councilmember; Rice's Office, Councilmember; Elrich's Office, Councilmember; Andrews's Office, Councilmember; Navarro's Office, Councilmember; Branson's Office, Councilmember; Hoyt, Bob

Cc: Goldstein, Steven; Gibson, Cindy; Faust, Josh; Healy, Sonya; Jones, Diane; Wright, Gwen; Zyontz, Jeffrey; Orlin, Glenn; Faden, Michael; Michaelson, Marlene; McMillan, Linda; Kelly Grudziecki; Bruce H. Lee; Bryant F. Foulger; Bob Harris; William Kominers; selmendorf@linowes-law.com; tdugan@shulmanrogers.com; Montenegro@ballardspahr.com; Pharr, Shaun; Clark Wagner; JRussel@roddgers.com; Paul Chod; Steve Robins; Steve Orens; Ilaya Hopkins; Ilana Branda; lisetracey@yahoo.com; gitaliano@bccchamber.org; Jane Redicker; Annette Rosenblum; mjackson@mncbia.org; dswenson@mncbia.org

Subject: Energy Bills Testimony



Please accept the following as Testimony on behalf of the MNCBIA concerning the various Energy related bills introduced by Councilmember Berliner and others.

Bills 11-14 and 10-14 Expedited Review

We understand and appreciate the desire to provide an expedited review as an incentive to promote use of energy saving technology, the facts however suggest that all new buildings and remodeling meet substantially higher standards of energy efficiency and all deserve efficient review and approval. Especially since passage of the 2012 Building and Energy Code changes, all new and remodeled buildings today provide substantial energy savings and efficiencies. Additionally, identifying specific permits to expedite may not be as simple as it seems given the complexities of today's permits and construction techniques. The Solar permits or charging permits may be part of a much larger permit application and may not be easily separated for expedited review. The MNCBIA recently established a Solar Energy Program with ASTRUM Solar to encourage use of Solar installations on new homes and would in fact benefit from an expedited process.

Instead, however, we urge the County to continue to improve the overall permit review and approval process so that an expedited review becomes moot. We draw attention to and gratefully acknowledge the recent announcement by DPS to institute an electronic plan submission for new construction and right-of-way permits and look forward to other improvements.

Bill 6-14 Environmental Sustainability Office

Given the real world changes to our land use regulations and building codes, an office of sustainability best serves the County as a comprehensive planning approach that encourages coordination and balance to maximize use and maintenance of our complex systems that tie together smart growth planning, land use planning, building use, land use and transportation. **We support encouraging MNCPPC to create a position of a sustainability planner in MNCPPC** where we do our forward thinking. The Department of Environmental Protection provides guidance and support for land use related issues and environmental stewardship of our land. Sustainability implies economics, construction,

government policy, business management, coordination, building technology as well as land use most of which remain outside the purview of DEP.

Bill 3-14 Building Standards - LEED Silver

New buildings today increasingly meet a minimum of LEED or other similar certification such as IgCC and Green Globes.

The LEED Silver level continues to evolve and relies on land use based issues as well and energy efficiencies that cannot be easily achieved. **We prefer continuing to allow the market place to work toward green options** particularly in light of the new energy and building codes and prefer capitalizing on the current market trend toward green certification at the LEED certified, IgCC and Green Globes levels.

Bill 2-14 Benchmarking

Currently we operate on a whole new set of energy saving requirements for all new and remodeled buildings based on the 2012 Building and Energy Codes. In addition, nearly all new buildings today meet LEED certified or similar standard. Benchmarking becomes excessive under these circumstances. Additionally, we need to agree on what purpose the benchmarking serves: As currently developed by EPA, the benchmarking relates largely to greenhouse gas emissions and not costs or energy use. This promotes use of natural gas and renewable energy sources over use of coal, oil, or other carbon based fuel. Today the cost of gas remains comparatively low, this results often in cost savings, however, most users have little say over the source of fuel used to generate electricity and cannot easily switch to gas or renewable sources. Should gas prices rise, than any cost savings may evaporate. Nonetheless, we support the concept of encouraging and supporting efforts to benchmark the energy use of buildings if only to set goals for energy savings over time. **We urge the Council to set up a working group to identify ways to best create, support, encourage and measure building energy use that can be cost effective and manageable.** Especially problematic concerns the requirement to set up benchmarking apparatuses for residential and commercial tenants, or owners of condo space within buildings.

