



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

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**Fiscal Analysis:**

**Department of Labor and Industry (DOLI)**

DOLI indicates the following fiscal impact statement is preliminary and may be updated as additional information is received:

This bill adds requirements for certain public works construction contracts exceeding \$5.0 million. It requires applicable contractors, subcontractors, or parties to a construction contract to collect information on independent contractors hired under construction contracts and to include the independent contractor's trade and point of contact in this information. The contractor is to submit this information as written notification to the project owner, who shall remit the information to DOLI. Additionally, this bill requires DGS and DOLI to develop guidelines for state agencies in collecting and transmitting independent contractor information.

According to DOLI, the workforce and labor-standards provisions of this bill would require agency oversight and monitoring. DOLI states that the agency would support implementation through guidance coordination, including developing compliance frameworks and advising contracting entities and contractors on workforce classification and labor-hours reporting requirements. DOLI may also provide technical assistance, coordinate with procurement and workforce development stakeholders, and support data collection and reporting necessary to verify compliance with the statute once it becomes effective for qualifying contracts initiated after July 1, 2027.

DOLI anticipates requiring an additional Administrative Specialist position beginning in FY 2028 at an ongoing cost of \$137,907 to fully implement the provisions of this bill. According to the agency, the workload associated with this bill cannot be absorbed by existing staff, and this additional position would require specific subject-matter familiarity to answer questions and provide guidance regarding compliance with applicable labor standards. In addition, this position would be responsible for collecting, organizing, and maintaining documentation submitted by project owners and contractors related to covered construction contracts.

Based on the expected number of affected contracts statewide and the average number of subcontractors and independent contractors per project, DOLI estimates approximately 5,000 additional work activities annually related to implementation of this bill, including requests for guidance and follow-up communications. The department anticipates that 60 percent of this position's workload would be dedicated to responding to inquiries, 25 percent to developing materials, and 15 percent to tracking and reporting. According to the agency, an Administrative Specialist position can process approximately 5,500 work activities per year based on existing workloads.

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**Public Institutions of Higher Education**

While one responding Institution of Higher Education (IHE) indicated no fiscal impact, other responding IHEs indicated indeterminate costs associated with an anticipated rise in contractor costs. Additional costs are anticipated to be expended on training and the administrative duties including records management and apprenticeship programs. Lastly, it is anticipated that procurement timelines and subsequently project timelines may be delayed, which has the potential to create an indeterminate rise in overall project costs.

**Department of General Services**

The Department of General Services indicates the fiscal impact of this bill is indeterminate. The legislation may increase bid price across construction contracts by limiting the pool of contractors via additional requirements.

**Department of Taxation**

The Department of Taxation does not anticipate a fiscal impact from this legislation.

**Other:** SB324H1 and HB1046S1 are identical. SB962/HB2482 from the 2025 session also stipulated apprenticeship requirements for capital projects.