

Department of Planning and Budget

2004 Fiscal Impact Statement

1. Bill Number: HB422

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Watts

3. Committee: General Laws

4. Title: Board for Contractors; prohibited acts; misrepresentation; penalty

5. Summary/Purpose: Adds a prohibition for any person contracting for, or bidding upon the construction, removal, repair or improvements to or upon real property owned, controlled or leased by another person without the proper license classification as defined in § 54.1-1100 (i.e., Class A, B, or C license) for the value of work to be performed. Currently, a person is prohibited from contracting for, or bidding upon the construction, removal, repair or improvements to or upon real property owned, controlled or leased by another person without a license or certificate. The bill also provides that any person undertaking such work without the proper license classification (i.e., Class A, B, or C license) shall be fined an amount not to exceed \$500 per day for each day that such person is in violation, in addition to the authorized penalties for the commission of a Class 1 misdemeanor.

6. Fiscal impact estimates: The bill has no fiscal impact for the Department of Professional and Occupational Regulation. However, because violation of the bill's provisions is a Class 1 misdemeanor, there may a fiscal impact on the Commonwealth. See item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail. There is not enough information available to reliably estimate how many additional inmates in jail could result from this proposal. Any increase in jail population will increase costs to the state. The Commonwealth pays the localities \$8.00 a day for each misdemeanant or otherwise local responsible prisoner held in a jail. It also funds most of the jails' operating costs, such as correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board, the estimated total state support for local jails averaged \$29.80 per inmate, per day in FY 2002.

9. Specific agency or political subdivisions affected: Department of Professional and Occupational Regulation, judicial system.

10. Technical amendment necessary: Yes. The Department of Professional and Occupational Regulation suggests that classification, as appears in §§ 54.1-1106, 54.1-1108 and 54.1-1108.2, Code of Virginia, refers to the scope of practice provided by the license while the

different classes, Class A, Class B and Class C, as defined in § 54.1-1100 provide for the value of work to be performed. The following technical amendments are recommended:

Line 16: Delete "~~license classification,~~" and insert "*class of license*"

Line 26: Delete "~~license classification~~" and insert "*class of license*"

11. Other comments: None.

Date: 1/21/04 kbs

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cc: Secretary of Commerce and Trade