

HOUSE BILL NO. 897

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the House Committee on Rules

on \_\_\_\_\_)

(Patron Prior to Substitute--Delegate Kent)

A BILL to amend and reenact § 2.2-1617 of the Code of Virginia, relating to the Department of Small Business and Supplier Diversity; guidance to small businesses; work group.

**Be it enacted by the General Assembly of Virginia:**

**1. That § 2.2-1617 of the Code of Virginia is amended and reenacted as follows:**

**§ 2.2-1617. One-stop small business permitting program.**

A. As used in this article, unless the context requires a different meaning:

"Business Permitting Center" or "Center" means the business registration and permitting center established by this section and located in and under the administrative control of the Department.

"Comprehensive application" means a document incorporating pertinent data from existing applications for permits covered under this section.

"Comprehensive permit" means the single document designed for public display issued by the Business Permitting Center that certifies state agency permit approval and that incorporates the endorsements for individual permits included in the comprehensive permitting program.

"Comprehensive permitting program" or "Program" means the mechanism by which comprehensive permits are issued and renewed, permit and regulatory information is disseminated, and account data is exchanged by state agencies.

"Permit" means the whole or part of any state agency permit, license, certificate, approval, registration, charter, or any form or permission required by law, to engage in activity associated with or involving the establishment of a small business in the Commonwealth.

"Permit information packet" means a collection of information about permitting requirements and application procedures custom assembled for each request.

27 "Regulatory" means all permitting and other governmental or statutory requirements establishing  
28 a small business or professional activities associated with establishing a small business.

29 "Regulatory agency" means any state agency, board, commission, or division that regulates one or  
30 more professions, occupations, industries, businesses, or activities.

31 "Renewal application" means a document used to collect pertinent data for renewal of permits  
32 covered under this section.

33 "Small business" means an independently owned and operated business that, together with  
34 affiliates, has 250 or fewer employees or average annual gross receipts of \$10 million or less averaged  
35 over the previous three years.

36 "Veteran" means an individual who has served in the active military, naval, or air service and who  
37 was discharged or released therefrom under conditions other than dishonorable.

38 B. There is created within the Department the comprehensive permitting program (the Program).  
39 The Program is established to serve as a single access point to aid entrepreneurs in filling out the various  
40 permit applications associated with establishing a small business in Virginia. The Program in no way  
41 supersedes or supplants any regulatory authority granted to any state agency with permits covered by this  
42 section. As part of the Program, the Department shall coordinate with the regulatory agency, and the  
43 regulatory agency shall determine, consistent with applicable law, what types of permits are appropriate  
44 for inclusion in the Program as well as the rules governing the submission of and payment for those  
45 permits. The website of the Department shall provide access to information regarding the Program. The  
46 Department shall have the power and duty to:

47 1. Create a comprehensive application that will allow an entrepreneur, or an agent thereof, seeking  
48 to establish a small business, to create accounts that will allow them to acquire the appropriate permits  
49 required in the Commonwealth. The comprehensive application shall:

50 a. Allow the business owner to choose a business type and to provide common information, such  
51 as name, address, and telephone number, on the front page, eliminating the need to repeatedly provide  
52 common information on each permit application;

53           b. Allow the business owner to preview and answer questions related to the operation of the  
54 business;

55           c. Provide business owners with a customized to-do agency checklist, which checklist shall provide  
56 the permit applications pertinent to each business type and provide the rules, regulations, and general laws  
57 applicable to each business type as well as local licensing information;

58           d. Allow the business owner to submit permit applications by electronic means as authorized by §  
59 59.1-496 and to affix thereto his electronic signature as defined in § 59.1-480;

60           e. Allow the business owner to check on the status of applications online and to receive information  
61 from the permitting agencies electronically; and

62           f. Allow a business owner to submit electronic payment of application or permitting fees for  
63 applications that have been accepted by the permitting agency.

64           2. Develop and administer a computerized system program capable of storing, retrieving, and  
65 exchanging permit information while protecting the confidentiality of information submitted to the  
66 Department to the extent allowable by law. Information submitted to the Department shall be subject to  
67 the provisions of the Virginia Freedom of Information Act (§ 2.2-3700 et seq.) as the same would apply  
68 were the information submitted directly to the Department or to any permitting agency.

69           3. Issue and renew comprehensive permits in an efficient manner.

70           4. Identify the types of permits appropriate for inclusion in the Program. The Department shall  
71 coordinate with the regulatory agency, and the regulatory agency shall determine, consistent with  
72 applicable law, what types of permits are appropriate for inclusion in the Program.

73           5. Incorporate permits into the Program.

74           6. Do all acts necessary or convenient to carry out the purposes of this chapter.

75           C. Regulatory agencies shall, by November 30 of each year, provide the Department with  
76 information outlining any changes to the agency's policies and regulations. The Business Permitting  
77 Center shall compile information regarding the regulatory programs associated with each of the permits  
78 obtainable under the Program. This information shall include, at a minimum, a listing of the statutes and  
79 administrative rules requiring the permits and pertaining to the regulatory programs that are directly

80 related to the permit. The Center shall provide information governed by this section to any person  
81 requesting it. Materials used by the Center to describe the services provided by the Center shall indicate  
82 that this information is available upon request.

83 D. Each state agency shall cooperate and provide reasonable assistance to the Department in the  
84 implementation of this section.

85 E. The State Corporation Commission and the Department of Small Business and Supplier  
86 Diversity shall by January 1, 2020, establish one or more processes by which data or information relevant  
87 to the Program can be collected and exchanged electronically.

