

Department of Planning and Budget 2023 Fiscal Impact Statement

1. **Bill Number:** HB1758

House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron:** Webert

3. **Committee:** Committee Referral Pending

4. **Title:** Department of Regulatory Innovation; Virginia Regulatory Sandbox Program; created.

5. **Summary:** Creates the Department of Regulatory Innovation to oversee the Virginia Regulatory Sandbox Program, also created by the bill, which allows an individual or business to demonstrate a product, production method, or service under a waiver or suspension of one or more state laws or regulations. The bill sets out the process by which an individual or business may apply for participation in the Program, the role of the Department in reviewing such applications for approval or denial, and the requirements for participation in the Program, including provisions related to consumer protection.

6. **Budget Amendment Necessary:** Yes, to establish a new state agency. See item 8.

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

8. **Fiscal Implications:** This fiscal impact statement is preliminary and will be updated as additional information becomes available. At this time, fiscal estimates are considered indeterminate.

This bill establishes the Department of Regulatory Innovation to oversee the Virginia Regulatory Sandbox Program, also created by the bill. As written, the size and scope of the new department and its staffing needs are unknown. Future amendments may be required to establish the department as a state agency in the budget.

The bill also establishes the Virginia Regulatory Sandbox Program, which allows an individual or business to demonstrate a product, production method, or service under a waiver or suspension of one or more state laws or regulations. The bill states that the Department of Regulatory Innovation may require payment of an application fee in an amount not to exceed \$50 for participation in the program. However, the bill does not speak to the use of such fees or provide for a fund for deposit. Any revenue that may be collected is indeterminate.

The fiscal impact of this bill on state agencies with regulatory responsibilities cannot be determined at this time. The provisions of the bill authorize, but do not require, the

Department of Regulatory Innovation to consult with applicable state agencies if a waiver is requested of state statutes, regulations, or other requirements that the applicable agency is tasked to enforce. If consultation is requested, the applicable agency must respond in writing within 30 days, or it is presumed that the applicable agency has no objection to the requested waiver. Depending on the volume of consultations requested by the Department of Regulatory Innovation, executive branch agencies may need additional staff or other resources to carry out the provisions of this bill. As such, the impact of this bill is indeterminate.

- 9. Specific Agency or Political Subdivisions Affected:** All state agencies that regulate certain types of business activity and persons engaged in such business activity, including the issuance of licenses, certificates of public need, or other types of authorization.
- 10. Technical Amendment Necessary:** No.
- 11. Other Comments:** This bill is identical to HB 208 and SB 712 from the 2022 General Assembly session.