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**SECOND SUBSTITUTE HOUSE BILL 1433**

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**State of Washington**

**68th Legislature**

**2023 Regular Session**

**By** House Appropriations (originally sponsored by Representatives Duerr, Ramel, Fitzgibbon, Berry, Reed, and Doglio)

READ FIRST TIME 02/24/23.

1 AN ACT Relating to energy labeling of residential buildings;  
2 adding a new section to chapter 19.27A RCW; adding a new chapter to  
3 Title 18 RCW; creating a new section; and prescribing penalties.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The legislature finds that improving the  
6 energy efficiency of, and reducing greenhouse gas emissions from,  
7 existing residential buildings, including detached single-family  
8 homes, is critical to meeting the state's climate goals. The  
9 legislature further finds that making information about energy  
10 efficiency and greenhouse gas emissions available to homebuyers will  
11 help homebuyers make more informed decisions and that this  
12 information will cause the market to better value the efficiency and  
13 the greenhouse gas impacts of energy consumed in a home. The  
14 legislature further finds that home energy labeling programs have  
15 proven to be effective in other states.

16 Therefore, the legislature intends to establish a method for  
17 energy labeling of existing residential buildings.

18 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.27A  
19 RCW to read as follows:

1 (1) (a) By June 30, 2024, the department of commerce must adopt by  
2 rule the asset-based home energy score developed by the United States  
3 department of energy as the primary home energy performance scoring  
4 system by which a person may assign a residential building a score  
5 for the purpose of evaluating the energy efficiency and relative  
6 greenhouse gas emissions of the building.

7 (b) Asset-based systems measure the performance of the building  
8 itself and are not affected by the number of occupants or their  
9 behavior. The department of commerce may update its rules as it deems  
10 necessary.

11 (2) Rules adopted by the department of commerce must include the  
12 following information for labeling graphics and information for a  
13 home energy score:

14 (a) Current home energy score, on a relative scale of one to 10,  
15 with 10 being best;

16 (b) Amount of energy use per year by fuel type;

17 (c) Unit prices, by fuel type, used to calculate energy costs;

18 (d) Annual cost of energy, in dollars, by fuel type and total  
19 cost;

20 (e) Estimated current carbon emissions in carbon dioxide  
21 equivalent tons per year. This measure must be depicted on a relative  
22 performance graphic scale from zero to 15 so that a report reader can  
23 visualize how a specific home compares to the worst and best possible  
24 greenhouse gas outcomes. Estimated emissions are to employ utility-  
25 specific emissions factors for all sources of consumed energy;

26 (f) Sets of itemized recommendations for priority and for  
27 additional energy saving improvements. Priority improvements are  
28 those having an expected full economic payback of 10 or fewer years;

29 (g) Recommendations for improving energy savings. Home  
30 improvement recommendations may include, but are not limited to,  
31 windows, and wall, roof, attic, and floor insulation;

32 (h) Estimated home energy score after recommended priority  
33 improvements are completed;

34 (i) Itemized estimated energy savings, in dollars per year, after  
35 itemized recommended priority improvements are completed;

36 (j) Estimated carbon reduction, in percent per year, after  
37 recommended priority improvements are completed;

38 (k) Amount of renewable energy generated by the home in kilowatt-  
39 hours per year, if any;

1 (l) Assessor information including the date of assessment, date  
2 of score expiration, name of assessor, assessor contact information,  
3 name of assessor's employer, and assessor's license number;

4 (m) The address of the building being scored;

5 (n) Conditioned floor area, in square feet, of the building being  
6 scored;

7 (o) Year the building being scored was constructed;

8 (p) A statement indicating that the report meets Washington state  
9 standards for home energy score assessments; and

10 (q) Other certifications for which the building has qualified,  
11 including any energy efficiency and green building program  
12 certification information including, but not limited to,  
13 certifications from local programs, energy star, leadership in energy  
14 and environmental design, and the national green building standard.

15 (3) Subject to subsection (4) of this section, a home energy  
16 score is not required by this section.

17 (4) Cities and counties, either by themselves or in partnership  
18 with other cities and counties, may promote or administer home energy  
19 score programs.

20 (5) The department of commerce may adopt by rule requirements  
21 under which home energy assessors who are certified under chapter  
22 18.--- RCW (the new chapter created in section 15 of this act) must  
23 report to the department the home energy performance scores assigned  
24 by the home energy assessors. This subsection does not allow for the  
25 reporting of individual addresses of residential structures or the  
26 names of individual homeowners, but does allow for the reporting of  
27 information regarding the jurisdiction in which a residential  
28 structure is located and the utility services provided to the  
29 residential structure, any specific energy efficiency features of the  
30 residential structure, and other information that allows the  
31 department of commerce to make an aggregated evaluation of energy  
32 savings attributable to energy efficiency. The department of commerce  
33 must keep and maintain a database of home energy information reported  
34 to the department under this subsection.

35 NEW SECTION. **Sec. 3.** The definitions in this section apply  
36 throughout this chapter unless the context clearly requires  
37 otherwise.

