

TO: Members of the Joint Committee on Administrative Rules

From: Kevin McNeely, Founder and President, McNeely Building Group LLC

Re: Testimony on JCAR Rule 25-19: Part. 10 Michigan Uniform Energy Code
and JCAR Rule 25-20: Part 5 Residential Building Code

Date: March 12th, 2025

Adopting the 2024 International Residential Building Code (2024 IRC) and 2024 International Energy Conservation Code (2024 IECC) instead of the 2021 International Residential Building Code (2021 IRC) and 2021 International Energy Conservation Code (2021 IECC):

125.1504 of The Stille-Derossett-Hale Single State Construction Code Act (CCA) sets the timeline for the Director to update the Michigan codes regulating the construction of buildings. The timeline is set as “...*not less frequently than once every 6 years or more frequently than once every 3 years ...*” (emphasis added).

The current version of the Michigan Residential Building Code and the Michigan Residential Energy Code were adopted based on the 2015 IRC and the 2015 IECC. The timeline for code adoption *requires* the 2021 code to be adopted, allowing for the 2024 code to be skipped – if the Director deems skipping the 2024 code to be appropriate.

Payback provisions defined in the State Construction Codes Act:

125.1502a of the CCA defines the term “Cost Effective” to be used:

- “**Considers** the perspective of a typical first-time home buyer.”
- “**Considers** benefits and costs over a 7-year time period.”
- “**Ensures** that the buyer of a home who would qualify to purchase the home before the addition of the energy efficient standards will still qualify to purchase the same home after the additional cost of the energy-saving construction features.”
- “**Ensures** that the cost of principal, interest, taxes, insurance and utilities will not be greater after the inclusion of the proposed cost of the

additional energy-saving construction features required by the proposed energy efficiency rules than under the provisions of the existing energy efficiency rules.” (emphasis added).

The definition of consider is: “think carefully about (something); to think of especially with regard to taking some action...” (Merriam Webster)

For example: “Joe is considering the actions needed to be able to retire at 50.” This does not guarantee Joe will be able to retire at 50, only that he is starting to think about the actions needed to achieve this goal. He may decide it is not worth the effort and will retire at 65 instead.

The definition of ensure is: “to make sure, certain, or safe: guarantee” (Merriam Webster)

Using the same example: “Lily is going to ensure that she will be able to retire at 50.” This statement shows that Lily is going to take the steps needed to guarantee her ability to retire when she reaches the age of 50.

Impact of the proposed code on low-income families:

Energy burden is defined as the percentage of annual income that households pay for electricity and gas bills. A high energy burden is spending 6% annual income or higher on gas and electric bills; a severe energy burden is spending more than 10%.

Per the National Resource Defense Council (NRDC), “Low-income families are more likely to live in energy inefficient homes...making energy burden a primary contributor to displacement and high eviction rates... People of color, older adults, and people with disabilities have an average energy burden of 19 percent, compared with a national average of 4 percent.”

The NRDC post continues: “High energy burden has been strongly correlated to detrimental effects on health; as energy burden increases, so does risk for mental health issues; pulmonary, respiratory, and cardiovascular diseases; injuries; excess winter/summer deaths; and more.”

“Energy burden is not a singular problem. It is intersectional, affecting households’ access to other critical resources, which can lead to food, water, and housing insecurity.”

The 2021 IECC will help lower the energy bills for anyone living in the home, now and well into the future and, improving the energy efficiency of homes will have several ancillary benefits for anyone that lives in the home.

Lower energy bills, improved health or being able to afford other utilities food and medicine are not the only financial benefits that can be realized by improving the construction of buildings. For example, The Fortified Certification programs were developed by the Insurance Institute for Business & Home Safety and having a building certified under the Fortified Building Standards can significantly reduce the insurance premiums of a certified home.

Referencing other standards and codes in the Michigan Residential Code (MRC):

The HBA has raised a concern of adopting the electrical and energy efficient requirements by reference, stating “This would require builders to purchase three separate code books instead of one complete book for the Michigan Residential Code...”. Their statement references the “one single residential code book” provision of the State Construction Code Act’.

Doing a word search in a digital copy of the CCA, a requirement for builders to have “one single residential code book” is not found.

Act 299 of 1980 (The Occupational Code) sets the requirements for Residential Builders in the State of Michigan, specifically Sec 2404 (6) states “An applicant for renewal of a residential builder or maintenance and alteration contractor license shall state to the department that **he or she has a current copy of the Michigan residential code** and meets the appropriate requirements regarding continuing competency described in this article or rules promulgated under this article.” (emphasis added).

This section requires the builders to have a copy of the residential code book; it does not require the builder to have copies of all the referenced documents, codes and standards within the MRC.