



## **Economic Impact Analysis Virginia Department of Planning and Budget**

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**23 VAC 10-11 – Public Participation Guidelines**  
**Department of Taxation**  
August 28, 2008

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### **Summary of the Proposed Amendments to Regulation**

The Department of Taxation proposes to adopt the model public participation guidelines developed by the Department of Planning and Budget in consultation with the Office of the Attorney General (as required by Chapter 321 of the 2008 Acts of Assembly), with one amendment; Tax proposes to lengthen the public comment period for re-proposed and fast-track regulations from 30 to 60 days.

### **Result of Analysis**

The benefits likely exceed the costs for one or more proposed changes. There is insufficient data to accurately compare the magnitude of the benefits versus the costs for other changes.

### **Estimated Economic Impact**

Pursuant to Chapter 321 of the 2008 Acts of Assembly, the Department of Planning and Budget, in consultation with the Office of the Attorney General, (i) developed model public participation guidelines (PPGs) and (ii) provided these model PPGs to each agency that has the authority to promulgate regulations. Chapter 321 requires that by December 1, 2008, each agency shall either (a) adopt the model public participation guidelines as an exempt action or (b) if significant additions or changes are proposed, promulgate the model public participation guidelines with the proposed changes as fast-track regulations pursuant to Code of Virginia section § 2.2-4012.1.

The purpose of the model PPG legislation is threefold: first, to ensure that each agency or board has a current set of PPGs in place.<sup>1</sup> Second, to ensure that each agency or board's PPGs incorporate the use of technology such as the Virginia Regulatory Town Hall, email to the extent possible, and the use of electronic mailing lists. Last, but perhaps most importantly, to have uniform guidelines in place to facilitate citizen participation in rulemaking and to make those guidelines consistent, to the extent possible, among all executive branch boards and agencies.

The Department of Taxation is proposing only one change to the model PPGs, to increase the public comment period for re-proposed and fast-track regulations from 30 to 60 days. Increasing the public comment period from 30 to 60 days produces both potential benefits and costs. Additional time may allow additional individuals and entities to provide input who hear about proposed changes indirectly and not at the start of comment periods. On the other hand, increasing the public comment period will slow down the regulatory process and may delay the implementation of beneficial changes. As described above, promulgating the otherwise model PPGs will be beneficial in that the Tax PPGs will: 1) reflect current information, 2) incorporate the use of technology such as the Virginia Regulatory Town Hall, email to the extent possible, and the use of electronic mailing lists, and 3) be largely consistent with other agency PPGs which will facilitate citizen participation in rulemaking.

## **Businesses and Entities Affected**

Since essentially all citizens and entities in the Commonwealth are either affected or potentially affected by tax law, the proposed amendments to the Department of Taxation PPGs potentially affect all citizens and entities in the Commonwealth.

## **Localities Particularly Affected**

The proposed amendments do not disproportionately affect particular localities.

## **Projected Impact on Employment**

The proposal amendments do not directly affect employment.

## **Effects on the Use and Value of Private Property**

The proposal amendments do not directly affect the use and value of private property.

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<sup>1</sup> Some agencies and boards have not updated their PPGs since the mid-late 1980's.

## **Small Businesses: Costs and Other Effects**

The proposed amendments do not directly affect small businesses.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments do not adversely affect small businesses.

## **Real Estate Development Costs**

The proposed amendments do not directly affect real estate development costs.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.