



February 10, 2009

Representative Elsie Arntzen  
Chairwoman  
House Local Government Committee

Rep. Arntzen:

The Montana Building Industry Association (MBIA) is a nonprofit trade association representing over 2300 small Montana businesses. On an annual basis, MBIA members build between 75 – 85% of all new homes in Montana.

MBIA is wholly committed to improving the energy efficiency and environmental friendliness of homes built across Montana. This past June, we released our “Montana Green Building Guidelines” that allow new homes throughout Montana to be certified at different levels of environmental friendliness.

Our Green Build Guidelines have been in development for over 7 years and have been crafted in partnership with over 40 different public and private groups, including the Environmental Protection Agency, The Montana Department of Environmental Quality, U.S Department of Energy, Energy Star, and the National Association of Home Builders. Recently the American National Standard Institute (ANSI) has certified our program. Additionally we are recognized by the International Codes Council, the body that develops and reviews building codes used throughout the world.

The guidelines, which cover 6 different aspects of green building, will successfully bring a level of green to a large swath of Montana residents currently priced out of the more expensive green build programs.

It is important to note that our Green Building program is entirely voluntary, which promotes environmental conservation while ensuring that workforce housing does not get lost in the efforts to conserve.

Though our program is voluntary, it is by no means ineffective. Our standards are affiliated with the National Home Builders Association (NAHB) Green Building Program and each home will be certified utilizing approved verification methods and protocol adopted by the NAHB Research Center.

We have enrolled over 200 Montana construction companies in our Green Build program. Two hundred companies is roughly equivalent to 30% of all residential construction companies doing business in the state of Montana.

We estimate that over 30% of new homes built in Montana during 2008 incorporated green building components; however these homes are receiving no recognition. Based on national trends and strong interest from homebuilders in Montana, we believe that 60% of new homes will be "green built" by 2015.

Many Montanans are already living in houses that are partially green. We don't need mandates to expand that base; we need incentives, education, and promotion of green benefits.

We come before this committee as opponents of HB420. Though we believe the bill aims to achieve a laudable goal, it presents many technical issues.

It is important to note that the International Energy Conservation Code (IECC) is subject to significant scrutiny, review, amendments, and testing before it is adopted.

Currently, The International Codes Council (ICC) is responsible for the adoption of a multitude of building codes, which are adopted and enforced on the state level. The ICC is a not for profit association made up of local building inspectors, scientists, and builders from across the globe.

Each building code approved by the ICC follows a 3 year timeline of public comments, debate, amendments, and adoption. Any amendment to a particular code is considered and debated based upon its merits, costs, advantages and difficulty. The process is strikingly similar to that of the Montana Legislature.

After the ICC adopts a building code, the state of Montana engages in an administrative process of adopting and enforcing the code in Montana. The code has additional public hearings and is subject to an amendment process in front of the Montana Building Code Advisory Committee, which is appointed by the Governor.

At each step of the process, local governments, building officials, and members of the public can provide input on the stringency of the code and make a case for the adoption of additional amendments.

As previously mentioned, continued gains in the energy efficiency of new homes is a top priority for our association, though we are just as concerned with the ever increasing cost of workforce housing. And while we understand the desire to reduce carbon emission from within our state, we have significant concerns regarding the cost effectiveness of the proposed bill.

The ICC process considers the cost effectiveness and efficiency of each new code. The traditional rule of thumb for the ICC is a 7- year payback on energy savings from any new code feature.

Generally speaking, amendments brought outside of the ICC process are cost prohibitive. While HB420 is forward looking, it is important not to sacrifice the immediate future of Montana's working families by pricing them out of the housing market.

We believe the best way to reduce Montana's carbon footprint is through consumer education, builder incentives, and easy to use voluntary guidelines.

Additionally, if each local government were authorized to adopt their own set of guidelines, it would create a very difficult compliance situation for many homebuilders. Typically, most home construction companies operate over a 100 mile or greater radius. If HB420 were to pass, homebuilders could be subject to 10 or more different variations of a very technical, very detailed energy code.

To be clear, green building is a top priority for our association. However, protecting affordable workforce housing is a higher priority. We are opposed to any new mandates that increase the cost of building a new home, costs that will be passed on to new homebuyers.

Once again, we are supportive of the laudable goal contained within HB420, however we believe the best approach to achieve this goal is to work through public education, consumer incentives, and easy-to-use voluntary guidelines. We encourage your support in promoting our Green Build Guidelines, as this program will make significant headway in creating a more energy efficient Montana.

Sincerely,

Dustin Stewart  
Executive Director  
Montana Building Industry Association