

## Energy Efficiency Disclosure for New Homes FAQ

August 26, 2009

A new state law went into effect July 1, 2009 that requires residential builders to disclose certain energy efficiency details when selling new homes. The South Dakota Homebuilders Association and the South Dakota Public Utilities Commission have received some questions regarding the new requirement. This document attempts to answer those questions.

- **What exactly is the new requirement?**

Gov. Mike Rounds signed Senate Bill 64 into law on March 30, 2009. The new law, now found in South Dakota Codified Law (SDCL) as 11-10-7 through 11-10-10, has four parts:

1. SDCL 11-10-7 adopts the International Energy Conservation Code (IECC) of 2006 as the voluntary standard for new residential construction in South Dakota.
2. SDCL 11-10-8 creates a new requirement for those building or selling previously unoccupied residential buildings to disclose to the buyer or prospective buyer information regarding the energy efficiency of the building.
3. SDCL 11-10-9 allows certain federal disclosure regulations to be used as an alternative in some cases.
4. SDCL 11-10-10 lays out the form to be used in disclosing information to the buyer or prospective buyer.

- **What is the purpose of this new requirement?**

This law is meant to provide buyers of new homes with information regarding the energy efficiency of the home without requiring the builder to build to an energy code. The requirement also gives builders using the most efficient techniques a market incentive to do so. Fuel efficiency disclosure for new vehicles is a good analogy. In that case, dealers are required to disclose the fuel efficiency of new vehicles. If the buyer wants to buy a model with a lower efficiency rating, the buyer at least has the chance to make a well-informed decision.

- **Do I have to build to the IECC 2006 or some other energy code?**

No. The form simply requires you to disclose to the buyer that you either did or did not.

- **Do I have to get some sort of energy efficiency certification?**

No. Again, the form only requires disclosure to the buyer.

- **Do I have to install an Energy Star certified water heater or heating/cooling system?**

No. Again, the form only requires disclosure to the buyer.

- **What if I built to a different or higher energy efficiency standard?**

That's great! Question 2 in Part 1 of the disclosure statement gives you the opportunity to take credit for that investment.

- **What if I have done other things I think will improve overall energy efficiency of my home?**

There is a section within the disclosure statement labeled "Part 4. Builder's Notes and Comments" that gives you the option to list or explain additional information not requested elsewhere on the form.

- **What if my answer will not fit in the space provided or needs to be qualified?**

Again, there is a section within the disclosure statement labeled "Part 4. Builder's Notes and Comments" that gives you the option to list or explain additional information not requested elsewhere on the form.

- **Is there an enforcement mechanism if this law is not followed?**

No new state government inspection, enforcement or compliance process has been created with regard to this new state law. Homebuilders will have the same obligation they have always had, which is to honestly answer questions asked of them to the best of their ability.

- **Which counties are in Zone 5? Zone 6?**

Zone 5:	Bennett Bon Homme Charles Mix Clay Douglas	Gregory Hutchinson Jackson Mellette	Todd Tripp Union Yankton
Zone 6:	Aurora Beadle Brookings Brown Brule Buffalo Butte Campbell Clark Codington Corson Custer Davison Day Deuel Dewey Edmunds Fall River	Faulk Grant Haakon Hamlin Hand Hanson Harding Hughes Hyde Jerauld Jones Kingsbury Lake Lawrence Lincoln Lyman Marshall McCook	McPherson Meade Miner Minnehaha Moody Pennington Perkins Potter Roberts Sanborn Shannon Spink Stanley Sully Turner Walworth Ziebach

