

## Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** SB121

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

2. **Patron:** Hackworth

3. **Committee:** Passed Both Houses

4. **Title:** Contractors; exemption from licensure for work providing remodeling, etc., valued at \$25,000, etc.

5. **Summary:** Exempts from the “licensure requirements for contractors” any work undertaken by a person providing construction, remodeling, repair, improvement, removal, or demolition valued at \$25,000 or less per unit on behalf of a properly licensed contractor. Current law provides this exemption to such work valued at \$5,000 or less per project.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Final, see item 8.

**7b. Revenue Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2023	(31,500)	09222
2024	(31,500)	09222
2025	(31,500)	09222
2026	(31,500)	09222
2027	(31,500)	09222
2028	(31,500)	09222
2029	(31,500)	09222

**8. Fiscal Implications:** This bill modifies the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR) by changing the licensure exemption project threshold for subcontractors from \$5,000 to \$25,000. The change is not anticipated to have any expenditure impact on DPOR. The change is expected to negligibly affect the number of new applications each year. DPOR expects that approximately 300 current licensees will become exempt from licensure requirements due to this legislation.

Revenue Impact: A reduction in revenue is expected as a result of the exemptions to licensure. The change affecting Class B and C licenses is anticipated to will result in 150 fewer license renewals annually. It is anticipated that 75 fewer Class B and 75 fewer Class C

contractors will renew annually. A reduction in revenue is anticipated in FY2023 and each year thereafter.

The contractor Class B renewal fees are \$225 and Class C renewals fees are \$195. Seventy five fewer Class B and 75 fewer Class C renewals are anticipated each year. The total reduction in revenue is estimated to be \$31,500 in FY2023 annually thereafter.

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

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None.