

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Labor and Industry
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	16 VAC 25-35
<b>VAC Chapter title(s)</b>	Regulation Concerning Certified Lead Contractors Notification, Lead Project Permits and Permit Fees
<b>Action title</b>	Periodic Review
<b>Date this document prepared</b>	August 28, 2024
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	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.

NOTE: This regulation is established in accordance with 40.1-51.20 of the Code of Virginia. It establishes a process for certified lead contractors to provide written notification of any lead project to the Department of Labor and Industry. It also establishes the schedule for a lead project permit fee to be submitted along with the completed project notification form.

NOTE: Title 54.1, Chapter 5, Licensure by the Department of Professional and Occupational Regulation (DPOR) is required for individuals and firms engaged in lead-based paint activities in target housing (built before 1978) and child-occupied facilities (e.g. day-care centers, preschools and kindergarten classrooms).

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Not applicable. Indirect Costs: Not applicable. Direct Benefits: Not applicable. Indirect Benefits: Not applicable.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(5) Information Sources	Not applicable.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Not applicable. Indirect Costs: Not applicable. Direct Benefits: Not applicable. Indirect Benefits: Not applicable.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(5) Information Sources	Not applicable.	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: Not applicable. Indirect Costs: Not applicable. Direct Benefits: Not applicable. Indirect Benefits: Not applicable.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Not applicable.	(b) Not applicable.
(3) Net Monetized Benefit	Not applicable.	
(4) Other Costs & Benefits (Non-Monetized)	Not applicable.	
(5) Information Sources	Not applicable.	

**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.

**Table 2: Impact on Local Partners**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<ul style="list-style-type: none"> <li>• Direct Costs: Describe the direct costs of this proposed change here.</li> <li>• Indirect Costs: Describe the indirect costs of the proposed change.</li> <li>• Direct Benefits: Describe the direct benefits of this proposed change here.</li> <li>• Indirect Benefits: Describe the indirect benefits of the proposed change.</li> </ul> <p>The regulation neither disproportionately affects particular localities, nor affects costs for local governments, unless and to the extent that a local government contracts for lead removal and the licensed contractor passes along the cost of its lead project permit fee to the local government.</p> <p>Current fees are in 16VAC25-20-35.C:</p> <p>C. A lead project permit fee shall be submitted with the completed project notification form. The fee shall be in accordance with the following schedule:</p> <ol style="list-style-type: none"> <li>1. The greater of \$100 or 1.0% of the contract price, with a maximum of \$500.</li> <li>2. If, at any time, the Commissioner of Labor and Industry determines that projected revenues from lead project permit fees may exceed projected administrative expenses related to the lead program by at least 10%, the commissioner may reduce the minimum and maximum fees and contract price percentage set forth in subdivision 1 of this subsection.</li> </ol> <p>D. A blanket notification, valid for a period of one year, may be granted to a contractor who enters into a contract for a lead project on a specific site which is expected to last for one year or longer.</p> <ol style="list-style-type: none"> <li>1. The contractor shall submit the notification required in subsection A of this section to the department at least 20 days prior to the start of the requested blanket notification period. The notification submitted shall contain the following additional information:             <ol style="list-style-type: none"> <li>a. The dates of work required by subdivision B 7 of this section shall be every workday during the blanket notification period, excluding weekends and state holidays.</li> </ol> </li> </ol>
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	<p>b. The estimate of lead to be removed required under subdivision B 5 of this section shall be signed by the owner and the owner's signature authenticated by a notary.</p> <p>c. A copy of the contract shall be submitted with the notification.</p> <p>2. The lead project permit fee for blanket notifications shall be as set forth in subsection C of this section.</p> <p>3. The contractor shall submit an amended notification at least one day prior to each time the contractor will not be present at the site. The fee for each amended notification will be \$15.</p> <p>4. Cancellation of a blanket notification may be made at any time by submitting a notarized notice of cancellation signed by the owner. The notice of cancellation must include the actual amount of lead removed and the actual amount of payments made under the contract. The refund shall be the difference between the original lead permit fee paid and 1.0% of the actual amount of payments made under the contract.</p> <p>The benefit of the regulation, which is mandated by statute, is to reduce the incidence of material impairment of the health of Virginians due to exposure to lead in the workplace or as an environmental pollutant.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) See (1) above.	(b) See (1) above.
(3) Other Costs & Benefits (Non-Monetized)	<p>A lead contractor working at a local government worksite could be subject to an inspection by DOLI. To the extent that the DOLI inspection delays completion of the project, the local government could experience a delay in use of the specific area under contract.</p> <p>If the DOLI inspection uncovers violations which could have resulted in the release of lead in the project area, the contractor would be required to clean up the area before releasing it for use.</p>	
(4) Assistance	Not applicable.	
(5) Information Sources	<a href="https://law.lis.virginia.gov/admincodefull/title16/agency25/chapter35/">https://law.lis.virginia.gov/admincodefull/title16/agency25/chapter35/</a>	

