

Department of Planning and Budget

2023 Fiscal Impact Statement

1. Bill Number: SB1313-S1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Bell

3. Committee: General Laws and Technology

4. Title: Construction contracts; payment clauses to be included in certain contracts; right to payment.

5. Summary: Clarifies certain definitions throughout the Code for consistency between public and private construction contracts. The bill updates the notice required when a general contractor withholds all or a part of the amount invoiced by a subcontractor in a public construction contract and when an owner withholds payment from a general contractor to include language specifically identifying the contractual noncompliance, the dollar amount being withheld, and the lower-tier subcontractor responsible for the contractual noncompliance.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: No state fiscal impact expected.

8. Fiscal Implications: The Department of General Services indicates this bill does not have a fiscal impact.

9. Specific Agency or Political Subdivisions Affected: The bill applies to all public bodies subject to the Virginia Public Procurement Act (VPPA). The bill does not apply to higher education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement (currently, 13 Level III and Level II institutions). Further, the bill does not apply to local governments that have exempted themselves from the VPPA pursuant to subdivisions A 9, 10, and 11 of Va. Code § 2.2-4343. Additionally, the bill impacts contractors and subcontractors on both public projects and private projects.

10. Technical Amendment Necessary: No

11. Other Comments: None