

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

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ORIGINAL

Bill Number: SB578

Patron: Reeves

Bill Title: Department of Professional and Occupational Regulation; auctioneers; definition.

Bill Summary: Specifies that sales meeting the definition of "auction" include sales made both in person and online. The bill contains a technical amendment.

Budget Amendment Necessary: No

Items Impacted: None

Explanation: This bill impacts the Department of Professional and Occupational Regulation (DPOR); however, the fiscal impact is indeterminate.

Fiscal Summary: It is anticipated that the bill will result in an indeterminate nongeneral fund revenue and expenditure impact to DPOR's Auctioneers Board.

Fiscal Analysis: The bill amends the definition of an "auction" as regulated by the Auctioneers Board to include both in-person and online sales. The Board currently only regulates individuals and firms who conduct in-person auctions. According to DPOR, data on the number of individuals and firms conducting online auctions is unreliable. The number of new registrations is unknown but may be significant. Registration fees are currently \$25 for individuals and \$55 for firms for initial licensure; \$55 for individuals and \$65 for firms for renewal.

Like all of DPOR's Board, the Auctioneers Board receives no general fund support and relies on fees paid by regulant members to support operations. If expenditures resulting from the increased workload exceed increased revenue from new registrations, the Board may need to raise fees. If revenue significantly exceeds expenses, the Board would need to lower fees in compliance with the Callahan Act (§ 54.1-113).

Individuals or firms who conduct online auctions in Virginia without the appropriate license would be in violation of § 54.1-111. If the violation was willful, a first or second offense is a Class 1 misdemeanor. Third and subsequent violations constitute a Class 6 felony. In addition to criminal penalties, DPOR can enforce civil penalties of up to \$5,000 per year, not to exceed \$25,000 per year, which are paid to the Literary Fund.

Anyone convicted of a Class 1 misdemeanor is subject to a sentence of up to 12 months in jail and a fine of not more than \$2,500, either or both. For someone convicted of a Class 6 felony, a judge has the option of sentencing the offender to a term of imprisonment of not less than one year nor more than five years, or in the discretion of the jury or the court trying the case without a jury, confinement in jail for not more than 12 months and a fine of not more than \$2,500, either or both. Therefore, this proposal could result in an increase in the number of persons sentenced to jail or prison.

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There is not enough information available to reliably estimate the increase in jail population as a result of this proposal. However, any increase in jail population will increase costs to the state. The Commonwealth currently pays the localities \$5.00 a day for each misdemeanor or otherwise local-responsible prisoner held in a jail and \$15.00 a day for each state-responsible prisoner. It also funds a considerable portion of the jails' operating costs, e.g., correctional officers. The state's share of these costs on a per prisoner, per day basis varies from locality to locality. However, according to the Compensation Board's most recent Jail Cost Report (November 2025), the estimated total state support for local jails averaged \$58.25 per inmate, per day in FY 2024.

Other: None.