

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

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ORIGINAL

Bill Number: SB 823 S3

Patron: Bagby

Bill Title: Regulation of contractors, solar installation companies; sale, lease, etc., of solar energy systems; civil penalty.

Bill Summary: Directs the Board for Contractors (the Board) to require specific contract provisions and disclosures relating to the sale, lease, or power purchase agreement for a residential solar energy system, as defined in the bill. The bill requires a sale, lease, or power purchase agreement for a residential solar energy system to have a written contract that includes specific provisions related to the solar installation company, system design and performance or production guarantees, and information related to invoices and payments. The bill includes several mandatory disclosures to be included with a sale, lease, or power purchase agreement for a residential solar energy system. A willful violation of the provisions of the bill is subject to a civil penalty of no more than \$2,500 per violation, to be deposited to the Low-to-Moderate Income Solar Loan and Rebate Fund. The bill also directs the Board to adopt regulations and update existing regulations to implement the provisions of the bill by January 1, 2027. The remaining provisions of the bill have a delayed effective date of January 1, 2027.

Budget Amendment Necessary: No

Items Impacted: None

Explanation: This bill impacts the Department of Professional and Occupational Regulation (DPOR) and Department of Housing and Community Development (DHCD); however, no budget action is needed.

Fiscal Summary: It is anticipated that the bill may result in an indeterminate increase in expenditures for DPOR's Board for Contractors.

Fiscal Analysis: The bill sets out certain provisions and disclosures that must be included in any contract for the sale, lease, or power purchase agreement for a residential solar energy system. Enforcement of the bill is assigned to DPOR's Board for Contractors, and defines "solar installation company" as a licensee of the Board that contracts to install residential solar energy systems. The bill directs the Board to issue regulations by January 1, 2027.

It is anticipated that the development of regulations required by this bill can be completed by the Board through regularly scheduled meetings using existing resources. The increase in workload resulting from enforcement of the bill is indeterminate and will vary based on the number and complexity of alleged violations.

Individuals who violate the terms of the bill would be subject to a fine of up to \$2,500 per violation, which would be deposited to DHCD's Low-to-Moderate Income Solar Loan and Rebate Fund. Because number of violations is unknown, the amount of revenue for the fund is indeterminate.

Other: This bill is the companion to HB 1439.