

Multiple Agency Fiscal Note Summary

Bill Number: 1458 HB	Title: Embodied carbon/buildings
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Fiscal note not available											
Department of Enterprise Services	1.0	401,300	401,300	401,300	1.0	422,800	422,800	422,800	1.0	359,800	359,800	359,800
Total \$	1.0	401,300	401,300	401,300	1.0	422,800	422,800	422,800	1.0	359,800	359,800	359,800

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
Department of Enterprise Services	3.3	951,100	951,100	3.0	872,000	872,000	3.0	872,000	872,000
Total \$	3.3	951,100	951,100	3.0	872,000	872,000	3.0	872,000	872,000

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Agency Name	2025-27	2027-29	2029-31
	Total	Total	Total
Staff	951,100	872,000	872,000
Total \$	951,100	872,000	872,000

Prepared by: Kirti Vijay, OFM	Phone: (360) 688-0976	Date Published: Preliminary 2/ 5/2025
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Individual State Agency Fiscal Note

Bill Number: 1458 HB	Title: Embodied carbon/buildings	Agency: 179-Department of Enterprise Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	189,100	212,200	401,300	422,800	359,800
Total \$	189,100	212,200	401,300	422,800	359,800

Estimated Capital Budget Impact:

	2025-27		2027-29		2029-31	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	515,100	436,000	436,000	436,000	436,000	436,000
Other	0	0	0	0	0	0
Total \$	515,100	436,000	436,000	436,000	436,000	436,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Elizabeth Allison	Phone: 360-786-7129	Date: 01/29/2025
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 02/03/2025
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 02/03/2025
OFM Review: Kirti Vijay	Phone: (360) 688-0976	Date: 02/04/2025

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 1 adds a new section to RCW 19.27 that directs the State Building Code Council (SBCC) to adopt and amend rules as necessary to accomplish the embodied carbon emissions reductions (ECER) required in section 8 of this act. The SBCC shall consult with the appropriate state agencies to develop these standards, including the Department of Enterprise Services (DES), the Department of Commerce (COM), the Department of Ecology (ECY), the University of Washington (UW), and other interested parties. The section states the ECER established in section 8 of this act shall apply to all new construction, additions, and renovations 50,000 square feet or larger of any building covered by the international commercial building code. The SBCC may introduce further criteria as building data is collected over time.

Section 2 adds a new section to RCW 19.27 stating building projects that maintain at least 45 percent of an existing structure and envelope comply with the ECER requirements established in section 8 of this act. The SBCC shall adopt rules to determine how 45 percent reuse of an existing structure and envelope will be calculated and excludes hazardous materials or assemblies that are not compliant with energy code requirements.

Section 3 adds a new section to RCW 19.27 stating all building projects must demonstrate, and require in the construction documents, that embodied carbon emissions of the covered products used, measured in terms of global warming potential for at least 90 percent of covered products and summed up at the project level, meets the goals established in section 8 of this act when compared to the project's summed industry average global warming potential. Building projects must use project-specific material quantities and product and facility-specific environmental product declarations to demonstrate compliance. The SBCC shall adopt rules to define covered products; determine how the 90 percent of covered products shall be calculated; create or designate a template reporting form; and may include additional covered materials. A building project's design professional of record shall update quantity and embodied carbon emissions calculations based on product and facility-specific environmental product declarations from procured products and attest that they are accurate and comply with the construction documents requirements, and shall provide a letter stamped as verified as accurate within the industry standard of care.

Section 4 adds a new section to RCW 19.27 that states as an alternative to the requirements of section 3 of this act, building projects may demonstrate the ECER using a whole building life-cycle assessment as compared against a functionally equivalent reference building. The reference building must be of the same size, geographic location, function, type, and thermal performance, but the materials and material quantities may vary provided the buildings are functionally equivalent. Whole building life-cycle assessments and any modeling software used must comply with international standards. The SBCC shall adopt rules to require compliance with quantification standard for building life-cycle greenhouse gas emissions. Alternatively, the SBCC may adopt to specify required building element scope, life-cycle stages, reference study periods, impact categories, allowable data sources, biogenic carbon modeling and reporting guidance, material reuse and salvage reporting guidance, and at which design stages the assessment should occur. The SBCC shall define the covered products that, at a minimum, shall be included in the scope. The design professional of record responsible for the embodied carbon calculations and reporting shall be specified in the architect of record construction documents, and stamp an attestation that the designed building complies with this section. The attestation shall be submitted along with the permit and documents showing compliance. The SBCC shall provide a worksheet to be completed by project teams for consistent reporting.

