

Department of Planning and Budget

2018 Fiscal Impact Statement

1. Bill Number: HB1195

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

2. Patron: Cline

3. Committee: Rules

4. Title: Professional and Occupational Licensing Requirements, Joint Commission to Evaluate; created, report.

5. Summary: Creates the Joint Commission to Evaluate Professional and Occupational Licensing Requirements of the various regulatory boards within the Department of Professional and Occupational Regulation. The bill provides that to assist the Joint Commission in carrying out its powers and duties, the General Assembly shall adopt a schedule for its timely review of the statutory and regulatory professional and occupational licensing requirements of the regulatory boards within the Department of Professional and Occupational Regulation. The schedule adopted shall require that no less than 20 percent of such licensing requirements be reviewed annually, and the bill states that the General Assembly may delegate the process of adopting such schedule to the Joint Commission on Administrative Rules. The bill has an expiration date of July 1, 2023.

6. Budget Amendment Necessary: Yes, Items 6 and 1 (HB/SB30). See Item 8, below.

7. Fiscal Impact Estimates: Preliminary. See Item 8, below.

7a. Expenditure Impact, Item 6, Division of Legislative Services:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2018 | 0 | 0 | n/a |
| 2019 | \$200,000 | 2.0 | GF |
| 2020 | \$200,000 | 2.0 | GF |
| 2021 | \$200,000 | 2.0 | GF |
| 2022 | \$200,000 | 2.0 | GF |
| 2023 | \$200,000 | 2.0 | GF |
| 2024 | 0 | 0 | n/a |

Expenditure Impact, Item 1, General Assembly of Virginia:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2018 | 0 | 0 | n/a |
| 2019 | \$26,040 | 0 | GF |
| 2020 | \$26,040 | 0 | GF |
| 2021 | \$26,040 | 0 | GF |
| 2022 | \$26,040 | 0 | GF |
| 2023 | \$26,040 | 0 | GF |
| 2024 | 0 | 0 | n/a |

- 8. Fiscal Implications:** According to the Department of Professional and Occupational Regulation (DPOR), the Department oversees 18 regulatory boards and programs involving several hundred license types including licenses for architects, contractors, real estate, professional engineers, barbers, cosmetologists and waterworks operators. Reviewing licensing requirements entails a review of education, experience, examination, continuing education, standards of practice, and equipment requirements. In addition, significant resources will have to be devoted to establishing procedures and performance measures to evaluate the effectiveness of licensing requirements as required by the bill. Given the number and diversity of license types and the scope of review required by the bill, the Division of Legislative Services will need two full-time positions to implement HB 1195.

| | | |
|----------------------------|----------------|----------------|
| General Fund revenue cost: | <u>FY 2019</u> | <u>FY 2020</u> |
| Two full-time positions: | \$200,000 | \$200,000 |

The bill provides that the General Assembly is to establish a schedule for the Joint Commission to Evaluate Professional and Occupational Licensing Requirements' timely review of the statutory and regulatory licensing requirements of the regulatory boards within DPOR. However, the bill does not indicate the means by which the General Assembly is to establish such schedule.

The Senate of Virginia states that the Senate would incur costs of approximately \$11,160 for their subcommittee members based on four meetings per year for compensation and expenses, which is common for this type of legislative body. The House of Delegates estimates their impact for such activity at \$14,880.

- 9. Specific Agency or Political Subdivisions Affected:** The Department of Professional and Occupational Regulation; the Division of Legislative Services; The Senate of Virginia; The House of Delegates.

10. Technical Amendment Necessary: No.

11. Other Comments: None.