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HOUSE BILL NO. 1368

Offered January 22, 1996

A *BILL* to amend the Code of Virginia by adding a section numbered 30-19.1:7, relating to the General Assembly; economic impact analysis on small business.

Patrons—O'Brien, Albo, Marshall, Nixon, Parrish and Rhodes; Senator: Martin

Referred to Committee on Rules

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding a section numbered 30-19.1:7 as follows:

§ 30-19.1:7. *Economic impact analysis to be prepared by executive branch.*

A. *For the purposes of this section:*

"Department" means the Department of Planning and Budget.

"Economic impact analysis" means an estimate of the cost or the economic benefit to small businesses that may be affected by a proposed bill introduced at a session of the General Assembly.

"Economic impact analysis rating" means an estimate that a proposed bill will have a: (i) minimal or no economic impact on small businesses or (ii) meaningful economic impact on small businesses.

"Small business" means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that: (i) is independently owned and operated, (ii) is not dominant in its field, and (iii) employs fifty or fewer full-time employees.

B. Beginning with the 1997 Regular Session of the General Assembly, an economic impact analysis rating and an economic impact analysis, as appropriate, shall be prepared by the appropriate executive branch agency for each bill that is introduced at the request of the administration or a department, agency, or commission of the executive branch of state government.

A copy of the economic impact analysis rating and the economic impact analysis required under this subsection shall be submitted by the Governor's office to:

1. The Department within a reasonable time frame prior to the hearing on the bill to allow the Department to comment on the economic impact analysis rating and the economic impact analysis; and

2. The committee to which the bill is referred prior to the hearing on the bill.

C. Beginning with the 1998 Regular Session of the General Assembly, an economic impact analysis rating and the economic impact analysis, as appropriate, shall be prepared by the Department for each bill that is introduced by a member of the General Assembly.

A copy of the economic impact analysis rating and the economic impact analysis required under this subsection shall be submitted by the Department to:

1. The primary sponsor of the bill; and

2. The committee to which the bill is referred prior to the hearing on the bill.

D. If the appropriate executive branch agency or the Department determines that a bill will have minimal or no economic impact on small businesses, the agency or Department shall indicate that determination by a brief written statement.

E. If the appropriate executive branch agency or the Department determines that a bill will have a meaningful economic impact on small businesses, the agency or Department shall develop a complete written economic impact analysis.

F. If the appropriate executive branch agency or the Department determines that a bill will have a meaningful economic impact on small businesses and is unable to provide a complete written economic impact analysis, the agency or Department shall provide a written explanation of why the agency determined that the bill will have a meaningful economic impact.

The explanation may identify the impact in general terms and need not qualify the specific economic impact.

G. The economic impact analysis rating and the economic impact analysis required under this section shall include estimates directly relating to the following factors, as appropriate:

1. Cost of providing goods and services;

2. Effect on the work force;

3. Effect on the cost of housing;

4. Efficiency in production and marketing;

5. Capital investment, taxation, competition, and economic development; and

6. Consumer choice.

H. The executive branch agency or the department preparing the economic impact analysis rating and the economic impact analysis required under this section shall consult with, as appropriate: (i)

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60 *other units of state government; (ii) units of local government; and (iii) business, trade, consumer,*
61 *labor, and other groups impacted by or having an interest in the legislation.*

62 *On request of the Director of the Department, a unit of the state or local government shall provide*
63 *the Department with assistance or information in the preparation of an economic impact analysis rating*
64 *and the economic impact analysis.*

65 *I. The Department may include an economic impact analysis rating and the economic impact*
66 *analysis prepared by the Department or by the appropriate executive branch agency as part of a fiscal*
67 *note.*

68 *The Department may comment on the economic impact analysis rating and the economic impact*
69 *analysis prepared by the appropriate executive branch agency.*

70 *J. The Department may revise the economic impact analysis rating and the economic impact analysis*
71 *consistent with an amended version of a bill.*

72 *K. The Department shall keep a copy of each economic impact analysis rating and the economic*
73 *impact analysis for three years after preparation of the rating or the analysis.*

74 *The copies shall be reasonably available for public inspection.*

75 **2. That the validity of an enactment of a bill shall not be affected by the presence, absence, or**
76 **content of an economic impact analysis rating and the economic impact analysis.**