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

**PUBLISHED: 3/11/2026 11:16 AM** **ORIGINAL**

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| **Bill Number:** | HB796 ER | **Patron:** | Hayes |
| **Bill Title:** | Professions and occupations; adjustment of fees by regulatory boards; recovery of disciplinary and monitoring costs. | | |

**Bill Summary:** Repeals the provision of law that requires, following the close of any biennium, when the account for any regulatory board within the Department of Professional and Occupational Regulation (DPOR) shows revenue to be a certain percentage greater than expenses, such regulatory board to distribute excess revenue to current regulants and reduce its licensure or certification fees so that fees are sufficient but not excessive to cover expenses. The bill also repeals the provision with respect to the Department of Health Professions (DHP) that requires, following the close of any biennium, when the account for any regulatory board shows expenses allocated to it for the past biennium to be a certain percentage greater than moneys collected by the board, the board to revise its fees so that such fees are sufficient but not excessive to cover expenses. The bill makes it permissive for the regulatory boards within DPOR and DHP to annually revise the fees levied by it for certification, licensure, registration, or permit and renewal so that the fees are sufficient but not excessive to cover expenses. Regulatory boards are also permitted to recover reasonable administrative costs associated with investigation, disciplinary proceedings, monitoring, and confirming compliance with any terms and conditions from any person who is (i) licensed, registered, certified, or issued a multistate licensure privilege by any regulatory or health regulatory board and (ii) issued a finding of a violation of law or regulation from such regulatory or health regulatory board. Such administrative costs shall not exceed $500 for regulatory boards within DPOR and $1,500 for health regulatory boards within DHP.

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| **Budget Amendment Necessary:** | No | **Items Impacted:** | None |
| **Explanation:** | This bill impacts the Department of Professional and Occupational Regulation (DPOR) and Department of Health Professions (DHP); however, no budget action is needed. | | |

**Fiscal Summary:** It is anticipated that this bill may result in indeterminate increases to nongeneral fund revenue for the boards within DPOR and DHP.

**Fiscal Analysis:** The bill permits regulatory boards within DPOR and DHP to amend fee-setting regulations. The bill provides an exemption from the requirements of the Administrative Process Act but requires that the boards provide thirty days' notice and hold a public hearing before adjusting fees, and if the fees are to be increased, to provide evidence justifying the amount. The bill limits the amount of any fee increase to one and a half times the rate of inflation, as measured by the CPI, from the date of the most recent fee increase. It is anticipated that higher fees will result in additional revenue. The amount will vary by board and is cumulatively indeterminate.

The bill requires DPOR and DHP to monitor fee increases by regulatory boards and report them annually to chairs of specified legislative committees by November 1st. It is anticipated that the reports can be produced within existing resources.

The bill also allows boards within DPOR and DHP to recover reasonable administrative costs from regulated individuals resulting from disciplinary proceedings in which the individual is found to have violated a law or regulation from such board. The bill limits the maximum amount recoverable to $500 for DPOR boards and $1,500 for DHP boards. The bill repeals a provision allowing the Board of Dentistry to recover up to $5,000. The revenue would be deposited to the impacted board and would not be considered a fine or penalty. Because the number of violations cannot be predicted, the amount of revenue is indeterminate. DHP anticipates that by shifting the cost of disciplinary proceedings to respondents, it may be possible to reduce fees.

The bill repeals a portion of § 54.1-113, also known as the Callahan Act, which requires DPOR's boards to review balances at the close of each biennium, and if balances exceed $100,000 or 20 percent of total biennial expenses, to reduce fees and distribute the excess balances to current regulants. Since 2019, budget language has directed DPOR not to distribute excess balances but instead hold them in reserve to offset the costs of organizational restructuring and upgrades to information technology systems.

Budget amendments to HB30, as Introduced, adopted by the House include budget bill language that allows any regulatory board within the Departments of Health Professions and Professional and Occupational Regulation to adjust its fees annually to reflect up to one and one-half times the rate of inflation from the previous date that the dollar amount was established, as measured by the Consumer Price Index, in order to appropriately maintain operating funds so that the fees are sufficient but not excessive to cover expenses.

**Other:** This bill is similar to SB 680.