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## Periodic Review and Small Business Impact Review Report of Findings

<b>Agency name</b>	Department of Agriculture and Consumer Services
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	2 VAC 5-220
<b>VAC Chapter title(s)</b>	Virginia Horse Breeder Incentive Program
<b>Date this document prepared</b>	June 14, 2022

This information is required for executive branch review and the Virginia Registrar of Regulations, pursuant to the Virginia Administrative Process Act (APA), Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1VAC7-10), and the **Form and Style Requirements for the Virginia Register of Regulations and Virginia Administrative Code**.

## Acronyms and Definitions

*Define all acronyms used in this Report, and any technical terms that are not also defined in the "Definitions" section of the regulation.*

## Legal Basis

*Identify (1) the promulgating agency, and (2) the state and/or federal legal authority for the regulatory change, including the most relevant citations to the Code of Virginia or Acts of Assembly chapter number(s), if applicable. Your citation must include a specific provision, if any, authorizing the promulgating agency to regulate this specific subject or program, as well as a reference to the agency's overall regulatory authority.*

Section 3.2-106 of the Code of Virginia (Code) authorizes the Department of Agriculture and Consumer Services (Department) to establish a program of financial incentives designed to encourage, expand, and develop the breeding of horses in the Commonwealth and requires the Department to adopt appropriate regulations for the administration of the program.

## Alternatives to Regulation

*Describe any viable alternatives for achieving the purpose of the regulation that were considered as part of the periodic review. Include an explanation of why such alternatives were rejected and why this regulation is the least burdensome alternative available for achieving its purpose.*

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The regulation provides for the administration of the Virginia Horse Breeder Incentive Program. This program is part of an effort to recognize quality horse breeding in the Commonwealth and is supported by the Virginia Horse Industry Board. The agency determined that these requirements are not unnecessarily burdensome. There is no viable alternative for the administration of this program.

## Public Comment

*Summarize all comments received during the public comment period following the publication of the Notice of Periodic Review, and provide the agency response. Be sure to include all comments submitted: including those received on Town Hall, in a public hearing, or submitted directly to the agency. Indicate if an informal advisory group was formed for purposes of assisting in the periodic review.*

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No comments were received during the public comment period that followed the publication of the Notice of Periodic Review that ended on May 23, 2022, and an informal advisory group was not formed for the purpose of assisting in this periodic review.

## Effectiveness

*Pursuant to § 2.2-4017 of the Code of Virginia, indicate whether the regulation meets the criteria set out in Executive Order 14 (as amended, July 16, 2018), including why the regulation is (a) necessary for the protection of public health, safety, and welfare, and (b) is clearly written and easily understandable.*

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This regulation is necessary for the protection of public welfare in that it establishes the necessary rules for the administration of the Virginia Horse Breeder Incentive Program, which encourages the growth of the horse breeding industry in Virginia. The regulation is clearly written and easily understandable.

## Decision

*Explain the basis for the promulgating agency's decision (retain the regulation as is without making changes, amend the regulation, or repeal the regulation).*

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The agency recommends that the regulation stay in effect without change because the Virginia Horse Breeder Incentive Program encourages the growth of the horse breeding industry in Virginia, which has a positive impact on Virginia's economy.

## Small Business Impact

*As required by § 2.2-4007.1 E and F of the Code of Virginia, discuss the agency's consideration of: (1) the continued need for the regulation; (2) the nature of complaints or comments received concerning the*

*regulation; (3) the complexity of the regulation; (4) the extent to the which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; and (5) the length of time since the regulation has been evaluated or the degree to which technology, economic conditions, or other factors have changed in the area affected by the regulation. Also, discuss why the agency's decision, consistent with applicable law, will minimize the economic impact of regulations on small businesses.*

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The agency has determined that there is a continuing need for this regulation in order to encourage the growth of the Virginia horse breeding industry, which includes many small businesses. There have been no complaints from the public concerning the regulation. The regulation is not unnecessarily complex. There is no overlap with federal or state law or regulations. The agency has determined that no changes have occurred in the area affected by this regulation since the last periodic review that would make it necessary to amend or repeal the regulation. The agency has determined that that current version of the regulation is consistent with current industry practices and is the least burdensome and least intrusive alternative.

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