

Commission on Local Government

Estimate of Local Fiscal Impact
2013 General Assembly Session

Bill: HB 1722 **Patron:** Head **Date:** January 25, 2013

In accordance with the provisions of §30-19.03 of the Code of Virginia, the staff of the Commission on Local Government offers the following analysis of the above-referenced legislation:

I. Bill Summary

HB 1722 provides that in any instance in which a person is seeking a business permit, a license, or an application for any similar local government approval from a locality, the locality shall provide documentation and instructions that outline all steps necessary to obtain the permit, license or approval. The locality shall also specify any further permit, license or other approval that may be required to complete the original project or business activity and shall disclose the expected time required by the locality for the completion of each step of the process to obtain the license, permit or other approval.

II. Fiscal Impact Analysis

The Commission on Local Government (CLG) received fiscal impact statements from 16 localities – the Counties of Fairfax, Henrico, Prince Edward, Pulaski, Rappahannock, Spotsylvania, and Westmoreland; the Cities of Chesapeake, Danville, Lynchburg, Norfolk, Roanoke, and Winchester; and the Towns of Louisa, Strasburg, and Wytheville.

Ten of the responding localities – the Counties of Fairfax, Henrico, Pulaski, and Spotsylvania; the Cities of Chesapeake, Danville, Lynchburg, Norfolk, and Roanoke; and the Town of Strasburg – reported that they would not experience a net increase in expenditures.

Henrico County, City of Danville, and the City of Norfolk stated that they are already in compliance with HB 1722 or are in the process of working towards compliance.

Six of the responding localities – the Counties of Prince Edward, Rappahannock and Westmoreland; the City of Winchester; and the Towns of Louisa and Wytheville – indicated that they would experience an expenditure increase of less than \$5,000.

Prince Edward County expressed concern over the ambiguity of the bill. They feared that it could be interpreted by the courts to mean everything from a business license to a dance hall license.

Rappahannock County expressed concern that the provisions do not limit their responsibility to local law. They are unsure if state or federal licensing documentation would also be required of them.

III. Conclusion

HB 1722 looks to add § 15.2-110 to the Code of Virginia. This legislation requires that all localities provide documentation and instructions that outline all steps necessary to obtain a business permit, a license, or an application for any similar local government approval from a locality. It shall also specify any further approvals that may be required in order to complete the original project or business activity. Localities will also be required to disclose the expected time required for the completion in each step of the process.

HB 1722 is a new mandate on local governments. The difficulty in estimating the financial impact to localities lies within the ambiguity of the text. It is clear that staff time will be required to document processes and estimate expected time; however, the amount of time that will be required is unclear and will vary by the type of license, permit or approval that is being documented. The demands on staff time could be extensive depending upon the research required to document the licensing processes as well as all other requirements necessary for a particular license.