



# Virginia Department of Planning and Budget **Economic Impact Analysis**

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**18 VAC 50-30 Individual License and Certification Regulations**  
**Department of Professional and Occupational Regulation**  
**Town Hall Action/Stage: 6657 / 10597**  
January 17, 2025

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.<sup>1</sup>

## **Summary of the Proposed Amendments to Regulation**

The Board for Contractors (Board) proposes to amend the *Individual License and Certification Regulations* to allow the Board to issue temporary elevator mechanic certifications when there is an industry shortage of elevator mechanics, as required by statute.

## **Background**

Chapter 586 of the 2009 *Acts of Assembly*, amended Title 54.1 (specifically, Code of Virginia § 54.1-1142.2) to state that the Board “shall issue temporary certifications” to qualified individuals, “whenever a contractor licensed under the provisions of this chapter demonstrates to the satisfaction of the Board that there is a shortage of elevator mechanics.” Additionally, the Board reports that representatives of the elevator mechanic industry, including the National Elevator Industry Educational Program, have expressed concern to the Board regarding the current shortage of certified elevator mechanics available to licensed contractors in Virginia. Thus, the Board seeks to amend the *Individual License and Certification Regulations* to establish

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<sup>1</sup> Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

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a process for licensed contractors to obtain a temporary elevator mechanic certification for one of their employees.

The proposed new section 18 VAC 15-30-72, *Temporary certification of elevator mechanics*, would require the requesting contractors to attest to the Board, on a form provided by the Board, that, “after due diligence, the contractor is unable to find an elevator mechanic from the list of [certified] elevator mechanics maintained by the board to perform elevator work.” In addition, the employee of the contractor would be required to submit an application to the Board documenting, “a minimum of two years of practical experience in the construction, maintenance, and service/repair of elevators, escalators, or related conveyances, and 144 hours of formal vocational training.”

As provided in the statute, the proposed language would specify that the certification would be valid for no more than 45 days from the day of issuance, provided the applicant remains employed by the licensed contractor. The statute also directs the Board to, “renew such certifications as often as necessary to ensure that there is a sufficient number of elevator mechanics to meet the shortage.” Accordingly, the proposed language allows for the temporary certification to be renewed indefinitely provided the licensed contractor continues to provide an attestation, as described above. The statute authorizes the Board to set fees for such certification and renewal; the Board proposes to set the initial application fee at \$50 and the renewal fee at \$25.

### **Estimated Benefits and Costs**

The proposed amendments would benefit individuals and firms in the construction industry, including licensed contractors who are facing a shortage of certified elevator mechanics by providing a pathway to obtain a temporary certification for one of their employees. The proposed amendments are not expected to increase competitive pressures for currently certified elevator mechanics in the short run, to the extent that contractors would actually have to verify that they are unable to find an elevator mechanic within a reasonable vicinity and/or within a reasonable time frame for their construction project and establish that a shortage exists.

One of the pathways to certification for elevator mechanics, as provided in 18 VAC 50-30-40, requires applicants to have three years of practical experience in the construction, maintenance, and service/repair of elevators, escalators, or related conveyances; 144 hours of

formal vocational training; and to pass a written examination administered by the Board. Thus, the most suitable candidates for the temporary certification are likely to be individuals who are already pursuing the elevator mechanic certification but have yet to accrue the third year of practical experience. The Department of Professional and Occupational Regulation (DPOR) reports that the Board receives roughly 182 applications per year, which implies that there may be roughly 182 individuals who are one year shy of completing an apprenticeship program, who would likely be eligible to obtain a temporary certification. If the creation of the temporary certification leads to increased opportunities for such individuals to obtain practical experience and/or allows them to earn more in that capacity prior to becoming fully certified, these workers would be made better off.

In the long run, opportunities to work under the temporary certification may encourage other workers in the trades to pursue an elevator mechanic certification, thereby reducing the shortage. DPOR reports that the Board considered reducing the education and experience requirements for the elevator mechanic certification but decided to maintain the current requirements as they were necessary to ensure the safety of elevators and escalators installed in the Commonwealth.

### **Businesses and Other Entities Affected**

The proposed amendments would affect licensed contractors facing a shortage of elevator mechanics. DPOR reports that there are 87 contractors in Virginia who are licensed to engage in elevator/escalator contracting. The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>2</sup> An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.<sup>3</sup> Although the Board is establishing new fees for the initial issuance and renewal of the temporary certification, the fees would only apply in the circumstances specified

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<sup>2</sup> Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

<sup>3</sup> Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

by the proposed language, and would only be incurred if a contractor elected to request such a certification for an employee who met the requirements. Thus, no adverse impact is indicated.

### **Small Businesses<sup>4</sup> Affected:<sup>5</sup>**

The proposed amendments do not appear to adversely affect small businesses.

### **Localities<sup>6</sup> Affected<sup>7</sup>**

The proposed amendments do not disproportionately affect particular localities or affect costs for local governments.

### **Projected Impact on Employment**

As mentioned previously, the proposed temporary certification would create new opportunities for individuals pursuing an elevator mechanic certification to be employed. DPOR estimates that as many as 182 individuals may be eligible for the temporary certification. The proposed amendments are not expected to significantly affect total employment.

### **Effects on the Use and Value of Private Property**

The proposed amendments could increase the value of private contractor firms by allowing them to complete construction projects without delays due to the shortage of elevator mechanics. Similarly, the temporary certification could marginally reduce real estate development costs.

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<sup>4</sup> Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

<sup>5</sup> If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

<sup>6</sup> “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

<sup>7</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.