

Office of Regulatory Management
Economic Review Form

Agency name	Board For Contractors
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 50-22 18 VAC 50-30
VAC Chapter title(s)	Board for Contractors Regulations (18VAC50-22) Individual License and Certification Regulations (18VAC50-30)
Action title	Periodic Review
Date this document prepared	June 28, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Local Partners

- **Identify the local partners impacted by your program (DOLI, DOE, DEQ, etc.).**
- **For each partner, describe the nature of the impact.**

Under Chapter 11 of Title 54.1 of the Code of Virginia, businesses performing construction work that is permanently affixed to real property valued at \$1,000 or more must hold a contractor license, and businesses engaged in residential building energy analysis must hold the applicable Residential Building Energy Analyst Firm license.

Also under Chapter 11 of Title 54.1 of the Code of Virginia, individuals engaged in electrical, plumbing, HVAC, natural gas fitting, liquified petroleum gas fitting, and gas fitting work as a tradesman are required to hold the applicable license. Individuals testing and certifying backflow prevention devices, drilling and installing water well systems, performing work as an elevator mechanic, residential building energy analysis, and automatic fire sprinkler inspections are also required to hold the applicable license.

The Department of Housing and Community Development (DHCD) adopts and publishes the building code governing the work performed by licensees. These regulations do not affect DHCD. However, these regulations effect the building officials, building inspectors, and permit technicians certified through DHCD in each locality. Each locality must ensure each business and/or individual is properly licensed prior to issuing a permit to perform construction work.

The Apprenticeship Council, housed at the Department of Labor and Industry partners with the Board. The Board accepts completion of applicable apprenticeship program in lieu of the required experience and vocational training documentation. However, the board's regulations do not affect DOLI or the Apprenticeship Council.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Families

- **Describe the specific ways in which your program impacts families (employability, transferability of license (i.e. military), impacts on children (i.e. child care needs, etc.)).**

Under the statute and the regulations, individuals are prohibited from performing work without the applicable individual license. Individual license requirements include completing an

application, paying an application fee, submitting required documentation, and may be required to successfully completing an examination. Once licensure is obtained, the individual must renew the license by submitting the applicable renewal fee and completing any required continuing education.

The regulations governing individuals may impact families by allowing individuals to be marketable for employment opportunities, however, individuals may be required to pay their own application and examination fee. If the individual is currently employed when obtaining licensure, it's standard practice within the industry for the employer to pay the required fees.

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Small Businesses

- **Identify the ways your program impacts small businesses (which licenses interact with small businesses, regulations that impact them directly or indirectly).**

Contractor licenses are issued to firms, many of these firms would likely fall within the meaning as “small business” as defined in § 2.2-4007.1 of the Code of Virginia. In addition, other licenses are issued to individuals. These individuals may be owners or employees of firms that fall within the meaning of the term “small business.”

Under the statute and the regulations, contractors are prohibited from performing work over \$1,000 without the applicable contractor license issued to the firm. Contractor license requirements include completing an application, paying an application fee, submitting required documentation, and may be required to successfully completing an examination. Once licensure is obtained, the business must renew the license by submitting the applicable renewal fee.

Education providers that provide individuals and businesses the required pre-licensing course, vocational training and continuing education may also fall within “small business” as defined in § 2.2-4007.1 of the Code of Virginia.

The application and licensure requirements in these regulations impose costs on the regulated parties. These include payment of required fees, examination fees, vocational training fees, and continuing education fees. In addition, there are likely time and administrative costs associated with fulfilling the requirements imposed by the regulations.

Changes to Number of Regulatory Requirements

Not applicable.