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Exempt Action Final Regulation Agency Background Document

Agency name	Board for Contractors
Virginia Administrative Code (VAC) citation(s)	18 VAC 50-22
Regulation title(s)	Board for Contractors Regulations
Action title	Temporary Reduction of Renewal and Reinstatement Fees
Final agency action date	April 30, 2019
Date this document prepared	May 16, 2019

While a regulatory action may be exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the *Code of Virginia*, the agency is still encouraged to provide information to the public on the Regulatory Town Hall using this form. However, the agency may still be required to comply with the Virginia Register Act, Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1 VAC7-10), and the *Virginia Register Form, Style, and Procedure Manual for Publication of Virginia Regulations*.

Brief Summary

Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.

The Board for Contractors has adopted a temporary reduction in fees for contractor license renewal and reinstatement applications received on or before August 31, 2021, in order to reduce an accumulated budget surplus and to comply with the Callahan Act (§ 54.1-113 of the Code of Virginia). Without this regulatory action, the fees will revert or "increase" to the permanent fees in regulation effective September 1, 2019.

This action amends an existing regulation and is exempt from the Administrative Process Act pursuant to § 2.2-4006(A)(6):

Regulations of the regulatory boards served by (i) the Department of Labor and Industry pursuant to Title 40.1 and (ii) the Department of Professional and Occupational Regulation or the Department of Health Professions pursuant to Title 54.1 that are limited to reducing fees charged to regulants and applicants.

Mandate and Impetus

Please identify the mandate for this regulatory change, and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, board decision, etc.). "Mandate" is defined as "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."

The Callahan Act (§ 54.1-113) requires the Department of Professional and Occupational Regulation to review each board's financial position, to determine whether fees need to be readjusted to ensure revenues are sufficient, but not excessive, to cover operating expenses.

In 2017, the Board for Contractors promulgated a temporary fee decrease, which is set to expire on August 31, 2019. The Board initiated this adjusted temporary fee decrease to continue the reduction of an accumulated surplus and to improve its Callahan Act position.

These adjusted fees remain below the permanent fees in regulation, while remaining sufficient to allow the Board to remain in compliance with the Callahan Act. Without this regulatory action, renewal and reinstatement fees will revert or "increase" to the permanent fees in regulation as of September 1, 2019.

Statement of Final Agency Action

Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.

At its April 30, 2019, meeting, the Board for Contractors authorized this exempt action for the Board for Contractors Regulations.