

Department of Planning and Budget 2012 Fiscal Impact Statement

1. Bill Number: SB482

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

2. Patron: Favola, B. A.

3. Committee: General Laws and Technology

4. Title: Virginia Board for Asbestos, Lead, Mold, and Home Inspectors; examination; initial asbestos worker license applicants.

5. Summary: This bill provides for the Board for Asbestos, Lead, Mold, and Home Inspectors to require initial applicants for an asbestos worker license to pass a Board-approved examination. The bill also requires employers to provide each licensed asbestos worker with a written notice containing the following information: (i) that the worker has the right to work in a safe environment, (ii) a summary of basic safety rules for handling asbestos, and (iii) information on how to file a complaint with the Board.

In addition, the bill empowers the Board to summarily suspend the license of an asbestos contractor if the Board finds that the asbestos contractor's conduct poses a substantial danger to the public health or safety. The bill further authorizes the Board to suspend, revoke, or deny renewal of an existing license of any asbestos contractor who is shown to have a substantial identity of interest with an asbestos contractor whose license has been revoked.

The amended bill makes a technical change regarding the examination, in that it shall be Board-administered rather than Board-approved.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See item 8.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2012	\$0	0.0	n/a
2013	\$0	0.0	n/a
2014	\$25,000	0.0	Dedicated Special Revenue
2015	\$0	0.0	n/a
2016	\$0	0.0	n/a
2017	\$0	0.0	n/a
2018	\$0	0.0	n/a

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2012	\$0	n/a
2013	\$0	n/a
2014	\$0	n/a
2015	(\$2,500)	Dedicated Special Revenue
2016	(\$2,500)	Dedicated Special Revenue
2017	(\$2,500)	Dedicated Special Revenue
2018	(\$2,500)	Dedicated Special Revenue

- 8. Fiscal Implications:** This bill does not require a budget amendment, as the Board's current cash and revenue are expected to be sufficient to cover the increased costs associated with this legislation.

This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by implementing and administering an exam requirement for initial licensure for asbestos workers within the Board for Asbestos, Lead, Mold and Home Inspectors. Updates to the Board's regulations will be required, and considering the timeframe for the administrative process for revised regulations, the expected implementation date is no sooner than July, 2014. The Board currently regulates about 1,850 asbestos workers. This legislation would affect new applicants for the asbestos worker license. Per DPOR, there were approximately 810 asbestos worker applicants in FY 2011. Future applicants would be required to pass an exam prior to licensure.

Operating Costs: DPOR will need to procure an exam vendor for the examination development, which would cost approximately \$25,000. The costs are expected to be incurred in FY 2014, the year prior to the regulation implementation date of July, 2014. This is a one-time cost that will not recur. Additional costs such as configuration changes to the licensing system and updates to the regulations are immaterial and can be absorbed by the department within its current resources. Total costs are projected to be \$25,000 in FY 2014, and \$0 in future years. Again, the Board's current cash and revenue are expected to be sufficient to cover the increased costs associated with this legislation.

Revenue: In accordance with the provisions of Section 54.1-113 (Callahan Act), 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. New regulants will be required to pay the exam fee to the exam vendor each time the exam is taken. Similar exams for other professions cost approximately \$100.

Due to the exam requirement of this legislation and the associated costs for taking the exam, the agency expects the number of license applications to decrease by about 75 to 100 per year. As a result, revenue will decrease by about \$2,500 in FY 2015 and future years.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 2/8/12

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