

Department of Planning and Budget

2007 Fiscal Impact Statement

1. Bill Number: HB 1798

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

2. Patron: Cosgrove

3. Committee: General Laws

4. Title: Creates a Martial Arts Advisory Board under the Department of Professional and Occupational Regulation

5. Summary/Purpose: Creates the Martial Arts Advisory Board as an advisory board to advise the Director of the Department of Professional and Occupational Regulation concerning regulations pertaining to the conduct of any martial arts competition involving amateurs. The bill provides for the membership of this new board, terms of members, compensation, and staff.

6. Fiscal Impact Estimates are: Preliminary, see Item 8 (below).

Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2006-07	\$0	\$0	NGF
2007-08	\$61,901	\$0	NGF
2008-09	\$56,040	\$0	NGF
2009-10	\$56,040	\$0	NGF
2010-11	\$56,040	\$0	NGF
2011-12	\$56,040	\$0	NGF
2012-13	\$56,040	\$0	NGF

7. Budget amendment necessary: Yes; item number 118.

8. Fiscal implications: This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by establishing a new Martial Arts Advisory Board. The Department will provide staff support necessary for the Board to conduct its business. The Board will consist of nine members, and will meet monthly or upon the call of the Director or the Board chair. Members of the Board will receive no compensation for their services, but will be reimbursed for expenses incurred in conducting their duties.

Revenue and Funding:

DPOR is a non-general fund agency. The activities of DPOR and its regulatory boards are funded by licensing fees assessed on applicants for licensure and renewal. In accordance with the provisions of §54.1-113 of the Code of Virginia, the licensing fees for each regulatory program are established at rates adequate to cover the program's operating costs and a proportionate share of agency support costs. However, § 54.1-830 specifically exempts amateur exhibitions and participations from licensure requirements. As a result, the Department may have no authority to establish licensing fees for these activities. Without licensing fees, it is not known at this point

how the Department would collect revenue to support the Board's activities, or how it would pay the expenses of the new Board.

Total costs are projected to be \$61,901 in FY2008, and \$56,040 in future years.

Personal Service Costs: This legislation will require one Band 3 wage position to provide support for the Board's activities, including agenda preparation, meeting notices, minutes, conference room reservation and set-up, meeting materials, ordering lunches, preparing travel vouchers, and responding to inquiries. The cost of wages and benefits for this position, based on the mid-point of the band range and a maximum of 1,500 hours per year, is expected to be \$26,202 in FY 2008 (assuming 23 pay periods) and \$27,341 in future years. These are recurring costs that will continue into future biennia.

Operating Costs: In FY2008, DPOR will need to purchase furniture and equipment for the new position at an estimated cost of \$7,000. This is a one-time expenditure that will not continue into future years. Other operating costs beginning in FY2008 include telephone, employee development, computer operating support, postage, printing, and supplies, and are estimated at \$6,100 each year. These are recurring costs that will continue into future years. Board member travel expenses for twelve meetings are estimated to be \$22,599 annually.

9. Specific agency or political subdivisions affected: Department of Professional and Occupational Regulation

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/10/2007 aek

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CC: Secretary of Commerce and Trade