

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



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

18 VAC 150-20 Regulations Governing the Practice of Veterinary Medicine
Department of Health Professions
Town Hall Action/Stage: 5017/8242
May 8, 2018

Summary of the Proposed Amendments to Regulation

The Board of Veterinary Medicine (Board) proposes to allow reinstatement of a facility license prior to the required reinspection for reinstatement.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Current regulation requires reinspection of a veterinary facility whose license has expired for more than 30 days in order to reinstate its license. Without a reinstated license, the facility cannot legally operate and if it does, becomes subject to fines and disciplinary action. The required reinspection however, may take weeks to schedule effectively delaying reinstatement of the license and therefore restarting of the facility's operations.

The Board proposes to allow reinstatement of an expired veterinary facility license prior to the reinspection. The reinspection will still be required, but it will be conducted after the reinstatement. The main economic effect of the proposed change is avoidance of unnecessary facility closures or illegal facility operations in cases where the reinspection cannot be scheduled without delays. According to the Department of Health Professions, less than five facilities annually have to reinstate after more than 30 days past the expiration date of their licenses. There

is no compliance cost associated with this proposed change. Thus, the change should produce net benefits.

Businesses and Entities Affected

There are 1,122 veterinary establishments registered by the Board. In a typical year, less than five are expected to apply for reinstatement of their license.¹

Localities Particularly Affected

The proposed amendment does not affect any particular locality more than others.

Projected Impact on Employment

The proposed regulation should avoid unnecessary closures of veterinary facilities applying for reinstatement of their license. Thus, a potential negative impact on employment will be avoided.

Effects on the Use and Value of Private Property

The proposed regulation should avoid unnecessary closures of veterinary facilities applying for reinstatement of their license or fines or disciplinary action if operated without a reinstatement. Thus, a potential negative impact on the use and values of less than five such facilities annually should be avoided by this change.

Real Estate Development Costs

No impact on real estate development costs is expected.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendment reduces costs for a small number of veterinary facilities, most of whom are considered small businesses.

¹ Source: Department of Health Professions.

Alternative Method that Minimizes Adverse Impact

The proposed amendment does not have adverse effects on small businesses.

Adverse Impacts:

Businesses:

The proposed amendment does not have adverse impacts on businesses.

Localities:

The proposed amendment will not adversely affect localities.

Other Entities:

The proposed amendment will not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget 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 Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.