

NEW BILL ELIMINATES THE NONRESIDENTIAL BUILDING ENERGY USE DISCLOSURE PROGRAM

On October 8, 2015, Governor Brown signed into law AB 802 eliminating the Nonresidential Building Energy Use Disclosure Program as of December 31, 2015. Specifically, AB 802 mandates the transition from the current energy use disclosure program (Public Resource Code Section 25402.10, more commonly known as AB 1103) to a new, yet to be determined, program. However, it is important to understand that until December 31, 2015, property owners of qualifying buildings larger than 10,000 square feet are still required to disclose building energy use at the time of a sale, lease, finance, or refinance of the buildings.

Under AB 802, which becomes effective on January 1, 2016, nonresidential building owners and operators will no longer need to disclose energy benchmarking or “whole building” data to prospective buyers, lessees of an entire building, or lenders. Rather, only utilities will be required to disclose “whole building data” within four weeks of a request by an owner/operator.

During 2016, the California Energy Commission will develop regulations regarding the disclosure of energy use data and establish a reporting infrastructure for the new program. The Energy Commission staff expects to have the new program in place by January 1, 2017.

For questions on how the new law may impact you, your business or a future transaction, contact the experienced attorneys of Hoge Fenton's **Real Estate and Land Use group**.

Primary Contact

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