

Department of Planning and Budget 2010 Fiscal Impact Statement

- 1. Bill Number:** HB831
- House of Origin** Introduced Substitute Engrossed
- Second House** In Committee Substitute Enrolled
- 2. Patron:** Surovell
- 3. Committee:** General Laws
- 4. Title:** Virginia Public Procurement Act; foreign business entities.
- 5. Summary/Purpose:** To prohibit a foreign corporation, limited liability company, business trust, limited partnership, or registered limited liability partnership from bidding on, or entering into, amending, or renewing, a contract with a public body under the Virginia Public Procurement Act unless the foreign entity provides a copy of a valid certificate of authority or registration to conduct business in the Commonwealth. Such status shall be maintained during the term of a contract and for five years after its term is completed. A contract entered into by a business in violation of the requirements is voidable at the option of the public body.
- 6. Fiscal impact estimates are minimal.**
- 7. Budget amendment necessary:** No.
- 8. Fiscal implications:** Requiring all public bodies to obtain a copy of a valid certificate issued by the State Corporation Commission from a vendor before accepting a bid, issuing an award, amending or renewing a contract may result in an additional administrative costs to agencies and institutions governed by the Virginia Public Procurement Act.
- Revenue impact to the Commonwealth is indeterminate if foreign corporations arebe subject to required registrations charged through the State Corporation Commission in this legislation.
- 9. Specific agency or political subdivisions affected:** This bill will impact all public bodies except Level III (VT, UVA, W&M, and VCU) and Level II (RU, VMI, JMU, GMU, LU and ODU) institutions operating under Management Agreements and Memorandums of Understanding.
- 10. Technical amendment necessary:** No.
- 11. Other comments:** None.

Date: 01/27/2010

cc: Secretary of Administration