38 (1) "Board" means the home inspector advisory licensing board  
39 created in RCW 18.280.040.

1 (2) "Director" means the director of the department of licensing.

2 (3) "Entity" or "entities" means educational groups or  
3 organizations, national organizations or associations, or a national  
4 test organization.

5 (4) "Home energy assessment" means a professional examination of  
6 a residential building for the purpose of assigning a home energy  
7 score using the home energy score system adopted by the department of  
8 commerce in accordance with section 2 of this act.

9 (5) "Home energy assessor" means a person who carries out a home  
10 energy assessment, using special training and education in order to  
11 assign a home energy score that must include the characteristics  
12 described in section 2(2) of this act and any other information that  
13 the department of commerce may require.

14 (6) "Report" means a written report prepared and issued by a home  
15 energy assessor after a home energy assessment.

16 NEW SECTION. **Sec. 4.** The department of licensing, in  
17 cooperation with the department of commerce, must, by June 30, 2025,  
18 adopt rules and establish procedures for the licensing of home energy  
19 assessors that will be conducting home energy assessments, as  
20 outlined in section 2 of this act.

21 NEW SECTION. **Sec. 5.** (1) Beginning March 1, 2026, a person may  
22 not engage in, conduct business, advertise, or hold himself or  
23 herself out as engaging in or conducting the business of or acting in  
24 the capacity of a home energy assessor within the state without first  
25 obtaining a license as provided in this chapter.

26 (2) The director must begin issuing licenses under this section  
27 on July 1, 2025.

28 NEW SECTION. **Sec. 6.** A person licensed under this chapter is  
29 responsible for assigning a home energy score using the home energy  
30 performance score system adopted by the department of commerce as  
31 required in section 2 of this act. The assessment must include all  
32 work needed to assign a home energy score. The board must establish  
33 any standards of practice necessary to be used as the minimum  
34 standards for an assessment.

35 NEW SECTION. **Sec. 7.** In administering this chapter, the  
36 director must:

1 (1) Adopt, amend, and rescind rules approved by the board as  
2 deemed necessary to carry out this chapter;

3 (2) Recognize training prepared by other entities as approved by  
4 the board;

5 (3) Adopt standards of professional conduct, practice, and ethics  
6 as approved by the board; and

7 (4) Adopt fees as provided in RCW 43.24.086. Any fees collected  
8 under the authority of this chapter must be deposited into the  
9 business and professions account created in RCW 43.24.150.

10 NEW SECTION. **Sec. 8.** In administering this chapter, the board  
11 must:

12 (1) Establish the minimum qualifications for licensing applicants  
13 as provided in this chapter;

14 (2) Approve the method of training required by this chapter or by  
15 rule as established by the director;

16 (3) Approve the training prepared by other entities for adoption  
17 by the director; and

18 (4) Establish and review standards of professional conduct,  
19 practice, and ethics for adoption by the director.

20 NEW SECTION. **Sec. 9.** In order to become licensed as a home  
21 energy assessor, an applicant must submit the following to the  
22 department of licensing:

23 (1) An application on a form developed by the department of  
24 licensing;

25 (2) Proof of training as approved by the board; and

26 (3) The fee in the amount set by the department of licensing.

27 NEW SECTION. **Sec. 10.** Licenses issued under this chapter are  
28 valid for a period of two years and expire on the applicant's second  
29 birthday following issuance of the license.

30 NEW SECTION. **Sec. 11.** The term "licensed home energy assessor"  
31 and the license number of the assessor must appear on all  
32 advertising, correspondence, and documents incidental to a home  
33 energy assessor. However, businesses and organizations that conduct  
34 national or interstate general marketing and advertising campaigns  
35 may omit the license number of the assessor in advertising as long as  
36 it is included on all documents incident to a home energy assessment.

1        NEW SECTION.    **Sec. 12.**    A licensed home energy assessor must  
2 provide a written report of the home energy assessment to each person  
3 for whom the inspector performs a home inspection within a time  
4 period set by the board by rule. The issues to be addressed in the  
5 report must be set by the board by rule in consideration of the home  
6 energy performance score system adopted by the department of commerce  
7 as outlined in section 2 of this act.

8        NEW SECTION.    **Sec. 13.**    (1) The uniform regulation of business  
9 and professions act, chapter 18.235 RCW, governs unlicensed practice,  
10 the issuance and denial of licenses, and the discipline of licensees  
11 under this chapter.

12        (2) All fines and penalties collected or assessed for regulatory  
13 actions taken by the department of licensing must be deposited into  
14 the business and professions account created in RCW 43.24.150.

15        NEW SECTION.    **Sec. 14.**    Persons licensed as home energy assessors  
16 in other states may become licensed as home energy assessors under  
17 this chapter if the other state has licensing requirements that meet  
18 or exceed those required under this chapter.

19        NEW SECTION.    **Sec. 15.**    Sections 3 through 14 of this act  
20 constitute a new chapter in Title 18 RCW.

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