Section 5 adds a new section to RCW 43.30 that states COM will create and maintain a database for all ECER data for the design professional of record to enter. COM shall develop a public-facing website with educational resources, including the ECER requirements in the state building code, to support implementation. The department shall conduct random audits on three percent of projects annually.

Section 6 adds a new section to RCW 19.27 and adds definitions that apply throughout this chapter unless the context clearly requires otherwise.

Section 7 adds a new section to RCW 19.27 that states the SBCC shall convene an ECER technical advisory group (TAG) pursuant to RCW 19.27.033 for the purpose of recommending modifications and limitations to the international building code (IBC) adopted by Washington regarding ECER standards for residential and nonresidential buildings. This section also stated who, at a minimum, should be part of this TAG. It also states the TAG shall provide its recommendations to the council in time for the council to adopt or amend rules or codes as necessary for implementation in the 2030 IBC. Also, the council shall take action to adopt additions and amendments to rules or codes as necessary by July 1, 2026.

Section 8 is a new section to RCW 19.27 that states the SBCC shall require product and facility-specific environmental product declarations and project reporting for covered products in the 2024 code cycle. The SBCC shall adopt state building codes in the 2027 and 2030 code cycles that incrementally move towards achieving the 30 percent reduction in annual embodied carbon emissions. The SBCC shall report its progress by December 31, 2028, and every three years thereafter. COM shall report major findings from the database of projects and audits required in section 5 of this act on the same timeline.

This proposed legislation has fiscal impact to DES.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This proposed legislation would require the SBCC to consult with various entities regarding embodied carbon (Section 1), create templates and worksheets (Section 3 & 4), convene an embodied carbon TAG (Section 7), and submit a report every three years starting in 2028. The Council staff does not have the capacity or the expertise to manage this work. An additional 1.0 FTE (Management Analyst) will be needed.

The SBCC would need to convene a specialized TAG to conduct work to bring embodied carbon into code until the adoption of the 2030 code by December 2031. This would require the SBCC to meet in FY26 for an additional council meeting with eight council members, six advisory meetings with two members, one special public hearing with one member and one executive committee meeting with six members to begin work to establish these codes. FY27 would require an additional council meeting with eight council members, twenty advisory meetings with two members, one special public hearing with one member and one executive committee meeting with six members. FY28 and FY29 would each need an additional council meeting with eight council members, six advisory meetings with two members, and one executive committee meeting with six members. FY30 and going forward would require twenty advisory meetings. All other future meetings could be absorbed in the regular meeting cycles.

Travel costs for an SBCC member to attend a meeting are as follows:

- Round-trip air travel: \$527
- Per Diem: \$235
- Rental car: \$50
- Parking: \$12
- Total: \$824/day

Travel Cost breakout - FY26:

1 Council Meeting X \$824 X 8 members = \$6,592
6 Advisory Meetings X \$824 X 2 member = \$9,888
1 Special Public Hearing X \$824 X 1 members = \$824

1 Executive Committee Meetings X \$824 X 6 members = \$4,944 Total travel costs: \$22,248

Travel Cost breakout - FY27:

1 Council Meeting X \$824 X 8 members = \$6,592

20 Advisory Meetings X \$824 X 2 member = \$32,960 1 Special Public Hearing X \$824 X 1 members = \$824

1 Executive Committee Meetings X \$824 X 6 members = \$4,944 Total travel costs: \$45,320

Travel Cost breakout - FY28 and FY29:

1 Council Meeting X \$824 X 8 members = \$6,592

20 Advisory Meetings X \$824 X 2 member = \$32,960

1 Executive Committee Meetings X \$824 X 6 members = \$4,944 Total travel costs: \$44,496

Travel Cost breakout - FY30 and beyond:

20 Advisory Meetings X \$824 X 2 member = \$32,960 Total travel costs: \$32,960

DES assumes that a contract will be required for consultation services with embodied carbon experts to utilize the latest information, findings, and science to achieve the best outcomes for embodied carbon rules that meet the intent and requirements of Section 1. The estimated cost is \$20,000 per year from FY26 through FY29.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	189,100	212,200	401,300	422,800	359,800
Total \$			189,100	212,200	401,300	422,800	359,800

