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HOUSE BILL NO. 167

AMENDMENT IN THE NATURE OF A SUBSTITUTE
(Proposed by the House Committee on Commerce and Labor
on January 30, 2014)

(Patron Prior to Substitute—Delegate Ramadan)

A BILL to amend and reenact § 2.2-1617 of the Code of Virginia and to amend and reenact the second enactment of Chapters 155 and 206 of the Acts of Assembly of 2013, relating to the one-stop small business permitting program; integration with State Corporation Commission.

Be it enacted by the General Assembly of Virginia:

1. That § 2.2-1617 of the Code of Virginia is amended and reenacted as follows:

§ 2.2-1617. One-stop small business permitting program.

A. As used in this article, unless the context requires a different meaning:

"Business Permitting Center" or "Center" means the business registration and permitting center established by this section and located in and under the administrative control of the Department.

"Comprehensive application" means a document incorporating pertinent data from existing applications for permits covered under this section.

"Comprehensive permit" means the single document designed for public display issued by the Business Permitting Center that certifies state agency permit approval and that incorporates the endorsements for individual permits included in the comprehensive permitting program.

"Comprehensive permitting program" or "Program" means the mechanism by which comprehensive permits are issued and renewed, permit and regulatory information is disseminated, and account data is exchanged by state agencies.

"Permit" means the whole or part of any state agency permit, license, certificate, approval, registration, charter, or any form or permission required by law, to engage in activity associated with or involving the establishment of a small business in the Commonwealth.

"Permit information packet" means a collection of information about permitting requirements and application procedures custom assembled for each request.

"Regulatory" means all permitting and other governmental or statutory requirements establishing a small business or professional activities associated with establishing a small business.

"Regulatory agency" means any state agency, board, commission, or division that regulates one or more professions, occupations, industries, businesses, or activities.

"Renewal application" means a document used to collect pertinent data for renewal of permits covered under this section.

"Small business" means an independently owned and operated business that, together with affiliates, has 250 or fewer employees or average annual gross receipts of \$10 million or less averaged over the previous three years.

"Veteran" means an individual who has served in the active military, naval, or air service and who was discharged or released therefrom under conditions other than dishonorable.

B. There is created within the Department the comprehensive permitting program (the Program). The Program is established to serve as a single access point to aid entrepreneurs in filling out the various permit applications associated with establishing a small business in Virginia. The Program in no way supersedes or supplants any regulatory authority granted to any state agency with permits covered by this section. As part of the Program, the Department shall coordinate with the regulatory agency, and the regulatory agency shall determine, consistent with applicable law, what types of permits are appropriate for inclusion in the Program as well as the rules governing the submission of and payment for those permits. The website of the Department shall provide access to information regarding the Program. The Department shall have the power and duty to:

1. Create a comprehensive application that will allow an entrepreneur, or an agent thereof, seeking to establish a small business, to create accounts that will allow them to acquire the appropriate permits required in the Commonwealth. The comprehensive application shall:

a. Allow the business owner to choose a business type and to provide common information, such as name, address, and telephone number, on the front page, eliminating the need to repeatedly provide common information on each permit application;

b. Allow the business owner to preview and answer questions related to the operation of the business;

c. Provide business owners with a customized to-do agency checklist, which checklist shall provide the permit applications pertinent to each business type and provide the rules, regulations, and general laws applicable to each business type as well as local licensing information;

d. Allow the business owner to submit permit applications by electronic means as authorized by

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60 § 59.1-496 and to affix thereto his electronic signature as defined in § 59.1-480;

61 e. Allow the business owner to check on the status of applications online and to receive information
62 from the permitting agencies electronically; and

63 f. Allow a business owner to submit electronic payment of application or permitting fees for
64 applications that have been accepted by the permitting agency.

65 2. Develop and administer a computerized system program capable of storing, retrieving, and
66 exchanging permit information while protecting the confidentiality of information submitted to the
67 Department to the extent allowable by law. Information submitted to the Department shall be subject to
68 the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) as the same would apply
69 were the information submitted directly to the Department or to any permitting agency.

70 3. Issue and renew comprehensive permits in an efficient manner.

71 4. Identify the types of permits appropriate for inclusion in the Program. The Department shall
72 coordinate with the regulatory agency, and the regulatory agency shall determine, consistent with
73 applicable law, what types of permits are appropriate for inclusion in the Program.

74 5. Incorporate permits into the Program.

75 6. Do all acts necessary or convenient to carry out the purposes of this chapter.

76 C. The Business Permitting Center shall compile information regarding the regulatory programs
77 associated with each of the permits obtainable under the Program. This information shall include, at a
78 minimum, a listing of the statutes and administrative rules requiring the permits and pertaining to the
79 regulatory programs that are directly related to the permit. The Center shall provide information
80 governed by this section to any person requesting it. Materials used by the Center to describe the
81 services provided by the Center shall indicate that this information is available upon request.

82 D. Each state agency shall cooperate and provide reasonable assistance to the Department in the
83 implementation of this section.