The use of benchmarking can result in the highest energy savings with existing buildings. This unfortunately places the greatest cost burden on the most affordable buildings with the lowest rents, both residential and commercial. Clearly if the investment in energy savings saves money, the owners, tenants and the County have a natural incentive to set up benchmarking. **We urge the County to form a working groups of existing building owners and tenants to consider the most effective way to encourage, support and afford energy re-commissioning.**

S. Robert Kaufman
Vice President, Government Affairs
Maryland National Capital Building Industry Association
1738 Elton Road
Suite 200
Silver Spring, Maryland 20903
bkaufman@mncbia.org
(301) 445-5408 Office
(301) 768-0346 Cell

BIA's Networking Happy Hour – Feb. 20
& FREE Business Development Class
[Click here](#) for details and to register

FIL Speaker Series with Bryant Foulger – Feb. 21
Join us for breakfast. [Click here](#)

Celebrity Chefs & Tabletop Night – March 27
Be a Chef or just come to eat. [Click here](#) for details

Check out NAHB's Member Advantage Program at www.nahb.org/ma

**BUILDING HOMES & CREATING NEIGHBORHOODS FOR 60 YEARS
1954-2014**



MONTGOMERY COUNTY COUNCIL
ROCKVILLE, MARYLAND

ROGER BERLINER
COUNCILMEMBER
DISTRICT I

CHAIRMAN
TRANSPORTATION, INFRASTRUCTURE
ENERGY & ENVIRONMENT COMMITTEE

January 14, 2014

Dear Colleagues,

Next week I will be introducing a package of 13 energy/environmental measures that are designed to ensure that Montgomery County remains at the sustainability forefront. I would be pleased to have you cosponsor some or all of these measures.

These measures focus on renewable energy, energy efficiency, transportation, and government accountability. I have attached a fact sheet that gives a brief description of each of them, and of course would be happy to discuss any of them in greater detail should you have questions.

I was inspired by our Council's decision to assert its leadership in the context of reducing the gap in income disparities by passing a local minimum wage law. I think all of us appreciate that the federal government has become so dysfunctional that we can expect little progress on many of the issues we care deeply about. Indeed, Bruce Katz of Brookings recently described the federal government as a "large health insurance company with an army." His thesis, which I share, is that our governing paradigm has shifted from a top down led by the federal government to a bottom up led by local governments like ours.

I say all of this because we need to do more if we are to address climate change. It is obviously not a hoax and we know what we need to do to address it. We need to use less energy and cleaner energy. Period. This package of bills is taken in many instances from what other leading jurisdictions are doing – from Chicago to Seattle to California and New York states. They are a mix of leading by example, rewarding green businesses, supporting market forces, adopting more exacting standards, and holding our county government accountable.

Holding ourselves accountable is important. When the Council passed a similar package in 2008, we tasked a Sustainability Working Group with the principle responsibility for guiding our County to achieve our formal goal of reducing greenhouse gas emissions by 80 percent by 2050. It is time now to make this a core government

responsibility, and this package includes a measure that will create an Office of Sustainability within DEP whose principal responsibility will be to monitor how we are doing and to help develop the policies and practices that will get us to where we need to be.

I hope you will join me in making sure Montgomery County burnishes its reputation as a community that embraces sustainability at our core.

Sincerely,

A handwritten signature in black ink, appearing to be the initials 'BB' followed by a horizontal line.

**FACT SHEET ON
COUNCILMEMBER BERLINER'S 13 ENERGY/ENVIRONMENT LEGISLATIVE INITIATIVES**

Councilmember Roger Berliner (D-1), Chair of the Montgomery County Transportation, Infrastructure, Energy & Environment Committee, will be introducing 13 energy/environmental measures on January 21. The measures are designed to underscore and support the County's commitment to sustainability and would (1) promote increased energy efficiency; (2) increase use of renewable energy; (3) decrease consumption of gasoline and support electric vehicles; and (4) create more accountability and responsibility within County government for achieving the County's goal of reducing greenhouse gas emissions 80% by 2050. Below is a brief description of each of these measures:

Renewable Energy

- **Renewable Energy Purchasing – 50% Renewables by 2015; 100% by 2020** – Today the County purchases approximately 30% of its energy from renewable energy resources. Washington, DC; Austin, Texas; and Portland, Oregon are already at 100% renewable energy.
- **Renewables Onsite** – This bill, modeled after a recently passed law in Prince George's County, would require new or extensively remodeled county buildings, to generate at least 1 kilowatt of renewable energy for every 1,000 square feet of floor area.
- **Greentaping Solar** – Two of the impediments to increased solar utilization are the cost and time involved in getting permits. This measure, patterned after a successful program in Chicago, requires our Department of Permitting Services to devise an expedited and less costly process for solar related permits.
- **Solar Zoning Accommodation** – Current set back requirements limit the use of solar in residential dwellings. This ZTA would modestly amend our zoning laws to permit solar to extend 2 feet into the side or rear setback.

