

Department of Planning and Budget 2005 Fiscal Impact Statement

1. Bill Number: SB916

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

2. Patron: Marsh

3. Committee: Passed both Houses

4. Title: Department of Professional and Occupational Regulation; Contractor Transaction Recovery Fund

5. Summary/Purpose: The bill increases the maximum amount of a single claim against the Contractor Transaction Recovery Fund from \$10,000 to \$20,000.

6. Fiscal Impact: See item 8.

7. Budget amendment necessary: No.

8. Fiscal implications: The Contractor Transaction Recovery Fund Act has operated independently of the Commonwealth Accounting and Reporting System (CARS) since it was established. The funds are not appropriated, but are expended in accordance with the purposes enumerated in statute, under the authority of the board. Claims are paid from the principal balance of the fund, and administrative expenses are paid from interest on the fund.

At June 30, 2004, the principal balance in the fund was \$2,837,775. The fund collected an average of \$841,000 in assessments during the past three years, and paid out an average of \$585,000 in claims.

This proposal is expected to increase the average amount of claims paid annually to approximately \$800,000. The balance of the fund, combined with ongoing initial assessments, will provide sufficient principle to pay the increased claim amounts.

This proposal is expected to have no impact on the maximum assessment per regulant of \$50 per biennium. There is no impact on the department's appropriation as a result of this proposal.

9. Specific agency or political subdivisions affected: Department of Professional and Occupational Regulation, Board for Contractors.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 2/7/05 kbs

Document: G:\05 Fis\Sb916er.Doc

cc: Secretary of Commerce and Trade