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## Exempt Action: Final Regulation Agency Background Document

<b>Agency name</b>	Board for Contractors
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	18VAC50-20 18VAC50-30
<b>VAC Chapter title(s)</b>	Board for Contractors Regulations Individual License and Certification Regulations
<b>Action title</b>	Temporary Fee Reduction
<b>Final agency action date</b>	March 14, 2023
<b>Date this document prepared</b>	April 17, 2023

This information is required for executive branch review pursuant to Executive Order 19 (2022) (EO 19), any instructions or procedures issued by the Office of Regulatory Management (ORM) or the Department of Planning and Budget (DPB) pursuant to EO 19. In addition, this information is required by the Virginia Registrar of Regulations pursuant to the Virginia Register Act (§ 2.2-4100 et seq. of the Code of Virginia). Regulations must conform to the Regulations for Filing and Publishing Agency Regulations (1 VAC 7-10), and the *Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code*.

### Brief Summary

*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 renewal and reinstatement fees for the following licenses:

<u>Firm Licenses</u>	<u>Individual Licenses/Certifications</u>
Class C Contractor	Tradesman License
Class B Contractor	Liquefied Petroleum Gas Fitter License
Class A Contractor	Natural Gas Fitter Provider License
Residential Building Energy Analyst Firm	Backflow Prevention Device Worker Certification
	Elevator Mechanic Certification

Certified Accessibility Mechanic
Certified Automatic Fire Sprinkler Inspector
Water Well Systems Provider Certification
Residential Building Energy Analyst License

The temporary fee reduction applies to renewal and reinstatement fees for licenses or certifications received on or before August 31, 2025.

**Mandate and Impetus**

*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, or board decision). For purposes of executive branch review, “mandate” has the same meaning as defined in the ORM procedures, “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.”*

Section 54.1-113 of the Code of Virginia (“the Callahan Act”) states, in part:

Following the close of any biennium, when the account for any regulatory board within the Department of Professional and Occupational Regulation maintained under § 54.1-308 shows that unspent and unencumbered revenue exceeds \$100,000 or 20 percent of the total expenses allocated to the regulatory board for the past biennium, whichever is greater, the regulatory board shall (i) distribute all such excess revenue to current regulants and (ii) reduce the fees levied by it for certification, licensure, registration, or permit and renewal thereof so that the fees are sufficient but not excessive to cover expenses.

Section 54.1-201 of the Code of Virginia states, in part:

- A. The powers and duties of regulatory boards shall be as follows:
  - 4. To levy and collect fees for certification or licensure and renewal that are sufficient to cover all expenses for the administration and operation of the regulatory board and a proportionate share of the expenses of the Department of Professional and Occupational Regulation and the Board for Professional and Occupational Regulation.

At the close of each biennium, the Department of Professional and Occupational Regulation is required to review each board’s financial position to determine whether fees need to be adjusted to ensure that revenues are sufficient, but not excessive, to cover the board’s operating expenses. This regulatory change was prompted by a Department review of the Board’s current financial position, and projected revenues and expenses for the current (2022-2024) and next (2024-2026) biennia. The purpose of the fee reductions is to reduce an accumulated budget surplus and remain in compliance with the Callahan Act.

In 2021, the Board promulgated a temporary fee decrease to ensure compliance with § 54.1-113 of the Code of Virginia. These temporarily reduced fees will expire on August 31, 2023, and, without the promulgation of an adjusted temporary fee decrease, the Board will not be in compliance with the existing requirement. These fees are below the current fee requirements but are sufficient to allow the Board to remain compliant.

This regulatory action is exempt from the Administrative Process Act pursuant to § 2.2-4006(A)(6) of the Code of Virginia.

### Statement of Final Agency Action

*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.*

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The Board for Contractors authorized an exempt action for the Board for Contractors Regulations and the Individual License and Certification Regulations on March 14, 2023.