

Department of Planning and Budget 2013 Fiscal Impact Statement

1. Bill Number: SB871

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

2. Patron: Ebbin, A.P.

3. Committee: General Laws and Technology.

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

5. Summary: This bill provides for the Board for Asbestos, Lead, and Home Inspectors (the Board) to require initial applicants for an asbestos worker license to pass an examination administered the Board or by a testing organization acting on behalf of the Board. The bill also requires employers to provide each licensed asbestos worker with a written notice containing the following information: (i) a statement 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contractor who is shown to have a substantial identity of interest with an asbestos contractor whose license has been revoked.

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>
2013	\$0	0.0	n/a
2014	\$5,166	0.0	Dedicated Special Revenue
2015	\$27,583	0.0	Dedicated Special Revenue
2016	\$0	0.0	n/a
2017	\$0	0.0	n/a
2018	\$0	0.0	n/a
2019	\$0	0.0	n/a

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2013	\$0	n/a
2014	\$0	n/a
2015	\$0	n/a

2016	\$0	n/a
2017	\$0	n/a
2018	\$0	n/a
2019	\$0	n/a

- 8. Fiscal Implications:** This bill has no fiscal impact on the Department of Labor and Industry or the Department of Environmental Quality. For the Department of Professional and Occupational Regulation (DPOR), the bill increases the agency's administrative and regulatory responsibilities by implementing and administering an exam requirement for initial licensure for asbestos workers within the Board for Asbestos, Lead, and Home Inspectors. Updates to the Board's regulations will be required, and considering the timeframe for the administrative process for revised regulations (average of 18 to 24 months), the expected implementation date is no sooner than July 2015 (FY 2016). The Board currently regulates about 1,625 asbestos workers. This legislation would affect new applicants for the asbestos worker license. According to DPOR, there were approximately 700 asbestos worker applicants in FY 2012. 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 2015, the year prior to the regulation implementation date of July, 2015. This is a one-time cost that will not recur. Three additional board meetings are needed to conduct regulatory review and draft updated regulations. Travel and other expenses related to attending the board meetings will total approximately \$5,166 in FY 2014 and \$2,583 in FY 2015. Additional costs such as configuration changes to the licensing system and process updates are considered immaterial and can be absorbed by the department within its current resources. Total costs are projected to be \$5,166 in FY 2014 and \$27,583 in FY 2015, and \$0 in future years. The Board's current cash and revenue may not be sufficient to cover the increased costs associated with this legislation if the currently proposed fee adjustments are not approved before FY 2015.

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. No change in revenue is expected as a result of this legislation. However, 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. The examination fee, once determined, will be specified in the regulation.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation, Department of Labor and Industry, Department of Environmental Quality.

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/10/13

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