

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: SB1219

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

2. Patron: Newman

3. Committee: General Laws and Technology

4. Title: Department of Professional and Occupational Regulation; Board for Contractors; alternate designate.

5. Summary: Authorizes any member of a contractor's responsible management who is at least 18 years of age to serve as an alternate designated employee, provided that he has completed the required examination. A contractor may submit a qualified alternate designated employee to serve as the designated employee of record with the Board to replace a designated employee who is no longer a full-time employee of the contractor.

6. Budget Amendment Necessary: No.

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

Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2019	0	n/a
2020	\$11,000	NGF
2021	\$11,000	NGF
2022	\$11,000	NGF
2023	\$11,000	NGF
2024	\$11,000	NGF
2025	\$11,000	NGF

8. Fiscal Implications: This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by requiring the Board for Contractors (Board) to reconfigure its licensing database to accommodate an alternate designated employee who has completed the required examination for contractors who wish to designate one. The Board will need to develop new forms and applications. The expenditure impact will be negligible to DPOR and can be absorbed with existing resources.

Revenue Impact: 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. Currently, contractors change their designated employee "at need" by submitting the required form and a fee of \$110. In 2018, approximately 200 contractors changed designated employees.

It is anticipated that this legislation will result in approximately 100 contractors annually choosing to designate an alternate designated employee, increasing revenue by \$11,000 in FY 2020 and each year thereafter.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.