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	98,000	98,000	196,000	196,000	196,000
B-Employee Benefits	34,200	34,200	68,400	68,400	68,400
C-Professional Service Contracts	20,000	20,000	40,000	40,000	
E-Goods and Other Services	14,700	14,700	29,400	29,400	29,400
G-Travel	22,200	45,300	67,500	89,000	66,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	189,100	212,200	401,300	422,800	359,800

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Management Analyst 5	98,040	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
057-1	State Building Construction Account	State	515,100	436,000	951,100	872,000	872,000
Total \$			515,100	436,000	951,100	872,000	872,000

IV. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	3.5	3.0	3.3	3.0	3.0
A-Salaries and Wages	369,800	316,800	686,600	633,600	633,600
B-Employee Benefits	122,600	99,700	222,300	199,400	199,400
C-Professional Service Contracts					
E-Goods and Other Services	22,700	19,500	42,200	39,000	39,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	515,100	436,000	951,100	872,000	872,000

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Construction Estimate	FY 2026	FY 2027	2025-27	2027-29	2029-31
Predesign/Design					
Construction					
Grants/Loans					
Staff	515,100	436,000	951,100	872,000	872,000
Other					
Total \$	515,100	436,000	951,100	872,000	872,000

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Construction Project Coordinator 3	105,612	3.0	3.0	3.0	3.0	3.0
Enterprise Contracts & Procurement Spec 3	93,348	0.3		0.2		
WMS 3	125,000	0.2		0.1		
Total FTEs		3.5	3.0	3.3	3.0	3.0

DES expects that due to the new requirements of this proposed legislation, contract and agreement documents, instructions, project management manual and other resources for DES project management will need considerable updating and staff would need training. DES estimates this will require 0.2 of a WMS 3 for one year.

DES assumes that contracts would need to be amended for reporting requirements listed in this proposed legislation. It is estimated that approximately 600 contracts would need to be amended which would require 0.3 of an Enterprise Contracts & Procurement Specialist 3 (ECPS3) for one year.

DES assumes that the new regulations proposed in this legislation would increase the workload of a project manager (Construction Project Coordinator 3) (CPC3) for compliance oversight of around 1,000 active projects. Three (3) additional FTEs would be needed to support this ongoing work.

It is unknown at this time how the requirements of this legislation will impact construction costs, but it is assumed that any increases will be incorporated into future estimates.

The Facility Professional Services (FPS) staffing estimates, which were included in the agency’s 2025-27 Capital Budget proposal, do not include the additional resources required by this proposed legislation. Should the proposed legislation be enacted, this funding would need to be added to our FPS staffing appropriation.

Impacts to future capital project costs as a result of this proposed change are dependent on the capital budget projects and priorities funded by the Legislature and are unknown at this time. Should this or other proposed legislation impacting staffing levels pass, the Facility Professional Staffing model should be updated to include the additional FTEs in the DES Capital Budget.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1458 HB	Title: Embodied carbon/buildings
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Potential staff time and travel expenses.
- ☒ Counties: Same as above.
- ☒ Special Districts: Same as above.
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☒ Key variables cannot be estimated with certainty at this time: Staff time and travel costs necessary to attend advisory group meetings.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 02/03/2025
Leg. Committee Contact: Elizabeth Allison	Phone: 360-786-7129	Date: 01/29/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/03/2025
OFM Review: Kirti Vijay	Phone: (360) 688-0976	Date: 02/04/2025

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation requires the State Building Code Council to establish rules targeting emissions reductions which are applicable to new construction, addition, and renovation projects of 50,000 square feet or more.

Section 7 is a new section added to chapter 19.27 RCW which requires the council to convene an Embodied Carbon Emission Reductions Technical Advisory Group pursuant to RCW 19.27.033. The advisory group shall prepare recommendations for modifications and limitations to the international building code adopted by the state with regard to embodied carbon emissions reductions standards for residential and nonresidential buildings. The advisory group shall include a local government building official and a fire official.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate expenditure impact on the two local government members of the advisory group.

It is unknown if these representatives will be from cities, counties, or fire districts. It is also unknown if travel will be required of local government members of the advisory group or if their involvement will allow virtual meetings/calls. Certain details of the advisory group such as the number of times the advisory group would convene, and the location or venue of in-person meeting(s) are not known at this time. Therefore, the impacts to expenditures from this section are indeterminate.

For the purposes of this fiscal note, the Local Government Fiscal Note program assumes this work is part of the members' regularly assigned duties and will incur no additional cost to local governments.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill does not impact local government revenues.