88 F. Any person requiring permits that have been incorporated into the Program may submit a  
89 comprehensive application to the Department requesting the issuance of the permits. The comprehensive  
90 application form shall contain in consolidated form information necessary for the issuance of the permits.

91 G. The applicant, if not a veteran, shall include with the application the handling fee established  
92 by the Department. An applicant who is a veteran shall be exempt from payment of the handling fee  
93 prescribed by this subsection. The amount of the handling fee assessed against the applicant shall be set  
94 by the Department at a level necessary to cover the costs of administering the comprehensive permitting  
95 program.

96 H. The authority for approving the issuance and renewal of any requested permit that requires  
97 investigation, inspection, testing, or other judgmental review by the regulatory agency otherwise legally  
98 authorized to issue the permit shall remain with that agency. The Center may issue those permits for which  
99 proper fee payment and a completed application form have been received and for which no approval action  
100 is required by the regulatory agency.

101 I. Upon receipt of the application, and proper fee payment for any permit for which issuance is  
102 subject to regulatory agency action under subsection H, the Department shall immediately notify the State  
103 Corporation Commission or the regulatory agency with authority to approve the permit issuance or  
104 renewal requested by the applicant. The State Corporation Commission or the regulatory agency shall  
105 advise the Department within a reasonable time after receiving the notice of one of the following:

- 106           1. That the State Corporation Commission or the regulatory agency approves the issuance of the  
107 requested permit and will advise the applicant of any specific conditions required for issuing the permit;
- 108           2. That the State Corporation Commission or the regulatory agency denies the issuance of the  
109 permit and gives the applicant reasons for the denial;
- 110           3. That the application is pending; or
- 111           4. That the application is incomplete and further information from or action by the applicant is  
112 necessary.
- 113           J. The Department shall issue a comprehensive permit endorsed for all the approved permits to the  
114 applicant and advise the applicant of the status of other requested permits. The applicant shall be  
115 responsible for contesting any decision regarding conditions imposed or permits denied through the  
116 normal process established by statute or by the State Corporation Commission or the regulatory agency  
117 with the authority for approving the issuance of the permit.
- 118           K. Regulatory agencies shall be provided information from the comprehensive application for their  
119 permitting and regulatory functions.
- 120           L. The Department shall be responsible for directing the applicant to make all payments for  
121 applicable fees established by the regulatory agency directly to the proper agency.
- 122           M. There is hereby created in the state treasury a special nonreverting fund to be known as the  
123 Comprehensive Permitting Fund, hereafter referred to as "the Fund." The Fund shall be established on the  
124 books of the Comptroller. The Fund shall consist of all moneys collected from the handling fee established  
125 by the Department pursuant to subsection G and such other funds as may be appropriated by the General  
126 Assembly. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any  
127 moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to  
128 the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely to administer the  
129 Program. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants  
130 issued by the Comptroller upon written request signed by the Director of the Department.
- 131           N. Unless otherwise directed by the regulatory agency, the Department shall not issue or renew a  
132 comprehensive permit to any person under any of the following circumstances:

- 133 1. The person does not have a valid tax registration, if required;
- 134 2. The person is a corporation, limited liability company, business trust, limited partnership, or
- 135 registered limited liability partnership that (i) is delinquent in the payment of fees or penalties collected
- 136 by the State Corporation Commission pursuant to the business entity statutes it administers, (ii) does not
- 137 exist, or (iii) is not authorized to transact business in the Commonwealth pursuant to one of the business
- 138 entity statutes administered by the State Corporation Commission; or
- 139 3. The person has not submitted the sum of all fees and deposits required for the requested
- 140 individual permit endorsements, any outstanding comprehensive permit delinquency fee, or other fees and
- 141 penalties to be collected through the comprehensive permitting program.

142 O. The Department shall develop and provide guidance to businesses with newly approved permits  
143 and established businesses regarding responsibilities and requirements for maintaining such business.  
144 Such guidance shall include (i) information regarding sales tax and unemployment tax requirements; (ii)  
145 workers' compensation insurance requirements, ~~and;~~ (iii) postings required by the Virginia Department of  
146 Labor and Industry and the U.S. Department of Labor; and (iv) information identifying any regularly  
147 occurring required report to a state agency and any associated fees, penalties, or waivers. Any guidance  
148 provided for in this subsection may be provided electronically.

149 P. The Department may adopt regulations in accordance with § 2.2-1606 as may be necessary to  
150 carry out the purposes of this section.

151 **2. That the Department of Small Business and Supplier Diversity (the Department) shall convene a**  
152 **work group to develop a repository of one-stop information to provide guidance to those seeking to**  
153 **operate, or who currently operate, as a small business in Virginia. The repository shall include, but**  
154 **not be limited to Lily Jones, information on permits to be sought, taxes to be paid, reports to be**  
155 **submitted, and all other requirements to operate in the Commonwealth. The work group shall**  
156 **include representatives from relevant state agencies, including the Virginia Employment**  
157 **Commission, Department of Taxation, Department of Labor and Industry, Virginia Workers'**  
158 **Compensation Commission, State Corporation Commission, Department of Professional and**  
159 **Occupational ~~Regulations~~ Regulation, Department of Health Professions, and Virginia Information**

160 Technologies Agency, and representatives of the small business community, including the Virginia  
161 Chamber of Commerce and the Virginia Chapter of the National Federation of Independent  
162 Businesses. The Department shall utilize the information received from the work group for any  
163 further review, if deemed necessary. The information shall be posted on the Department's website  
164 in an easily accessible location by December 31, 2024.

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