Virginia Department of Planning and Budget
Economic Impact Analysis

7 VAC 10-10 Public Participation Guidelines
Department of Minority Business Enterprise
Town Hall Action/Stage: 6921 / 11012 Fast-Track
July 1, 2026

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

The Director of the Department of Small Business and Supplier Diversity (DSBSD) proposes to repeal the *Public Participation Guidelines* (PPG) regulation of the Department of Minority Business Enterprise (DMBE).

Background

Chapter 482 of the 2013 *Virginia Acts of Assembly* abolished DMBE and consolidated its powers and duties into the newly-created DSBSD.[2] The third enactment clause provides that DSBSD shall be the successor in interest to DMBE. Additionally, the sixth enactment clause states that, "all rules and regulations adopted by…the Director of the [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1, 2013, and that pertain to the subject of this act shall remain in full force and effect until altered, amended, or rescinded by the Director of [DSBSD]." Since DMBE no longer exists, the Director of DSBSD is proposing to repeal the sole remaining DMBE regulation, 7 VAC 10-10 *Public Participation Guidelines*.

[1] See Code § 2.2-4007.04 (A).
[2] See https://legacylis.virginia.gov/cgi-bin/legp604.exe?131+ful+CHAP0482.

In a separate action, the Director is proposing to promulgate a PPG regulation for DSBSD.[3]

Estimated Benefits and Costs

Repealing the DMBE PPG regulation would have no impact on requirements, but may nevertheless be beneficial by ensuring that the *Virginia Administrative* Code does not include a regulation for an abolished agency.

Businesses and Other Entities Affected

The proposed repeal may affect readers of regulations.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.[4] 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.[5] Repealing the DMBE PPG regulation would neither increase net costs nor reduce net benefits. Thus, no adverse impact is indicated.

Small Businesses[6] Affected:[7]

The proposed repeal does not adversely affect small businesses.

Localities[8] Affected[9]

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

Projected Impact on Employment

The proposed repeal does not affect employment.

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[3] See https://townhall.virginia.gov/L/ViewAction.cfm?actionid=6920.
[4] See Code § 2.2-4007.04 (D).
[5] 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.
[6] 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."
[7] See Code § 2.2-4007.04 (A.2). and Code § 2.2-4007.1 (C).
[8] "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.
[9] Code § 2.2-4007.04 defines "particularly affected" as bearing disproportionate material impact.

Effects on the Use and Value of Private Property

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