

## Department of Planning and Budget 2019 Fiscal Impact Statement

**1. Bill Number:** HB2328

<b>House of Origin</b>	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
<b>Second House</b>	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

**2. Patron:** McNamara

**3. Committee:** General Laws

**4. Title:** Virginia Public Procurement Act; proscribed subcontracting by certain small businesses.

**5. Summary:** This if passed, prohibits a small business from subcontracting with any other business with which it has an affiliated business entity relationship if such small business (i) has been awarded a contract by a public body as part of an enhancement or remedial measure authorized by the Governor and (ii) the award of such contract is conditioned upon the small business's qualification as part of a subcategory of small businesses established as part of the enhancement program.

**6. Budget Amendment Necessary:** No

**7. Fiscal Impact Estimates:** No state fiscal impact.

**8. Fiscal Implications:** This bill is not expected to have a state fiscal impact.

**9. Specific Agency or Political Subdivisions Affected:** This bill, as written, applies to all public bodies that are subject to the Virginia Public Procurement Act (VPPA). This bill does not apply to higher education institutions operating under Management Agreements and Memoranda of Understanding in the operational area of procurement (currently eleven Level III and Level II institutions). Additionally, the bill will not apply to local governments.

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None