

## Department of Planning and Budget 2013 Fiscal Impact Statement

**1. Bill Number:** HB1802

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

**2. Patron:** Marshall, D. W.

**3. Committee:** General Laws

**4. Title:** Contractors, Board for; creation of residential and commercial contractor license categories.

**5. Summary:** This bill authorizes the Board for Contractors to establish separate license categories for residential and commercial contractors for each of the current licensing categories: Class A, B, and C contractor licenses.

**6. Budget Amendment Necessary:** No.

**7. Fiscal Impact Estimates:** Preliminary. See #8.

**8. Fiscal Implications:** According to the Department of Professional and Occupational Regulation (DPOR), there are estimated to be 650 to 1,000 commercial contractors, who as a result of this legislation, would not pay into the Contractor Transaction Recovery Fund. This amounts to 325 to 500 each year, or \$16,250 to \$25,000 less going into the fund each year. Current statute requires a minimum fund balance of \$400,000. DPOR does not believe this reduction will impact the solvency of the fund or ability to pay out claims.

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

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** According to DPOR, the cash balance of the Contractor Transaction Recovery Fund at the end of FY 2012 totaled \$1.5 million.

**Date:** 1/16/13

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