Energy Efficiency

- **Benchmarking Buildings** – This legislation, modeled after laws in New York, Chicago, and the District of Columbia, would require building owners to measure the energy efficiency of their buildings, make that information public, and periodically commit to ensuring that their energy efficiency equipment is working properly. It is designed to work with the recently passed PACE program to create market based incentives for building owners to increase the efficiency of their buildings. Information provided would aid tenants in forecasting future utility costs.
- **Silver LEED for New Buildings** – Current county law requires new commercial buildings to be LEED certified, while county buildings must meet the more environmentally stringent Silver standard. This bill would require all new commercial buildings to meet Silver LEED.

- Cost of Carbon -- The use of conventional fuels, particularly coal, extracts a cost on society that is not reflected in its price. These "external" costs should be factored into the cost/benefit calculations that the county utilizes when it assesses the potential for energy efficiency improvements. This bill would require the County to use EPA's "social cost of carbon" calculation or a comparable methodology for those purposes.
- LED Street Lighting -- It is generally recognized that LED lighting is far more energy efficient and requires far less maintenance. This bill would require DOT, upon the expiration of its current contract for street lighting, to contract with an LED company.

Transportation

- EV Infrastructure -- Electric Vehicles will only become mainstream when there are sufficient charging stations to inspire confidence in the public. California recently passed legislation requiring all new buildings over a certain size to be "EV ready." This ZTA would require all new buildings to install 1 EV charging station for every 50 parking spaces.
- Greentaping EV stations -- Just as in solar installations, EV charging stations can be subject to a lengthy and costly permitting process. This bill would require DPS to institute an expedited and less costly permitting process.
- Teleworking -- Teleworking is becoming far more common and accepted. Other jurisdictions, including Fairfax, have made significantly more progress in establishing teleworking goals and meeting them. This legislation would require the County Executive to publish regulations that set forth a definitive teleworking policy and a requirement to designate a telecommuting manager.

Government Incentives & Accountability

- Create an Office of Sustainability within DEP -- This bill would create a new Office of Sustainability within DEP. When the Council passed legislation in 2008, it tasked a Sustainability Working Group with the responsibility of guiding our County's greenhouse gas reduction implementation. It is now time to make this a fundamental responsibility of the county government and to hold ourselves accountable.
- County Green Certified Businesses -- The County has created a program whereby a local business can be "green certified" by adopting good sustainable practices. This bill calls upon the County Executive to issue regulations that would give a preference in contracting to local businesses that are green certified.



ROCKVILLE, MARYLAND

MEMORANDUM

April 18, 2014

TO: Craig Rice, President, County Council

FROM: Jennifer A. Hughes, Director, Office of Management and Budget
Joseph F. Beach, Director, Department of Finance

SUBJECT: FEIS for Council Bill 10-14, Building - Solar Permits - Expedited Review

Please find attached the fiscal and economic impact statements for the above-referenced legislation.

JAH:fz

cc: Bonnie Kirkland, Assistant Chief Administrative Officer
Lisa Austin, Offices of the County Executive
Joy Nurmi, Special Assistant to the County Executive
Patrick Lacefield, Director, Public Information Office
Joseph F. Beach, Director, Department of Finance
Michael Coveyou, Department of Finance
David Platt, Department of Finance
Robert Hagedoorn, Department of Finance
Diane Jones, Director, Department of Permitting Services
Dennis Hetman, Office of Management and Budget
Alex Espinosa, Office of Management and Budget
Felicia Zhang, Office of Management and Budget
Naeem Mia, Office of Management and Budget

Fiscal Impact Statement
Council Bill 10-14 Buildings – Solar Permits – Expedited Review

1. Legislative Summary.

Bill 10-14 would require the Department of Permitting Services to implement an expedited review process for permits to install rooftop solar photovoltaic systems and require the Department to charge reduced fees for those permits.

2. An estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in the recommended or approved budget. Includes source of information, assumptions, and methodologies used.

DPS expects 12 permits a week or 624 per year with a 50% reduced rate of approximately \$168 per Electrical Permit (\$336 current average fee) and \$132 per Building Permit (\$264 current average fee). Estimates for total revenue are \$3,600 per week or \$187,000 per year and match estimated lost revenue with the fee cut in half. Total revenue would be subject to the 5% Automation Fee.

