

Office of Regulatory Management
Economic Review Form

Agency name	Board for Contractors
Virginia Administrative Code (VAC) Chapter citation(s)	18VAC50-22 18VAC50-30
VAC Chapter title(s)	Board for Contractors Regulations (18VAC50-22) Individual License and Certification Regulations (18VAC50-30)
Action title	Board for Contractors Fee Adjustment
Date this document prepared	December 11, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Fast-Track (Action 6670 / Stage 10627)

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.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>The Board is currently operating at an annual deficit. Due to increased Board costs, increased staffing costs, increased facility costs, and increased IT service costs, it is projected that the Board will exhaust all operating funds by FY2026. The Board must increase fees for contractors if the Board is to remain solvent.</p> <p>This fee increase will result in a transfer from the licensees to the Board, resulting in the offset of costs and benefits. DPOR does not expect a change in licensees or market participation due to this change.</p> <p>Direct Costs: As this regulatory action results in only a transfer payment, there are no additional monetizable direct costs associated with the regulatory change.</p> <p>Indirect Costs: As this regulatory action results in only a transfer payment, there are no additional monetizable indirect costs associated with the regulatory change.</p> <p>Direct Benefits: As this regulatory action results in only a transfer payment, there are no additional monetizable direct benefits associated with the regulatory change.</p> <p>Indirect Benefits: As this regulatory action results in only a transfer payment, there are no additional monetizable indirect benefits associated with the regulatory change.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>
<p>(3) Net Monetized Benefit</p>	<p>\$0</p>	
<p>(4) Other Costs & Benefits (Non-Monetized)</p>	<p>Benefits:</p> <ul style="list-style-type: none"> • This regulatory change allows the Board to continue to deliver services to the regulated community and the public. Specifically, there would not be delays in processing applications and issuing licenses to applicants who are required to obtain and maintain credentials to perform the business of contractors. • This regulatory change allows the Board and DPOR to maintain public protection as it will ensure contractors are performing duties in a manner that protects the health, safety, and welfare of the public. 	

	<ul style="list-style-type: none"> • This regulatory change allows DPOR and the Board to remain in compliance with the Callahan Act and other applicable statutes. <p>Costs: There are no additional nonmonetizable costs associated with this regulatory change.</p>
(5) Information Sources	The revenue projections and fee analysis used in this research came from the finance section of DPOR. The number of applicants, renewals, and reinstatements predicted by the finance section stems from historic trends, expected renewal dates, and any anticipated changes in the profession with an impact on volume.

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>The Board is currently operating in a deficit. Board expenses have increased by 12% over the last five (5) years and 16% since the last fee increase in 2010. The major drivers of the Board’s costs include operating expenses, staffing, facility fees, and IT services, which have all increased.</p> <p>Direct Costs: There are no additional monetizable direct costs associated with maintaining the status quo.</p> <p>Indirect Costs: There are no additional monetizable indirect costs associated with maintaining the status quo.</p> <p>Direct Benefits: There are no additional monetizable direct benefits associated with maintaining the status quo.</p> <p>Indirect Benefits: There are no additional monetizable indirect benefits associated with maintaining the status quo.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) \$0	(b) \$0
(3) Net Monetized Benefit	\$0	
(4) Other Costs & Benefits (Non-Monetized)	<p>Costs:</p> <ul style="list-style-type: none"> • Maintaining the status quo will cause the Board to exhaust operating funds by FY2026. This will result in reduction of services by the Board, which delays the issuance of licenses thereby creating barriers to applicants’ and licensees’ ability to work. Additionally, 	

	<p>DPOR will be less effective in ensuring activities are carried out in a manner that protects the public health, safety, and welfare.</p> <ul style="list-style-type: none"> • Maintaining the status quo may result in the need for DPOR to request a loan from the general fund to cover the Board’s deficit and supplement continued operation. This would be a short-term solution and only delay the inevitable need to increase fees. Doing this would also require future fee increases to be greater in order to cover loan repayment. • Maintaining the status quo may require that DPOR receive general funds to supplement Board activities. Currently, DPOR does not receive any general fund revenue and its boards are intended by law to be self-funded. Should DPOR require general fund revenue, amendments to the Code of Virginia and the Appropriation Act would be necessary. <p>Benefits: There are no identified additional nonmonetizable benefits associated with maintaining the status quo.</p>
(5) Information Sources	Information about the Board’s revenue was provided by DPOR’s finance section.

