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**HOUSE BILL NO. 1943**

Offered January 11, 2017

Prefiled January 10, 2017

A *BILL to amend and reenact § 2.2-4007.04 of the Code of Virginia, relating to the Administrative Process Act; economic impact analysis; opportunity for comment by affected businesses or other entities.*

Patrons—Peace, Head, Greason and LeMunyon; Senator: Chase

Referred to Committee on General Laws

**Be it enacted by the General Assembly of Virginia:****1. That § 2.2-4007.04 of the Code of Virginia is amended and reenacted as follows:****§ 2.2-4007.04. Economic impact analysis.**

A. Before delivering any proposed regulation under consideration to the Registrar as required in § 2.2-4007.05, the agency shall submit on the Virginia Regulatory Town Hall a copy of that regulation to the Department of Planning and Budget. In addition to determining the public benefit, the Department of Planning and Budget in coordination with the agency shall, within 45 days, prepare an economic impact analysis of the proposed regulation, as follows:

1. The economic impact analysis shall include but need not be limited to the projected number of businesses or other entities to ~~whom~~ *which* the regulation would apply; the identity of any localities and types of businesses or other entities particularly affected by the regulation; the projected number of persons and employment positions to be affected; the impact of the regulation on the use and value of private property, including additional costs related to the development of real estate for commercial or residential purposes; and the projected costs to affected businesses, localities, or entities of implementing or complying with the regulations, including the estimated fiscal impact on such localities and sources of potential funds to implement and comply with such regulation. A copy of the economic impact analysis shall be provided to the Joint Commission on Administrative Rules; *and*

2. If the regulation may have an adverse effect on small businesses, the economic impact analysis shall also include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. As used in this subdivision, "small business" has the same meaning as provided in subsection A of § 2.2-4007.1; *and*.

~~3. B.~~ *In conducting the economic impact analysis, the Department shall provide an opportunity for businesses or other entities to which the regulation would apply to comment on the anticipated economic impact of the proposed regulation. Such comments shall be considered by the Department and included in the economic impact analysis.*

C. In the event the Department cannot complete an economic impact statement within the 45-day period, it shall advise the agency and the Joint Commission on Administrative Rules as to the reasons for the delay. In no event shall the delay exceed 30 days beyond the original 45-day period.

~~B. D.~~ Agencies shall provide the Department with such estimated fiscal impacts on localities and sources of potential funds. The Department may request the assistance of any other agency in preparing the analysis. The Department shall deliver a copy of the analysis to the agency drafting the regulation, which shall comment thereon as provided in § 2.2-4007.05, a copy to the Registrar for publication with the proposed regulation, and an electronic copy to each member of the General Assembly. No regulation shall be promulgated for consideration pursuant to § 2.2-4007.05 until the impact analysis has been received by the Registrar. For purposes of this section, the term "locality, business, or entity particularly affected" means any locality, business, or entity that bears any identified disproportionate material impact that would not be experienced by other localities, businesses, or entities. The analysis shall represent the Department's best estimate for the purposes of public review and comment on the proposed regulation. The accuracy of the estimate shall in no way affect the validity of the regulation, nor shall any failure to comply with or otherwise follow the procedures set forth in this subsection create any cause of action or provide standing for any person under Article 5 (§ 2.2-4025 et seq.) or otherwise to challenge the actions of the Department hereunder or the action of the agency in adopting the proposed regulation.

~~C. E.~~ In the event the economic impact analysis completed by the Department reveals that the

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59 proposed regulation would have an adverse economic impact on businesses or would impose a  
60 significant adverse economic impact on a locality, business, or entity particularly affected, the  
61 Department shall advise the Joint Commission on Administrative Rules, the House Committee on  
62 Appropriations, and the Senate Committee on Finance within the 45-day period. The Joint Commission  
63 on Administrative Rules shall review such rule or regulation and issue a statement containing the  
64 Commission's findings in accordance with § 30-73.3.  
65 **2. That an emergency exists and this act is in force from its passage.**