

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

to DOLI, heavy construction rates would apply to solar energy facility construction work covered by this bill. DOLI would utilize these existing construction trade pay rates for prevailing wage rate determinations, rather than assessing and evaluating specific solar job classifications, determining a new wage rate, and updating rates periodically across the state independently. DOLI states that existing staff at the agency can provide and post these rates periodically. Additionally, DOLI anticipates that it can utilize its existing IT system to maintain the outward availability of prevailing wage information for solar facility construction projects.

Under this bill, paragraph B of § 40.1-28.14, Code of Virginia, states that any solar developer that fails to comply with the requirements of this section shall make a payment to the Commissioner of \$5,000 for each employee who was paid wages at a rate less than the prevailing wage rate, and \$10,000 for each employee if the Commissioner determines that failure to comply was due to intentional disregard of the provisions of this section. Paragraph E of § 40.1-28.15, Code of Virginia, states that a solar developer that fails to comply with the requirements of this section shall make a payment to the Commissioner of \$50 for each labor hour in which the apprenticeship requirements were not met, and \$500 for each labor hour if the Commissioner determines that failure to comply was due to intentional disregard of the provisions of this section. Civil penalties owed under both of these sections would be paid to the Commissioner for deposit in the general fund, resulting in an indeterminate general fund revenue impact.

This bill creates compliance and enforcement areas related to prevailing wage and apprenticeship requirements that do not currently exist within prevailing wage law. The number of inquiries, complaints, investigations, and enforcement actions that may result from this bill at the agency is currently unknown. However, DOLI anticipates that the amount will be minimal and absorbable within the agency's existing staff and enforcement structure for other labor law areas. DOLI estimates that each of the 136 utility-scale solar farms in Virginia will undertake 100 construction, alteration, or repair projects annually; however, not all of these facilities meet the definition of "solar energy facility" in this bill, which requires a rated capacity of greater than five megawatts, and the prevailing wage requirements of this bill, as amended, apply specifically to construction work. DOLI estimates that the amount of enforcement activities resulting from this bill would be intermittent and below 100 per year. Current Compliance Officer positions at the agency that administer and enforce existing wage-related laws, including payment of wage and minimum wage requirements, would receive targeted training to incorporate the new responsibilities of prevailing wage compliance into their ongoing enforcement duties.

Other: None.