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to box #4.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Net Monetized Benefit	N/A	
(4) Other Costs & Benefits (Non-Monetized)	No alternative approaches that will sustain the Board’s operability were identified in the development of this action.	
(5) Information Sources	N/A	

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.

Local partners are not directly affected by the regulatory change.

Impacts on Families

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

No direct or indirect impact on families is anticipated.

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.

Table 4: Impact on Small Businesses

(1) Direct & Indirect Costs & Benefits (Monetized)	See box #3.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>The Board issues licenses to both firms and individuals. Contractor licenses are only issued to firms while tradesmen licenses and certificates are issued to individuals.</p> <p>Firms that are required to apply for and maintain a license with the Board may be small businesses that will be affected by the fee increase. Additionally, individuals licensed by the Board may be owners or employees of firms considered to be small businesses.</p>	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
22-100	(M/A):	0	0	0	0
	(D/A):	2	0	0	0
	(M/R):	1	0	0	0
	(D/R):	2	0	0	0
22-140	(M/A):	0	0	0	0
	(D/A):	2	0	0	0
	(M/R):	0	1	0	+1
	(D/R):	3	0	0	0
22-170	(M/A):	0	0	0	0
	(D/A):	2	0	0	0
	(M/R):	0	0	0	0
	(D/R):	4	0	0	0
22-250	(M/A):	0	0	0	0
	(D/A):	1	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
30-90	(M/A):	0	0	0	0
	(D/A):	4	0	0	0
	(M/R):	0	0	0	0
	(D/R):	4	0	0	0
30-120	(M/A):	2	0	0	0
	(D/A):	5	0	0	0
	(M/R):	10	0	0	0
	(D/R):	9	0	0	0
30-130	(M/A):	1	0	0	0
	(D/A):	3	0	0	0
	(M/R):	0	0	0	0
	(D/R):	21	0	0	0
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): +1 (D/R): 0

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

Cost Reductions or Increases (if applicable)

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases
22-100	Application fees for initial licensure of contractors (including temporary contractor licenses) and residential building energy analyst firms.	Class A initial license: \$360 Class B initial license: \$345 Class C initial license: \$210 Class A temporary license: \$410 Class B temporary license: \$395 Class C temporary license: \$260 RBEA firm initial license: \$210	Class A initial license: \$480 Class B initial license: \$460 Class C initial license: \$280 Class A temporary license: \$550 Class B temporary license: \$530 Class C temporary license: \$350 RBEA firm initial license: \$280	Class A initial license: +\$120 Class B initial license: +\$115 Class C initial license: +\$70 Class A temporary license: +\$140 Class B temporary license: +\$135 Class C temporary license: +\$90 RBEA firm initial license: +\$70 The change increases the cost of application fees by 33% for all license types. This change applies to one D/R

