

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

2 VAC 5-205 Rules and Regulations Pertaining to Shooting Enclosures Department of Agriculture and Consumer Services Town Hall Action/Stage: 6233/9995

May 15, 2024

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.¹

Summary of the Proposed Amendments to Regulation

As a result of a 2022 periodic review,² the Board of Agriculture and Consumer Services (Board) proposes to repeal this regulation, which pertains to shooting enclosures, as no shooting enclosures currently operate in Virginia and the Department of Agriculture and Consumer Services no longer has the statutory authority to issue licenses for new shooting enclosures.

Background

This regulation, 2 VAC 5-205 *Rules and Regulations Pertaining to Shooting Enclosures*, was originally promulgated in 1998 as a result of a 1995 legislative mandate.³ Specifically, this regulation implements what are now sections 3.2-6036 and 3.2-6039 of the Code of Virginia (Code).⁴ Code section 3.2-6036 directs the agency to issue licenses for shooting enclosures, specifying that licenses may only be issued to shooting enclosures that were in operation on or

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

² See https://townhall.virginia.gov/l/ViewPReview.cfm?PRid=2113.

³ See Chapter 822 of the 1995 Acts of Assembly: https://lis.virginia.gov/cgi-bin/legp604.exe?951+ful+CHAP0822.

⁴ These sections were recodified in 2008; see: https://lis.virginia.gov/cgi-bin/legp604.exe?081+sum+HB1331.

before January 1, 1995; Code section 3.2-6039 directs the agency to adopt regulations relating to the requirements for operating a shooting enclosure in Virginia.⁵ The agency reports that the last licensed shooting enclosure permanently closed in 2017 and the regulation is no longer necessary since no new shooting enclosures can be licensed.⁶

Estimated Benefits and Costs

Repealing this regulation would largely serve to keep the Virginia Administrative Code up to date. The proposed change would not generate any costs or benefits as no licensed shooting enclosures are currently operating in Virginia and no new shooting enclosures can legally obtain licensure.

Businesses and Other Entities Affected

As mentioned previously, the last licensed shooting enclosure closed permanently in 2017 and statute prohibits any new businesses from obtaining a license under this regulation. 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.⁷ Repealing this regulation would not generate any increase in net cost or reduction in net benefit. Thus, an adverse impact is not indicated.

Small Businesses⁸ Affected:⁹

The proposed amendments would not adversely affect small businesses.

⁵ See https://law.lis.virginia.gov/vacode/title3.2/chapter60/section3.2-6036/ and https://law.lis.virginia.gov/vacode/title3.2/chapter60/section3.2-6039/ respectively.

⁶ See the Agency Background Document, page 1: https://townhall.virginia.gov/l/GetFile.cfm?File=48\6233\9995\AgencyStatement VDACS 9995 v1.pdf.

⁷ 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.

⁸ 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."

⁹ 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.

Localities¹⁰ Affected¹¹

The proposed amendments neither disproportionally affect any particular localities, nor affect costs for local governments.

Projected Impact on Employment

The proposed regulation would not affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments do not appear to affect the value of private property. Real estate development costs would not be affected.

¹⁰ "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.

¹¹ Virginia Code § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.