84 E. ~~By June 30, 2018, the~~ *The State Corporation Commission and the Department of Small Business*
85 *and Supplier Diversity shall:*

86 1. *By December 1, 2014, implement a hyperlink from the State Corporation Commission's eFile*
87 *system to the Center that will facilitate the collection by the Center of a user's information to populate*
88 *any forms that will be required to be completed at a future date, to the end that the user will not be*
89 *required unnecessarily to reenter data or information into the forms when the user is accessing the*
90 *Center; and*

91 2. *By June 30, 2018, fully integrate processes and forms into the Center and shall process all forms*
92 *within 48 business hours from the time the applicant submits the form electronically.*

93 The State Corporation Commission and the Center shall report on progress and any barriers to
94 completion of the provisions of subdivision 1 biannually, on each December 1 and June 1, to the
95 Governor, the Secretary of Commerce and Trade, the Secretary of Technology, and the chairs of the
96 Senate Committees on Finance, General Laws and Technology, and Commerce and Labor and of the
97 House Committees on Appropriations and Commerce and Labor.

98 F. Any person requiring permits that have been incorporated into the Program may submit a
99 comprehensive application to the Department requesting the issuance of the permits. The comprehensive
100 application form shall contain in consolidated form information necessary for the issuance of the
101 permits.

102 G. The applicant, if not a veteran, shall include with the application the handling fee established by
103 the Department. An applicant who is a veteran shall be exempt from payment of the handling fee
104 prescribed by this subsection. The amount of the handling fee assessed against the applicant shall be set
105 by the Department at a level necessary to cover the costs of administering the comprehensive permitting
106 program.

107 H. The authority for approving the issuance and renewal of any requested permit that requires
108 investigation, inspection, testing, or other judgmental review by the regulatory agency otherwise legally
109 authorized to issue the permit shall remain with that agency. The Center may issue those permits for
110 which proper fee payment and a completed application form have been received and for which no
111 approval action is required by the regulatory agency.

112 I. Upon receipt of the application, and proper fee payment for any permit for which issuance is
113 subject to regulatory agency action under subsection H, the Department shall immediately notify the
114 State Corporation Commission or the regulatory agency with authority to approve the permit issuance or
115 renewal requested by the applicant. The State Corporation Commission or the regulatory agency shall
116 advise the Department within a reasonable time after receiving the notice of one of the following:

117 1. That the State Corporation Commission or the regulatory agency approves the issuance of the
118 requested permit and will advise the applicant of any specific conditions required for issuing the permit;

119 2. That the State Corporation Commission or the regulatory agency denies the issuance of the permit
120 and gives the applicant reasons for the denial;

121 3. That the application is pending; or

4. That the application is incomplete and further information from or action by the applicant is necessary.

J. The Department shall issue a comprehensive permit endorsed for all the approved permits to the applicant and advise the applicant of the status of other requested permits. The applicant shall be responsible for contesting any decision regarding conditions imposed or permits denied through the normal process established by statute or by the State Corporation Commission or the regulatory agency with the authority for approving the issuance of the permit.

K. Regulatory agencies shall be provided information from the comprehensive application for their permitting and regulatory functions.

L. The Department shall be responsible for directing the applicant to make all payments for applicable fees established by the regulatory agency directly to the proper agency.

M. There is hereby created in the state treasury a special nonreverting fund to be known as the Comprehensive Permitting Fund, hereafter referred to as "the Fund." The Fund shall be established on the books of the Comptroller. The Fund shall consist of all moneys collected from the handling fee established by the Department pursuant to subsection G and such other funds as may be appropriated by the General Assembly. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely to administer the Program. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Director of the Department.

N. Unless otherwise directed by the regulatory agency, the Department shall not issue or renew a comprehensive permit to any person under any of the following circumstances:

1. The person does not have a valid tax registration, if required;
2. The person is a corporation, limited liability company, business trust, limited partnership, or registered limited liability partnership that (i) is delinquent in the payment of fees or penalties collected by the State Corporation Commission pursuant to the business entity statutes it administers, (ii) does not exist, or (iii) is not authorized to transact business in the Commonwealth pursuant to one of the business entity statutes administered by the State Corporation Commission; or

3. The person has not submitted the sum of all fees and deposits required for the requested individual permit endorsements, any outstanding comprehensive permit delinquency fee, or other fees and penalties to be collected through the comprehensive permitting program.

O. The Department may adopt regulations in accordance with § 2.2-1606 as may be necessary to carry out the purposes of this section.

2. That the second enactment of Chapters 155 and 206 of the Acts of Assembly of 2013 is amended and reenacted as follows:

2. That the State Corporation Commission and the Department of Small Business Assistance and Supplier Diversity shall collaborate to identify, develop, and implement enhancements to the Business One Stop and eFile systems to provide for an improved citizen experience. Representatives of the State Corporation Commission and the Department of Small Business and Supplier Diversity shall meet as necessary to further such collaboration and identify barriers thereto. The Secretary of Commerce and Trade shall oversee the Department of Small Business and Supplier Diversity's implementation of the provisions of subsection E of § 2.2-1617 of the Code of Virginia as amended by this act. The Secretary of Commerce and Trade and the Secretary of Technology shall have the opportunity to participate in such meetings.