				requirement in the section.
22-130 22-140	Fees for renewal of contractor and residential building energy analyst firm licenses.	<p>Class A renewal: \$240</p> <p>Class B renewal: \$225</p> <p>Class C renewal: \$195</p> <p>RBEA firm renewal: \$195</p>	<p>Class A renewal: \$320</p> <p>Class B renewal: \$300</p> <p>Class C renewal: \$260</p> <p>RBEA firm renewal: \$260</p>	<p>Class A renewal: +\$80</p> <p>Class B renewal: +\$75</p> <p>Class C renewal: +\$65</p> <p>RBEA firm renewal: +\$65</p> <p>The change increases the cost of renewal fees by 33% for all license types.</p> <p>This change applies to one D/R requirement in section -130.</p>
22-170	Fees for reinstatement of contractor and residential building energy analyst firm licenses.	<p>Class A reinstatement: \$490</p> <p>Class B reinstatement: \$460</p> <p>Class C reinstatement: \$405</p> <p>RBEA firm reinstatement: \$405</p>	<p>Class A reinstatement: \$655</p> <p>Class B reinstatement: \$615</p> <p>Class C reinstatement: \$540</p> <p>RBEA firm reinstatement: \$540</p>	<p>Class A reinstatement: +\$165</p> <p>Class B reinstatement: +\$155</p> <p>Class C reinstatement: +\$135</p> <p>RBEA firm reinstatement: +\$135</p> <p>The change increases the cost of reinstatement</p>

				<p>fees by 33% for all license types.</p> <p>This change applies to one D/R requirement in the section.</p>
22-250	<p>Fees to make certain changes to a contractor license.</p>	<p>Change of Qualified Individual or Designated Employee: \$110</p> <p>Add specialty designation: \$110</p>	<p>Change of Qualified Individual or Designated Employee: \$150</p> <p>Add specialty designation: \$150</p>	<p>Change of Qualified Individual or Designated Employee: +\$40</p> <p>Add specialty designation: +\$40</p> <p>The change increases the cost of fees for these transactions by 36%.</p> <p>This change applies to one D/R requirement in the section.</p>
30-90	<p>Application fees for initial licensure or certification of individuals.</p>	<p>Tradesman initial license: \$130</p> <p>Tradesman by card exchange: \$95</p> <p>Liquified petroleum gas fitter initial license: \$130</p> <p>Natural gas fitter provider initial license: \$130</p>	<p>Tradesman initial license: \$175</p> <p>Tradesman by card exchange: \$130</p> <p>Liquified petroleum gas fitter initial license: \$175</p> <p>Natural gas fitter provider</p>	<p>Tradesman initial license: +\$45 (+35%)</p> <p>Tradesman by card exchange: +\$35 (+37%)</p> <p>Liquified petroleum gas fitter initial license: +\$45 (+35%)</p> <p>Natural gas fitter provider initial</p>

		Backflow prevention device worker initial certification: \$130	initial license: \$175 Backflow prevention device worker initial certification: \$175	license: +\$45 (+35%) Backflow prevention device worker initial certification: +\$45 (+35%)
		Elevator mechanic initial certification: \$130	Elevator mechanic initial certification: \$175	Elevator mechanic initial certification: +\$45 (+35%)
		Accessibility mechanic initial certification: \$130	Accessibility mechanic initial certification: \$175	Accessibility mechanic initial certification: +\$45 (+35%)
		Automatic fire sprinkler inspector initial certification: \$130	Automatic fire sprinkler inspector initial certification: \$175	Automatic fire sprinkler inspector initial certification: +\$45 (+35%)
		Water well systems provider initial certification: \$130	Water well systems provider initial certification: \$175	Water well systems provider initial certification: +\$45 (+35%)
		RBEA individual initial license: \$130	RBEA individual initial license: \$175	RBEA individual initial license: +\$45 (+35%)
		LULA endorsement application: \$65	LULA endorsement application: \$90	LULA endorsement application: +\$25 (+38%)