**Impacts on Families**

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

**Table 3: Impact on Families**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<ul style="list-style-type: none"> <li>• Direct Costs: Describe the direct costs of this proposed change here.</li> <li>• Indirect Costs: Describe the indirect costs of the proposed change.</li> <li>• Direct Benefits: Describe the direct benefits of this proposed change here.</li> <li>• Indirect Benefits: Describe the indirect benefits of the proposed change.</li> </ul> <p><u>Title 54.1, Chapter 5, Licensure</u> by the Department of Professional and Occupational Regulation (DPOR) is required for individuals and firms engaged in lead-based paint activities in target housing (built before 1978) and child-occupied facilities (e.g. day-care centers, preschools and kindergarten classrooms) (“covered building”).</p> <p>If a family owns a covered building, they could experience costs if they contract for lead removal and the licensed contractor passes along the cost of its lead project permit fee to the family. There is an exemption where no lead project fees will be required for residential dwellings.</p> <p>See benefits listed in Table 2 above.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) See Table 2 above.</p>	<p>(b) See Table 2 above.</p>
<p>(3) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>While rare, and usually only in response to a complaint from a family that occupies a covered building, a lead contractor working at a residential worksite could be subject to an inspection by DOLI. To the extent that the DOLI inspection delays completion of the project, the family could experience a delay in use of the specific area under contract.</p> <p>If the DOLI inspection uncovers violations which could have resulted in the release of lead in the project area, the contractor would be required to clean up the area before releasing it for use to the family, thus eliminating potential family exposure to lead.</p>	
<p>(4) Information Sources</p>	<p><a href="https://law.lis.virginia.gov/admincodefull/title16/agency25/chapter35/">https://law.lis.virginia.gov/admincodefull/title16/agency25/chapter35/</a></p>	

**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**

<p>(1) Direct &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<ul style="list-style-type: none"> <li>• Direct Costs: Describe the direct costs of this proposed change here.</li> <li>• Indirect Costs: Describe the indirect costs of the proposed change.</li> <li>• Direct Benefits: Describe the direct benefits of this proposed change here.</li> <li>• Indirect Benefits: Describe the indirect benefits of the proposed change.</li> </ul> <p>If the small business is a licensed lead contractor, they would be required to pay the fees outlined in Table 2 above. The small business has the option to either pass those costs along to its customers or not. As referenced above, a small business that is a licensed lead contractor is subject to being inspected by DOLI on an annual basis. If violations are cited, they could result in penalties being issued. The contractor would also be required to correct the violations, which would not normally be passed along to the customer.</p> <p>A small business could experience costs if they contract for lead removal and the licensed contractor passes along the cost of its lead project permit fee to the small business.</p> <p>See costs and benefits listed in Table 2 above.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) See Table 2 above.</p>	<p>(b) See Table 2 above.</p>
<p>(3) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>As referenced above, lead contractor working at a small business could be subject to an inspection by DOLI. To the extent that the DOLI inspection delays completion of the project, the small business could experience a delay in use of the specific area under contract.</p> <p>If the DOLI inspection uncovers violations which could have resulted in the release of lead in the project area, the contractor would be required to clean up the area before releasing it for use.</p>	
<p>(4) Alternatives</p>	<p>None. Licensed lead contractors are required to pay a permit fee unless otherwise exempt by statute per Va. Code § 40.1-51.20.B.</p>	
<p>(5) Information Sources</p>	<p><a href="https://law.lis.virginia.gov/admincodefull/title16/agency25/chapter35/">https://law.lis.virginia.gov/admincodefull/title16/agency25/chapter35/</a></p>	

**Changes to Number of Regulatory Requirements**

*DOLI does not know which sections will be modified, since the periodic review will be producing information as to what changes, if any, are warranted. DOLI will update Table 5 with precise numbers if and when it proceeds with a change to the Chapter at issue.*

**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
16VAC25-35-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
<b>Grand Total of Changes in Requirements:</b>					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
16VAC25-35-20	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	1	0	0	0
	(D/R):	0	0	0	0
<b>Grand Total of Changes in Requirements:</b>					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

VAC Section(s) Involved*	Authority of Change	Initial Count	Additions	Subtractions	Total Net Change in Requirements
16VAC25-35-30	(M/A):	0	0	0	0
	(D/A):	3	0	0	0
	(M/R):	0	0	0	0
	(D/R):	16	0	0	0
					(M/A): 0



<b>Grand Total of Changes in Requirements:</b>	<b>(D/A): 0</b>
	<b>(M/R): 0</b>
	<b>(D/R): 0</b>

<b>VAC Section(s) Involved*</b>	<b>Authority of Change</b>	<b>Initial Count</b>	<b>Additions</b>	<b>Subtractions</b>	<b>Total Net Change in Requirements</b>
16VAC25-35-40	<b>(M/A):</b>	<b>0</b>	0	0	0
	<b>(D/A):</b>	<b>0</b>	0	0	0
	<b>(M/R):</b>	<b>0</b>	0	0	0
	<b>(D/R):</b>	<b>0</b>	0	0	0
<b>Grand Total of Changes in Requirements:</b>					<b>(M/A): 0</b>
					<b>(D/A): 0</b>
					<b>(M/R): 0</b>
					<b>(D/R): 0</b>

**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)*

<b>VAC Section(s) Involved*</b>	<b>Description of Regulatory Requirement</b>	<b>Initial Cost</b>	<b>New Cost</b>	<b>Overall Cost Savings/Increases</b>

*Other Decreases or Increases in Regulatory Stringency (if applicable)*

<b>VAC Section(s) Involved*</b>	<b>Description of Regulatory Change</b>	<b>Overview of How It Reduces or Increases Regulatory Burden</b>

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

<b>Title of Guidance Document</b>	<b>Original Word Count</b>	<b>New Word Count</b>	<b>Net Change in Word Count</b>

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