

Department of Planning and Budget

2014 Fiscal Impact Statement

1. Bill Number: HB516

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

2. Patron: Taylor.

3. Committee: General Laws.

4. Title: Department of Professional and Occupational Regulation; certification of natural gas automobile mechanics and technicians.

5. Summary: This bill establishes a regulatory program for certification of natural gas automobile mechanics and technicians by the Director of the Department of Professional and Occupational Regulation and sets out the requirements for certification.

6. Budget Amendment Necessary: Yes. Item 117 of HB30/SB30.

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

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2014	\$0	0.0	n/a
2015	\$0	0.0	n/a
2016	\$104,563	1.0	Dedicated Special Revenue
2017	\$195,047	2.0	Dedicated Special Revenue
2018	\$195,047	2.0	Dedicated Special Revenue
2019	\$195,047	2.0	Dedicated Special Revenue
2020	\$195,047	2.0	Dedicated Special Revenue

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2014	\$0	n/a
2015	\$0	n/a
2016	\$0	n/a
2017	\$325,000	Dedicated Special Revenue
2018	\$32,500	Dedicated Special Revenue
2019	\$344,500	Dedicated Special Revenue
2020	\$63,700	Dedicated Special Revenue

8. Fiscal Implications: This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by requiring development, implementation, and ongoing administration of a voluntary certification program for natural gas automobile mechanics and technicians. DPOR estimates that

approximately 250 individuals would choose to request certification through this non-mandatory program.

Expenditure Impact: This legislation will require one classified Band 5 position to serve as board administrator for the program to promulgate regulations establishing entry requirements (including an examination) and standards of practice; process the applications for initial licensure and renewals; provide statuses of applications and other requested information; respond to telephone inquiries and e-mails from applicants and the public about the program; and prepare written correspondence with applicants, licensees, and the public. The cost of salary and benefits for this position, based on the mid-point for the Band 5 salary range, is expected to be \$43,963 in FY 2016 (assuming 11 pay periods) and \$95,914 annually beginning in FY 2017. This legislation will also require one classified Band 4 position to serve as an investigator for the program; to conduct investigations to determine the suitability of applicants for certification; to determine the certificate holder's compliance with applicable statutes and regulations; and to investigate complaints filed with DPOR. The cost of salary and benefits for this position, based on the mid-point for the band 4 salary range, is expected to be \$77,523 annually beginning in FY 2017. These are recurring costs that will continue into future biennia.

In FY 2016, DPOR will need to purchase furniture and equipment for the new positions at an estimated cost of \$14,000. Also in FY 2016, the examination will need to be developed at an approximate cost of \$25,000. These are one-time expenditures that will not continue into future years. Other operating costs beginning in FY 2016 and recurring in future years include telephone, employee development, computer operating support, and supplies. These costs are estimated at \$10,800 each year.

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. Approximately 250 new natural gas automobile mechanics and technicians applications are expected in FY 2017. Twenty-five applications are expected each year thereafter. DPOR estimates that approximately 240 certifications will be renewed in FY 2019 and 24 will renew in FY 2020. Similar renewal rates are expected in subsequent years.

In order to provide sufficient revenue to cover ongoing operating costs, application and renewal fees are expected to be \$1,300, or a cost of \$650 per year. Total revenue is estimated to be \$325,000 in FY 2017, \$32,500 in FY 2018, \$344,500 in FY 2019, and \$63,700 in FY 2020, and \$432,900 in each biennium thereafter.

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

10. Technical Amendment Necessary: No.

11. Other Comments: None.