		Additional tradesman designation: \$90	Additional tradesman designation: \$120	Additional tradesman designation: +\$30 (+33%) The change increases the cost of fees for these transactions by around 35%. This change applies to one D/R requirement in the section.
30-120	Fees for renewal of licensure or certification of individuals.	Tradesman license renewal: \$135 Liquified petroleum gas fitter license renewal: \$135 Natural gas fitter provider license renewal: \$135 Backflow prevention device worker certification renewal: \$90 Elevator mechanic certification renewal: \$90 Accessibility mechanic certification renewal: \$90	Tradesman license renewal: \$180 Liquified petroleum gas fitter license renewal: \$180 Natural gas fitter provider license renewal: \$180 Backflow prevention device worker certification renewal: \$120 Elevator mechanic certification renewal: \$120 Accessibility mechanic certification renewal: \$120	Tradesman license renewal: +\$45 Liquified petroleum gas fitter license renewal: +\$45 Natural gas fitter provider license renewal: +\$45 Backflow prevention device worker certification renewal: +\$30 Elevator mechanic certification renewal: +\$30 Accessibility mechanic certification renewal: +\$30

		<p>Automatic fire sprinkler inspector certification renewal: \$90</p> <p>Water well systems provider certification renewal: \$90</p> <p>RBEA individual license renewal: \$90</p>	<p>Automatic fire sprinkler inspector certification renewal: \$120</p> <p>Water well systems provider certification renewal: \$120</p> <p>RBEA individual license renewal: \$120</p>	<p>Automatic fire sprinkler inspector certification renewal: +\$30</p> <p>Water well systems provider certification renewal: +\$30</p> <p>RBEA individual license renewal: +\$30</p> <p>The change increases the cost of renewal fees by 33% for all license and certification types.</p> <p>This change applies to one D/R requirement in the section.</p>
30-130	Fees for reinstatement of licensure or certification of individuals.	<p>Tradesman license reinstatement: \$185</p> <p>Liquified petroleum gas fitter license reinstatement: \$185</p> <p>Natural gas fitter provider license reinstatement: \$185</p>	<p>Tradesman license reinstatement: \$250</p> <p>Liquified petroleum gas fitter license reinstatement: \$250</p> <p>Natural gas fitter provider license reinstatement: \$250</p>	<p>Tradesman license reinstatement: +\$65 (+35%)</p> <p>Liquified petroleum gas fitter license reinstatement: +\$65 (+35%)</p> <p>Natural gas fitter provider license reinstatement: +\$65 (+35%)</p>

		<p>Backflow prevention device worker certification reinstatement: \$140</p> <p>Elevator mechanic certification reinstatement: \$140</p> <p>Accessibility mechanic certification reinstatement: \$140</p> <p>Automatic fire sprinkler inspector certification reinstatement: \$140</p> <p>Water well systems provider certification reinstatement: \$140</p> <p>RBEA individual license reinstatement: \$140</p>	<p>Backflow prevention device worker certification reinstatement: \$190</p> <p>Elevator mechanic certification reinstatement: \$190</p> <p>Accessibility mechanic certification reinstatement: \$190</p> <p>Automatic fire sprinkler inspector certification reinstatement: \$190</p> <p>Water well systems provider certification reinstatement: \$190</p> <p>RBEA individual license reinstatement: \$190</p>	<p>Backflow prevention device worker certification reinstatement: +\$50 (+36%)</p> <p>Elevator mechanic certification reinstatement: +\$50 (+36%)</p> <p>Accessibility mechanic certification reinstatement: +\$50 (+36%)</p> <p>Automatic fire sprinkler inspector certification reinstatement: +\$50 (+36%)</p> <p>Water well systems provider certification reinstatement: +\$50 (+36%)</p> <p>RBEA individual license reinstatement: +\$50 (+36%)</p> <p>The change increases the cost of fees for reinstatement of licenses and certifications by around 36%.</p>
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				This change applies to one D/R requirement in the section.
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Other Decreases or Increases in Regulatory Stringency (if applicable)

VAC Section(s) Involved*	Description of Regulatory Change	Overview of How It Reduces or Increases Regulatory Burden
N/A	N/A	N/A

Length of Guidance Documents (only applicable if guidance document is being revised)

Title of Guidance Document	Original Word Count	New Word Count	Net Change in Word Count
N/A	N/A	N/A	N/A

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).