

---

## OLR Bill Analysis

### SHB 5041 (as amended by House "A" and "B")\*

#### ***AN ACT CONCERNING HOME ENERGY AFFORDABILITY FOR HOME RENTERS.***

#### **SUMMARY**

This bill requires landlords, when listing or offering certain dwelling units for rent, to provide a qualifying home energy label for the units. With certain exceptions, the requirement is phased-in based on the average percentage of gross household income spent on home heating and electricity costs (i.e., average energy burden) in the municipality in which the unit is located. Under the bill's schedule, the requirement applies to certain municipalities beginning July 1, 2023, and then, eventually, to all municipalities by July 1, 2026. The bill exempts certain dwelling units, including those:

1. with rent payments that include a fixed amount for all electricity, natural gas, or heating fuel costs;
2. located in a building (a) built since January 1, 2000, or (b) in which the building's landlord resides, but only through July 1, 2026; or
3. for which a home energy label was not available to the landlord for a cost of \$75 or less.

Additionally, the bill specifies qualifying home energy labels and allows the Department of Energy and Environmental Protection (DEEP) commissioner to qualify additional labels, replace an existing label, and develop a state-specific label.

\*House Amendment "A" (1) specifies that certain actions the DEEP commissioner takes related to home energy labels are not contested cases under the Uniform administrative Procedures Act; (2) requires these actions to be conducted in consultation with relevant stakeholders;

and (3) exempts dwelling units from the label requirement if a label would exceed \$75.

\*House Amendment "B" eliminates a provision allowing municipalities to establish a civil penalty for violations.

EFFECTIVE DATE: January 1, 2023

### **PROVIDING THE HOME ENERGY LABEL**

Under the bill, if a landlord is subject to the home energy label requirement and lists a unit for rent by using a service, organization, or facility involved in the business of selling or renting dwelling units (e.g., a multiple listing service or real estate brokers' organization), then the landlord must provide the label for the unit through the listing business used. If a unit is instead offered through any other means, the bill requires the landlord to provide a unit's label to prospective tenants who visit the unit. In both circumstances, landlords must include with the label a hyperlink to the website containing the label's corresponding report.

### **MUNICIPAL PHASE-IN SCHEDULE**

Table 1 provides the bill's schedule through which the home energy label requirement applies to a unit if a census tract within the municipality where it is located has the requisite average energy burden.

**Table 1: Home Energy Label Municipal Phase-In Schedule**

<b><i>Effective Date</i></b>	<b><i>Municipalities Subject to Home Energy Label Requirements</i></b>
On or after July 1, 2023	Those containing a census tract in which the average energy burden is at least 10%
On or after July 1, 2024	Those containing a census tract in which the average energy burden is at least 6%
On or after July 1, 2025	Those containing a census tract in which the average energy burden is at least 4%
On or after July 1, 2026	All municipalities

The bill requires the Department of Housing (DOH) and DEEP

commissioners, annually by March 1, to publish on the agencies' websites a list of municipalities that meet the above schedule criteria based on the U.S. Department of Energy's Low-Income Energy Affordability Data Tool, or a successor tool.

### **QUALIFYING HOME ENERGY LABELS**

Under the bill, a "home energy label" is (1) a U.S. Department of Energy Home Energy score, (2) a Home Energy Rating System Index score, (3) an Energy Star score, or (4) other labels selected by DEEP commissioner. In selecting additional labels, the DEEP commissioner must consider certain factors, including a label's:

1. efficiency, regarding the labeling process;
2. clarity, regarding a residence's estimated energy efficiency;
3. standardization;
4. compatibility with existing nationally recognized labels; and
5. reliability.

Additionally, the commissioner may (1) replace an existing home energy label and (2) develop a state-specific label and corresponding report as she prescribes. The bill specifies that the commissioner's label selection, replacement, or development is not a contested case under the state's Uniform Administrative Procedure Act. It requires that these actions be conducted in consultation with relevant stakeholders the commissioner identifies.

### **COMMITTEE ACTION**

Housing Committee

Joint Favorable

Yea 13    Nay 2    (03/15/2022)