

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1819ER

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron: Ware, R.

3. Committee: Passed Both Houses

4. Title: Professional and Occupational Regulation, Department of; registration of athlete agents; penalty.

5. Summary: Creates a registration requirement for athlete agents administered by the Director of the Department of Professional and Occupational Regulation, sets out the requirements for registration, conduct of athlete agents, and provides for administrative, civil, and criminal penalties. The bill has a delayed effective **date of January 1, 2012.**

6. Budget Amendment Necessary: No; any change to the budget may be done administratively.

The Department's appropriation will need to be increased for FY2012 and following years to cover the projected costs and position associated with this legislation.

	<u>FY12</u>	<u>FY13</u>	<u>Positions</u>
Service Area 560 46:	\$85,213	\$88,780	1.00
Service Area 560 47:	\$0	\$0	0.00
Service Area 560 48:	\$13,700	\$6,700	0.00

7. Fiscal Impact Estimates: The fiscal impact estimates are final.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	0	0.00	NGF (0900)
2012	98,913	1.00	NGF (0900)
2013	95,480	1.00	NGF (0900)
2014	95,480	1.00	NGF (0900)
2015	95,480	1.00	NGF (0900)
2016	95,480	1.00	NGF (0900)
2017	95,480	1.00	NGF (0900)

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	0	NGF (0900)
2012	203,000	NGF (0900)

2013		NGF (0900)
2014	203,000	NGF (0900)
2015		NGF (0900)
2016	203,000	NGF (0900)
2017		NGF (0900)

- 8. Fiscal Implications:** This bill will increase the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by assigning responsibility for developing, implementing and administering a new regulatory program for athlete agents. The Department estimates that approximately 20 individuals would be registered through this program.

These fiscal estimates are based upon the requirement in enactment 3 that the agency promulgate regulations within 280 days after enactment.

Personal Service Costs: This legislation will require one classified Band 5 position to serve as the administrator for the new program. This position will develop regulations, work with Information Technology staff to develop the necessary licensing system and database, communicate with affected stakeholders and regulants, process applications and renewals, work with enforcement activities, and conduct all operations and business of the regulatory program. The cost of salary and benefits for this position, based on the mid-point of the band range, is expected to be \$82,013 in FY2012 (assuming 23 pay periods) and \$85,580 in FY2013 and future years. Personal services are recurring costs that will continue in future biennia.

Operating Costs: In FY2012, DPOR will need to purchase furniture and equipment for the new position at an estimated cost of \$7,000. This is a one-time expenditure that will not continue into future years. Other operating costs beginning in FY2012 include telephone, rent, information technology support, supplies, postage, and other operating costs, and are estimated at \$9,900 each year. These are recurring costs that will not continue into future years.

Revenue: In accordance with the provisions of Section 54.1-113 (Callahan Act) of the Code of Virginia, licensing fees are established at rates adequate to cover a program's operating costs and a proportionate share of agency support costs.

This will be a new regulatory program; there is no current cash or revenue.

A similar regulatory program was enacted in 1991 and repealed in 1992; during that time, DPOR received six applications. Based on that data, the Department estimates that approximately 20 individuals may become registered under this new requirement. In order to provide sufficient revenue to cover initial and ongoing operating costs and a proportionate share of agency support costs, licensing fees will be established at rates adequate to collect revenue of approximately \$101,500 annually.

Cost to Regulants: A certificate of registration will be valid for two years. The initial application fee and the renewal fee for a two year license are expected to be approximately \$10,150. The annual cost to each regulant would be approximately \$5,075.

This bill will have minimal fiscal impact on the Office of the Attorney General.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation

10. Technical Amendment Necessary: None

11. Other Comments: None

Date: 01/15/2011

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