

Department of Planning and Budget

2007 Fiscal Impact Statement

1. Bill Number HB3164

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☒ Enrolled

2. Patron Moran

3. Committee Passed Both Houses

4. Title One-stop small business permitting program.

5. Summary/Purpose: This bill establishes a comprehensive, “one-stop” permitting program for small businesses. The program is to be administered by the Virginia Department of Business Assistance (DBA). Owners of small businesses, defined as establishments with no more than 250 employees or average annual gross receipts of \$10 million or less averaged over the previous three years, will be able to complete a master application online to register their businesses with the state. The program will charge a handling fee to all applicants, set at a rate determined by DBA as adequate to cover the costs of administering the program. The bill specifies that the program in no way supersedes or supplants any regulatory authority granted to any state agency with permits. Finally, the bill creates the Comprehensive Permitting Fund, in which all moneys collected from the handling fee and any other funds appropriated by the General Assembly are to be deposited. All monies in this Fund, including interest, are to be used solely to administer the program, and shall remain in the Fund at the end of the year and not revert to the general fund.

6. Fiscal Impact Estimates are: Indeterminate. See item 8 (below).

7. Budget amendment necessary: No.

8. Fiscal implications: This bill establishes a one-stop permitting program under DBA and allows DBA to charge a handling fee to applicants, set at a level necessary to cover the costs of administering the program. While it is anticipated that any additional costs for DBA resulting from this bill will be negligible and can be absorbed, these fiscal estimates are indeterminate until the project is implemented.

The bill specifies that the applicant is to make payments for permitting fees directly to the proper agency, as stipulated in Paragraph K. As this is a continuation of a practice already in place, it is estimated that any fiscal impact from requiring payment directly to the proper agency would be minimal and have little, if any, effect on current workload.

Should additional staff be needed at DBA to handle any added workload resulting from the requirements of this bill, it is possible that the cost of these new positions may be paid with the funds generated by the handling fee, collected and deposited in the nongeneral Comprehensive Permitting Fund. If anticipated fee revenue is sufficient for any additional FTEs, there is also the possibility that any existing FTEs whose responsibilities have been redirected to this project and

whose costs are currently paid with general fund dollars, may be transferred from the general fund to the nongeneral Comprehensive Permitting Fund. This could result in future general fund savings.

The bill stipulates that this program does not supplant any regulatory authority granted to any state agency with permits, and that DBA is only to coordinate with other regulatory agencies.

9. Specific agency or political subdivisions affected: Department of Business Assistance, all other regulatory agencies (Department of Taxation, State Corporation Commission, Virginia Employment Commission, Department of Professional and Occupational Regulation).

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 3/12/07 / aek

Document: G:\2007 Fiscal Impact Statements\HB3164ER.Doc

cc: Secretary of Commerce and Trade