

**Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement**

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ORIGINAL

Bill Number: SB279 **Patron:** Craig
Bill Title: Department of Professional and Occupational Regulation; Board for Contractors; tradesman apprenticeship requirements.

Bill Summary: Requires any individual who performs plumbing, heating, ventilation, and air conditioning or electrical work for the purpose of qualifying for licensure as a tradesman to hold an apprentice license issued by the Board for Contractors. The bill outlines the requirements for an apprentice licensee generally, and the specific requirements for plumbing, HVAC, and electrical apprentices. The bill directs the Board for Contractors to adopt emergency regulations to implement the provisions of the bill.

Budget Amendment Necessary: Yes

Items Impacted: 356

Explanation: This bill will result in additional expenses for the Department of Professional and Occupational Regulation (DPOR) that cannot be absorbed within existing appropriation.

Fiscal Summary: It is anticipated that the bill will result in an ongoing \$958,213 increase to nongeneral fund expenditures and an increase in nongeneral fund revenue of \$1.2 million in the first year and \$0.6 million in subsequent years. The General Provisions section of the Appropriation Act allows for the establishment of nongeneral fund appropriation administratively, however, a legislative appropriation is needed to make any such increase permanent.

Nongeneral Fund Expenditure Impact:

Nongeneral Fund Revenue Impact:

Fiscal Analysis: The bill requires any individual “performing plumbing, heating, ventilation, and air conditioning, or electrical work for the purpose of qualifying for licensure” to hold an apprentice license from DPOR’s Board for Contractors. According to the Department of Workforce Development and Advancement, there are approximately 9,150 active registered apprentices in the plumbing, HVAC, and electrical trades. DPOR further estimates that there may be between 5,000 and 8,000 additional individuals working in a helper

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or laborer role within these trades with the intention of becoming licensed in the future. Based on these figures, it is anticipated that DPOR would need to process 10,000 apprentice licenses in the first year and 5,000 per year thereafter. DPOR anticipates that the Board would establish a license fee of \$120, which would generate revenue of \$1.2 million in the first year and \$0.6 each subsequent year.

DPOR estimates that seven additional licensing specialists, two team leads, and three administrative support positions will be needed to handle the additional workload, resulting in a total annual cost of \$958,213.

As with all of DPOR's boards, the Board for Contractors does not receive general fund support and relies on revenue from its regulant members, such as application fees, to support all operational expenses. If expenses exceed revenue, the Board may need to raise fees. In compliance with the Callahan Act (§54.1-113, Code of Virginia), the Board would need to reduce fees if revenue significantly exceeds expenses.

The bill directs the Board to promulgate regulations to implement the bill within 280 days of enactment. It is anticipated that the Board will be able to do so through regularly scheduled meetings with existing resources.

This impact statement is preliminary and may be revised if additional information becomes available.

Other: None.