

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

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ORIGINAL

Bill Number: SB324S2

Patron: McPike

Bill Title: Virginia Public Procurement Act; additional public works contract requirements.

Bill Summary: Provides that public bodies shall require the contractor and its subcontractors for any capital outlay project, as defined in the bill, to complete certain safety training programs, maintain records of compliance with applicable laws, and participate in approved apprenticeship training programs. The bill also requires contractors or subcontractors who employ four or more journeyworker employees to also employ one or more apprentices to perform the same work, and provides specifications regarding the provision of remuneration to independent contractors by contractors, subcontractors, or any other party on a capital outlay project.

The second substitute bill clarifies the bill's requirements shall apply to public contracts for construction exceeding \$5 million.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: The fiscal impact of this legislation is indeterminate.

Fiscal Summary: The Department of General Services (DGS) indicates the fiscal impact of this bill is indeterminate. The legislation may increase bid price across all capital projects by limiting the pool of contractors via additional requirements.

As the second substitute bill defines project size as greater than \$5 million and only one apprentice is required, DGS anticipates that a general contractor would be much more likely to be able to fulfill the requirements of the bill.

DGS also indicates the removal of the exception clause in the substitute bill takes DGS out of the enforcement role for noncompliant public bodies. No fiscal impact is anticipated to convene the Public Body Procurement Workgroup.

Fiscal Analysis: See fiscal summary.

Other: This bill is similar to HB1046 and HB850/SB366. SB962/HB2482 from the 2025 session also stipulated apprenticeship requirements for capital projects.