3. Revenue and expenditure estimates covering at least the next 6 fiscal years.

Revenue estimates are \$186,888 for the first year with escalations over the next six. DPS assumes an annual increase of ten percent (10%) per year over the next six years for a total loss of \$1.4 million attributed to the fifty-percent (50%) reduction in permit fees.

2015 = \$186,888

2016 = \$205,577

2017 = \$227,135

2018 = \$248,748

2019 = \$273,623

2020 = \$300,986

Total loss over the six year period: \$1,442,957. DPS does not assume any substantive increase in permits in year one due to the current cost of solar panels. As the technology becomes more affordable the Department estimates an annual 10% escalation in volume.

4. An actuarial analysis through the entire amortization period for each bill that would affect retiree pension or group insurance costs.

Not applicable.

5. Later actions that may affect future revenue and expenditures if the bill authorizes future spending.

The legislation does not authorize future spending.

6. An estimate of the staff time needed to implement the bill.

There will be no additional staff time needed to implement the regulation. All training will be incorporated into regularly scheduled staff meetings. The permits associated with this Bill will be part of the same plan reviews and inspections staff currently conduct. The Department averages 12 permits processed per week with an average time frame to

issue permits of five to six business days. The targeted time frame for expedited review will be one working day to issue a permit.

7. An explanation of how the addition of new staff responsibilities would affect other duties.

Not applicable.

8. An estimate of costs when an additional appropriation is needed.

No additional appropriation will be needed.

9. A description of any variable that could affect revenue and cost estimates.

The number of permit applications will impact projected revenues loss. DPS estimates approximately 12 permits a week or 624 per year with a 10% annual increase over the next six years assuming the use of solar panels becomes more prevalent.

10. Ranges of revenue or expenditures that are uncertain or difficult to project.

Not applicable

11. If a bill is likely to have no fiscal impact, why that is the case.

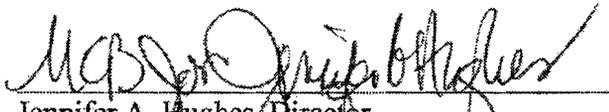
Not applicable.

12. Other fiscal impacts or comments.

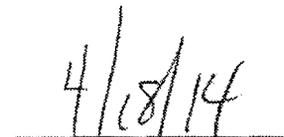
Not applicable.

13. The following contributed to and concurred with this analysis:

Hadi Mansouri, Chief Operating Officer DPS
Barbara Suter, Management Budget Specialist DPS
Dennis Hetman, OMB



Jennifer A. Hughes, Director
Office of Management and Budget



Date

Economic Impact Statement
Bill 10-14, Buildings – Solar Permits – Expedited Review

Background:

This legislation would require the Department of Permitting Services (DPS) to implement an expedited review process for permits to install rooftop solar photovoltaic systems and require DPS to charge reduced fees for permits.

1. The sources of information, assumptions, and methodologies used.

DPS and the Office of Management and Budget provided assumptions and data that are incorporated into the development of the economic impact statement. Those assumptions include the number of permits per week arriving into DPS, the cost of the electrical permit, and the cost of the building permit.

2. A description of any variable that could affect the economic impact estimates.

The variables that could affect the economic impact are:

- The number of permits arriving into DPS per week. DPS estimates that 12 permits arrive each week for a total of 624 permits per year.
- DPS estimates that total amount of revenue lost from Bill 10-14 would be approximately \$187,000 per year.
- DPS also assumes that the annual amount of revenues lost would increase ten percent (10%) per year over the next six years for a total loss of \$1.4 million attributed to the fifty-percent (50%) reduction in permit fees.
- DPS will create a “refer back” program for standardized plans which will entail less reviews and provide savings to DPS in the review process.

3. The Bill’s positive or negative effect, if any on employment, spending, saving, investment, incomes, and property values in the County.

Based on the data provided by DPS, businesses requesting *and* obtaining solar permits would achieve a business saving of \$187,000 the first year and reach over \$300,000 by FY2020. While, business obtaining solar permits would achieve an economic benefit; the amount is modest compared to the total effect on the County’s economy. This Bill would have no direct economic impact on employment, spending, saving, investment, and property values in the County.

4. If a Bill is likely to have no economic impact, why is that the case?

Please see #3

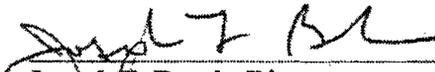
Economic Impact Statement
Bill 10-14, Buildings – Solar Permits – Expedited Review

5. The following contributed to or concurred with this analysis:

David Platt and Rob Hagedoorn, Department of Finance

Hadi Mansouri, Department of Permitting Services

Dennis Hetman, Office of Management and Budget



Joseph F. Beach, Director
Department of Finance

4-9-14

Date