

## Department of Planning and Budget

### 2021 Fiscal Impact Statement

1. **Bill Number:** HB2183

<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:** Wilt

3. **Committee:** General Laws

4. **Title:** Department of Small Business and Supplier Diversity; small business resource for changes in the law

5. **Summary:** Requires the Department of Small Business and Supplier Diversity (the Department) to publish on its website, by November 1 of each year, a resource to assist small businesses in the Commonwealth to navigate recent changes in the law impacting small businesses. The bill requires each state agency to submit to the Department, by September 1 of each year, a list of all statutory or regulatory changes that have become effective in the previous fiscal year or are known to become effective in the current fiscal year that will impact the operations and labor requirements of a broad spectrum of small businesses in the Commonwealth. The bill provides that each state agency is only responsible for submitting statutory and regulatory changes that the state agency is responsible for implementing or enforcing and requires the responsible state agency to include a summary of the change, written in layman's terms, and contact information for the agency. If a state agency determines it is not responsible for any such statutory or regulatory changes, the bill requires such agency to notify the Department. The bill defines "statutory or regulatory change" to mean any act of assembly or any new regulation or amendment to an existing regulation that occurred as a result of an act of assembly. The bill requires the Interdepartmental Board to establish criteria that will be used by state agencies in identifying statutory and regulatory changes that will impact the operations and labor requirements of a broad spectrum of small businesses in the Commonwealth.

6. **Budget Amendment Necessary:** Yes, Item 57 (Office of the Attorney General); Item 359 (Department of Social Services), Item 128 (Department of Small Business and Supplier Diversity) of HB1800/SB1100.

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

7a. **Expenditure Impact:** Department of Small Business and Supplier Diversity

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	N/A	N/A	N/A
2022	\$250,000	N/A	GF
2023	\$250,000	N/A	GF
2024	\$250,000	N/A	GF

2025	\$250,000	N/A	GF
2026	\$250,000	N/A	GF
2027	\$250,000	N/A	GF

**Expenditure Impact: Office of the Attorney General**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	N/A	N/A	N/A
2022	\$79,994	0.5	GF
2023	\$79,994	0.5	GF
2024	\$79,994	0.5	GF
2025	\$79,994	0.5	GF
2026	\$79,994	0.5	GF
2027	\$79,994	0.5	GF

**Expenditure Impact: Department of Social Services**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2021	N/A	N/A	N/A
2022	\$42,300	0.5	GF
	\$42,300	0.5	NGF
2023	\$42,300	0.5	GF
	\$42,300	0.5	NGF
2024	\$42,300	0.5	GF
	\$42,300	0.5	NGF
2025	\$42,300	0.5	GF
	\$42,300	0.5	NGF
2026	\$42,300	0.5	GF
	\$42,300	0.5	NGF
2027	\$42,300	0.5	GF
	\$42,300	0.5	NGF

- 8. Fiscal Implications:** This bill requires that the Department of Small Business and Supplier Diversity (DSBSD) maintain an online resource to assist small businesses in the Commonwealth to navigate recent changes in the law impacting small businesses. The bill also requires all state agencies to annually submit to DSBSD a list of all statutory and regulatory changes that have become effective in the previous fiscal year or are known to become effective in the current fiscal year that will impact the operations and labor requirements of a broad spectrum of small businesses, and further provides that DSBSD is to identify state agencies that fail to submit this information and determine the extent of any noncompliance.

This bill is anticipated to impact all state agencies. This fiscal impact statement is preliminary and includes information provided from state agencies that anticipate requiring additional resources in order to implement the provisions of the bill. Information from additional state agencies is pending and this impact statement will be updated as necessary.

#### Department of Small Business and Supplier Diversity (DSBSD)

To enforce the reporting requirements of this bill, DSBSD indicates that the agency will be required to identify all statutory and regulatory changes, analyze them for potential impact to small businesses, and compare findings to submissions from all state agencies. Additionally, the agency is to determine and report on the nature and extent of all omissions and inaccuracies. Agency reports are to be due September 1 each year. DSBSD is to report on noncompliance November 1 of each year, allowing DSBSD two months to identify any noncompliance issues. DSBSD anticipates contracting with a private entity to assist in the necessary reviews. DSBSD has estimated that every year approximately 2,080 pages of regulations and 7,133 pages of new legislation would need to be reviewed. These estimates are made based on an average of 80 pages of regulations published every two weeks by the Virginia Register of Regulations, and the 1,288 bills signed into law in the 2020 Session, with an average length of five pages each. DSBSD estimates a total general fund expenditure of \$250,000 each year, based on 1,000 hours of work at \$250 per hour. This would depend on the complexity of the bills.

#### Office of the Attorney General (OAG)

According to the Office of the OAG, carrying out the requirements of this bill will require a significant amount of time and effort to compile the required information and coordinate across the agency and with client agencies. The effort required will be consolidated into a several month period, but may consume at least one attorney's time for that period.

#### Department of Social Services (DSS)

DSS cannot determine the total fiscal impact of this bill, as any increases in workload depend on how DSBSD implements this initiative. However, the agency anticipates that this bill will result in a substantial administrative burden and cost. To carry out the requirements of this bill, DSS requires at least one Procurement Officer position, with an estimated annual cost of \$84,600, \$42,300 from the general fund and \$42,300 from nongeneral fund sources, to track and report statutory or regulatory changes.

**9. Specific Agency or Political Subdivisions Affected:** Department of Small Business and Supplier Diversity; state agencies

**10. Technical Amendment Necessary:** No.

**11. Other Comments:** None.