



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

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**7 VAC 13-10 Public Participation Guidelines**  
**Department of Small Business and Supplier Diversity**  
**Town Hall Action/Stage: 6920 / 11011 Fast-Track**  
July 2, 2026

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The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.<sup>1</sup>

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

The Director of the Department of Small Business and Supplier Diversity (DSBSD) proposes to promulgate a Public Participation Guidelines (PPG) regulation.

## **Background**

Pursuant to Code § 2.2-4007.02, which was enacted in 2007, all agencies that have rulemaking authority are required to adopt a PPG regulation. Subsequently, Chapter 321 of the 2008 *Acts of Assembly* directed DPB to develop model PPGs and mandated that executive branch agencies either adopt or amend the model PPGs to fit their particular needs.<sup>2</sup> The PPGs create uniform guidelines to facilitate citizen participation in rulemaking and make those guidelines consistent, to the extent possible, among all executive branch boards and agencies.

Chapter 482 of the 2013 *Acts of Assembly* abolished the Department of Minority Enterprise (DMBE) and consolidated its powers and duties into the newly-created DSBSD.<sup>3</sup> The third enactment clause states that DSBSD is the successor in interest to DMBE. Additionally, the sixth enactment clause states that, “all rules and regulations adopted by...the Director of the

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<sup>1</sup> See Code § 2.2-4007.04 (A).

<sup>2</sup> See <https://legacylis.virginia.gov/cgi-bin/legp604.exe?081+ful+CHAP0321>.

<sup>3</sup> See <https://legacylis.virginia.gov/cgi-bin/legp604.exe?131+ful+CHAP0482>.

[DMBE] that are in effect as of July 1, 2013, and that pertain to the subject of this act shall remain in full force and effect until altered, amended, or rescinded by the Director of [DSBSD].”

In this action, the Director of DSBSD is using their authority to adopt a PPG regulation for DSBSD. In a separate action, the Director proposes to repeal the DMBE PPG regulation.

### **Estimated Benefits and Costs**

The proposed regulation would benefit the general public and DSBSD by ensuring that a clear standardized process for obtaining public input from interested parties is used in the formation and development of the agency’s regulations, and by helping inform the public of that process.

### **Businesses and Other Entities Affected**

The proposed regulation affects people interested in providing input regarding the formation and development of DSBSD regulations, as well as DSBSD.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>4</sup> An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.<sup>5</sup> Promulgating the DSBSD PPG regulation would neither increase net costs nor reduce net benefits. Thus, no adverse impact is indicated.

### **Small Businesses<sup>6</sup> Affected:<sup>7</sup>**

The proposed regulation does not adversely affect small businesses.

### **Localities<sup>8</sup> Affected<sup>9</sup>**

The proposed regulation neither disproportionately affects particular localities nor affects costs for local governments.

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<sup>4</sup> See Code § 2.2-4007.04 (D).

<sup>5</sup> Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

<sup>6</sup> Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

<sup>7</sup> See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).

<sup>8</sup> “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

<sup>9</sup> Code § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

**Projected Impact on Employment**

The proposed regulation does not affect employment.

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

The proposed regulation affects neither the use and value of private property nor real estate development costs.