

Department of Planning and Budget

2019 Fiscal Impact Statement

1. Bill Number: HB1939

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

2. Patron: Webert

3. Committee: General Laws

4. Title: Department of Professional and Occupational Regulation; adjustment of fees by regulatory boards.

5. Summary: Provides that following the close of any biennium, when the account for any regulatory board within the Department of Professional and Occupational Regulation (DPOR) shows that moneys collected on behalf of the regulatory board exceed 20 percent or \$100,000, whichever is greater, of the expenses allocated to the regulatory board for the past biennium, the regulatory board shall (i) reduce the fees levied by it for certification, licensure, registration, or permit and renewal thereof so that the fees are sufficient but not excessive to cover expenses and (ii) distribute all unspent or unencumbered revenue in excess of such limits to current regulants of the board. Under current law, these boards are required to adjust their fees when their account shows expenses allocated to it for the past biennium to be more than 10 percent greater or less than moneys collected on behalf of the board. Current law does not require the boards to distribute excess funds to regulants.

6. Budget Amendment Necessary: No.

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

8. Fiscal Implications: This bill would have an indeterminate nongeneral fund revenue impact and indeterminate expenditure impact on (DPOR) as it may require DPOR to reduce the fees collected by certain boards and it may require the distribution of cash to certain regulants. In remitting funds to certain regulants, DPOR anticipates incurring administrative costs associated with staff time, and for postage and mailing materials. DPOR estimates each check issued to a regulant may cost the department \$5.00, including staff time and postage. The total cost, including staff time and postage, will depend on the number of checks issued by the department. It is anticipated that these costs can be absorbed by DPOR.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation; Department of Accounts; Department of the Treasury.

10. Technical Amendment Necessary: No.

11. Other Comments: In 2018, the Joint Legislative Audit and Review Commission reviewed the operations of the department. Included in its report is a recommendation that the General

Assembly may wish to consider amending §54.1-113, Code of Virginia, effective July 1, 2022; (1) to require that a regulatory board must reduce its fees if the board's fund balance exceeds a certain percentage of expenses allocated to it for the previous biennium or a set dollar amount, whichever is greater; and (2) to require that, at the close of any biennium, all unspent or unencumbered revenue in excess of the cap be distributed to current regulants. According to the report, the recommended amendment should only apply to DPOR and its regulatory boards.