

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: HB377 **Patron:** Bennett-Parker
Bill Title: Uniform Statewide Building Code; amendments; energy efficiency and conservation.

Bill Summary: Requires the Board of Housing and Community Development (the Board) to adopt amendments to the Uniform Statewide Building Code within 18 months of publication of a new version of the International Code Council's (ICC) International Energy Conservation Code (IECC) to incorporate the latest IECC standards related to energy efficiency and conservation. The bill requires the Board to adopt Building Code standards that are at least as stringent as those contained in the new version of the IECC.

Budget Amendment Necessary: Yes **Items Impacted:** 105 (DHCD)
Explanation: This bill involves the Department of Housing and Community Development and localities; a general fund budget amendment is required to implement the provisions of the bill.

Fiscal Summary: It is anticipated that the Department of Housing and Community Development (DHCD) will require additional general fund appropriation of \$310,000 annually along with two positions under Item 105, HB30/SB30, to implement this bill. An additional \$75,000 is required every three years starting in FY2028.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DHCD (165)		\$310,000	\$385,000	\$310,000	\$310,000	\$385,000
TOTAL		\$310,000	\$385,000	\$310,000	\$310,000	\$385,000

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
DHCD (165)		2	2	2	2	2
TOTAL		2	2	2	2	2

Fiscal Analysis: This impact statement is preliminary. The bill requires adoption of updated IECC standards within 18 months of publication and implementation within 12 months after adoption, while also requiring determinations of relative stringency and consideration of energy savings, air quality benefits, and initial construction costs. DHCD states that Building Code updates are administered through a multi-year regulatory process that typically spans approximately 24 months. The bill's timelines would require initiation of work on new IECC editions before completion of the current code cycle, resulting in overlapping regulatory activities. DHCD indicates that current staffing resources are fully committed to completion and implementation of the 2024 code cycle and related support functions.

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To comply with the bill, DHCD estimates the need for two additional full-time positions within the State Building Codes Office to provide ongoing capacity to manage concurrent code development cycles. DHCD estimates combined annual personnel costs of \$280,000. In addition to personnel costs, DHCD anticipates non-personal services costs associated with code book publishing and printing. DHCD works with ICC to produce Virginia-specific code books incorporating Commonwealth amendments into the model codes. This process typically takes nine months and begins only after the Board approves final changes. The bill's accelerated adoption timeline would require corresponding acceleration of code book development, which DHCD indicates would increase publisher costs charged by ICC and passed through to the agency. These additional costs would recur on a per-code cycle basis, generally every three years when updated code books are published. DHCD also estimates \$30,000 in other administrative and support costs, including stakeholder coordination and technical materials.

Other: None.