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## Environment & Energy Committee

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### HB 1433

**Brief Description:** Concerning energy labeling of residential buildings.

**Sponsors:** Representatives Duerr, Ramel, Fitzgibbon, Berry, Reed and Doglio.

#### Brief Summary of Bill

- Directs the Department of Commerce (Commerce) to adopt by rule the asset-based home energy score developed by the United States Department of Energy as the primary home energy performance scoring system by which a person may evaluate the energy efficiency and relative greenhouse gas emissions of the building.
- Directs the Department of Licensing (DOL) to adopt rules and implement a program for the licensing of home energy assessors.
- Prohibits, beginning September 1, 2024, a person from engaging in, conducting business, advertising, or holding himself or herself out as a home energy assessor without first obtaining a license.

**Hearing Date:** 1/24/23

**Staff:** Robert Hatfield (786-7117).

#### **Background:**

##### United States Department of Energy Home Energy Score.

The Home Energy Score was developed by the United States Department of Energy to provide home owners, buyers, and renters directly comparable and credible information about a home's energy use. The Home Energy Score report estimates home energy use, associated costs, and provides energy solutions to cost-effectively improve the home's efficiency.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

### Department of Licensing.

The Department of Licensing (DOL) regulates a number of businesses and professions. The DOL issues licenses and ensures compliance with professional standards and laws.

### Home Inspector Advisory Licensing Board.

Home inspectors must be licensed under the rules adopted by the Home Inspector Advisory Licensing Board, a seven-member board appointed by the Director of DOL that develops standards of professional conduct, practice, and ethics for licensed home inspectors.

### Business and Professions Account.

The Business and Professions Account (Account) is created in the State Treasury. All receipts from business or professional licenses, registrations, certifications, renewals, examinations, or civil penalties assessed and collected by the Department of Licensing (DOL) in conjunction with the licensing of certain specified professions must be deposited into the Account. Expenditures from the Account may be used only for expenses incurred in carrying out these business and professions licensing activities of the DOL.

### Uniform Regulation of Business and Professions Act.

The Uniform Regulation of Business and Professions Act governs the licensure and discipline of certain business professions licensed by the DOL and consolidates disciplinary procedures for those businesses and professions.

### **Summary of Bill:**

#### Asset-Based Home Energy Score.

By December 31, 2023, the Department of Commerce (Commerce) must adopt by rule the asset-based home energy score developed by the United States Department of Energy as the primary home energy performance scoring system by which a person may assign a residential building a score for the purpose of evaluating the energy efficiency and relative greenhouse gas emissions of the building.

Rules adopted by Commerce must include specified elements for labeling graphics and information for a home energy score, including, among others:

- current home energy score, on a relative scale of one to 10, with 10 being best;
- the amount of energy use per year by fuel type;
- the annual cost of energy, in dollars, by fuel type and total cost;
- recommendations for improving energy savings. Home improvement recommendations may include, but are not limited to, windows, and wall, roof, attic, and floor insulation;
- an itemized estimated energy savings, in dollars per year, after itemized recommended priority improvements are completed; and
- a statement indicating that the report meets state standards for home energy score assessments.

#### Licensing of Home Energy Assessors.

The Department of Licensing (DOL), in cooperation with the Department of Commerce (Commerce), must, by December 31, 2023, adopt rules and establish procedures for the licensing of home energy assessors that will be conducting home energy assessments.

Beginning September 1, 2024, a person may not engage in, conduct business, advertise, or hold himself or herself out as engaging in or conducting the business of or acting in the capacity of a home energy assessor within the state without first obtaining a license. The Director of the DOL must begin issuing licenses for home energy assessors on January 1, 2024.

A person licensed as a home energy assessor is responsible for assigning a home energy score using the home energy performance score system adopted by Commerce. The assessment must include all work needed to assign a home energy score. The Home Inspector Advisory Licensing Board (Board) must establish any standards of practice necessary to be used as the minimum standards for an assessment.

In administering the home energy assessor licensing program, the Director of the DOL must:

- adopt, amend, and rescind rules approved by the Board as deemed necessary to carry out the home energy assessor licensing program;
- recognize training prepared by other entities as approved by the Board;
- adopt standards of professional conduct, practice, and ethics as approved by the Board; and
- adopt fees to cover the cost of administering the home energy assessor licensing program.

In administering the home energy assessor licensing program, the Board must:

- establish the minimum qualifications for licensing applicants for licensure as a home energy assessor;
- approve the method of training required by the home energy assessor licensing program;
- approve the training prepared by other entities for adoption by the Director of the DOL; and
- establish and review standards of professional conduct, practice, and ethics for adoption by the Director of the DOL.

In order to become licensed as a home energy assessor, an applicant must submit the following to the DOL:

- an application on a form developed by the DOL;
- proof of training as approved by the Board; and
- the fee in the amount set by the DOL.

Licenses issued under the home energy assessor licensing program are valid for a period of two years and expire on the applicant's second birthday following issuance of the license.

The term "licensed home energy assessor" and the license number of the assessor must appear on all advertising, correspondence, and documents incidental to a home energy assessor. However, businesses and organizations that conduct national or interstate general marketing and

advertising campaigns may omit the license number of the assessor in advertising as long as it is included on all documents incident to a home energy assessment.

A licensed home energy assessor must provide a written report of the home energy assessment to each person for whom the inspector performs a home inspection within a time period set by the Board by rule. The issues to be addressed in the report must be set by the Board by rule in consideration of the home energy performance score system adopted by Commerce.

The DOL has the authority to issue civil infractions in the following instances:

- conducting or offering to conduct a home energy assessment without being licensed;
- presenting or attempting to use as his or her own the home energy assessment license of another;
- giving any false or forged evidence of any kind to the Director of DOL or the Director's authorized representative in obtaining a license;
- falsely impersonating any other licensee; or
- attempting to use an expired or revoked license.

All fines and penalties collected or assessed by a court due to a violation of the above provisions must be remitted to the DOL to be deposited into the Business and Professions Account.

The Uniform Regulation of Business and Professions Act governs unlicensed practice, the issuance and denial of licenses, and the discipline of licensees under the home energy assessor licensing program.

Persons licensed as home energy assessors in other states may become licensed as home energy assessors under the home energy assessor licensing program if the other state has licensing requirements that meet or exceed those required under the home energy assessor licensing program.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.