Introduction

These regulatory review procedures for the Office of Regulatory Management (ORM) in the Commonwealth of Virginia are in furtherance of Executive Order 19 (EO 19) as signed by Governor Glenn Youngkin on June 30, 2022. These procedures govern all rulemaking actions and other regulatory activities initiated on or after July 1, 2022, and are adopted in satisfaction of the requirements in § 2.2-4013 of the Code of Virginia.

These procedures apply to all agencies in the executive branch, including all agencies and agency actions that were previously deemed not to be subject to executive branch review because of an exemption from Article 2 of the Administrative Process Act. These policies and procedures shall apply in addition to those already specified in the Administrative Process Act (§ 2.2-4000 et seq. of the Code of Virginia), agencies’ public participation guidelines, and agencies’ basic authorizing statutes.

All executive branch agencies, including agencies and regulations with a full or partial exemption from either Article 1 or Article 2 of the Administrative Process Act, must comply with the requirements of this Executive Order pertaining to other regulatory activity, including petitions for rulemaking; meeting notices, agendas and minutes; the periodic review of existing regulations; and guidance documents. These other regulatory activities must be posted on the Virginia Regulatory Town Hall website.

The ORM is officially located within the Office of the Governor and therefore is an extension of the Governor’s regulatory review prerogative. ORM’s review is in addition to reviews required under statute by the Department of Planning and Budget and by the individual Secretariats.

Acronyms and Definitions

The following acronyms and definitions are set out for ease of use and represent only a summary of terms and acronyms related to the regulatory review process. More detailed descriptions and definitions appear in the Administrative Process Act.

“Agency” means any agency, board, or other instrumentality of state government that is authorized to promulgate regulations or develop guidance documents pursuant to the Administrative Process Act.

“Agency Background Document” (ABD) refers to a form completed by agencies and uploaded on the Virginia Regulatory Town Hall website for each regulatory stage in order to describe and explain the regulatory action. The form for each stage is available on the Town Hall.
“Administrative Process Act” (APA) refers to § 2.2-4000, et seq. of the Code of Virginia, which contains provisions setting forth the process for promulgating regulations in Virginia.

“Benefit-Cost Analysis” means an identification of the benefits and costs resulting from a regulatory action, which were considered by the agency before initiating the action. These impacts include, but are not limited to, the anticipated impact on (a) the promulgating agency, other state agencies, and localities; (b) the regulated community directly affected by the action; and (c) any other businesses or entities likely to be directly affected; (d) and the general public. An analysis is prepared by the promulgating agency, according to instructions issued by the Department of Planning and Budget, and posted on the Virginia Regulatory Town Hall website.

“Day” means a calendar day.

“Department of Planning and Budget” (DPB) refers to the state agency that reviews regulatory proposals for economic and policy impact and manages the Virginia Regulatory Town Hall website.

“Economic Impact Analysis” (EIA) refers to a report prepared by DPB that evaluates the estimated costs and benefits of a regulatory proposal.

“Emergency rulemaking” refers to the process used (1) when there is an emergency situation as determined by the agency and the Governor approves the use of an emergency regulation, or (2) when a Virginia statutory law, Act of Assembly (such as the Appropriation Act), federal law, or federal regulation requires that a state regulation be effective in 280 days or less from its enactment.

“Executive branch agency” means any agency, board, or other instrumentality of state government in the Executive Department listed in the Appropriation Act.

“Executive Branch Review” refers to the review of a regulatory proposal at various stages by the executive branch before the regulatory proposal is published in the Virginia Register of Regulations and is available for public comment.

“Exempt rulemaking process” refers to the process that may be used by an agency when a rulemaking is exempt from the promulgation requirements of Article 2 of the APA.

“Expedited regulations“ are regularly occurring regulations, typically on an annual basis, such as wildlife or fishing quotas.

“Fast-track rulemaking process” refers to the process utilized for regulations that are expected to be noncontroversial. The fast-track process generally involves an action with a single fast-track stage.

“Mandate” refers to a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part.
“Notice of Intended Regulatory Action” (NOIRA) refers to the first stage in the standard rulemaking process.

“Office of the Attorney General” (OAG) refers to the state agency headed by the Attorney General. The OAG reviews regulatory proposals at the emergency stage, the fast-track stage, the proposed stage, and the revised proposed stage. In addition, the OAG must review a proposal at the final stage if changes with substantial impact, as determined by either the promulgating agency or DPB, have been made since the proposed stage or the revised proposed stage.

“Office of Regulatory Management” (ORM) refers to the entity within the Governor’s Office that coordinates the review of all exempt and non-exempt regulations submitted by executive branch agencies.

“Regulation” refers to a chapter in the *Virginia Administrative Code*.

“Regulatory package” refers to draft regulatory text, the ABD, and other information as set forth in instructions issued by DPB. As part of ORM’s full review of all exempt and non-exempt actions, the regulatory package submitted by agencies (at the proposed, final, or fast track stage) shall include an economic analysis: benefit-cost analysis, local government impact analysis, inter-agency impact analysis, economic impacts on families, and the count of regulatory requirements proposed to be changed as a result of the action. For expedited regulations, the need for a full economic analysis for any regulatory action will be determined based upon that action’s anticipated cost impacts and other factors as determined by ORM.

“Regulatory requirement” means any action required to be taken or information required to be provided in accordance with a statute or regulation in order to access government services or operate and conduct business.

“Regulatory stage” and “regulatory action” refer to the basic components of the regulatory process. A stage is one discrete step in the regulatory process. An action is a group of related stages, each of which involves the same regulatory change.

“Rulemaking or regulatory process” refers to the four types of rulemaking processes in Virginia: (1) standard, (2) fast-track, (3) emergency, and (4) exempt.

“Standard rulemaking process” refers to the default rulemaking process in Virginia. If a regulatory change does not meet the criteria for exempt, fast-track, or emergency rulemaking, it goes through the standard rulemaking process, generally consisting of an action with three stages: NOIRA, proposed, and final.

“Unified Regulatory Plan” refers to the annual compilation of all anticipated rulemaking actions during the next fiscal year, reviewed by the Secretary and then approved or modified by ORM.

“*The Virginia Register of Regulations*” (*Register*) refers to the official legal publication, published by the Office of the Registrar of Regulations, which provides information about proposed and final changes to Virginia’s regulations.
“The Virginia Regulatory Town Hall website” (Town Hall) refers to the website managed by DPB and used by agencies to post regulatory proposals and to facilitate the regulatory review process.

“Virginia Administrative Code” (VAC) refers to Virginia’s official legal publication for regulations.

Policy and Principles

The executive branch agencies of the Commonwealth must consider, review, and promulgate numerous regulations each year. These procedures set out the regulatory policies to ensure the efficiency and quality of Virginia’s regulatory process. All state employees who draft, provide policy analysis for, or review regulations shall carefully consider and apply the principles outlined below during the regulatory development and review process.

General

A. All regulatory activity should be undertaken with the least possible intrusion into the lives of the citizens of the Commonwealth and be necessary to protect the public health, safety, and welfare. Accordingly, agencies shall consider:

1. The use of user fees or permits;

2. The use of information disclosure requirements, rather than regulatory mandates, so that the public can make more informed choices;

3. The use of performance standards in place of required techniques or behavior; and

4. The consideration of reasonably available alternatives in lieu of regulation.

B. Where applicable, and to the extent permitted by law, it shall be the policy of the Commonwealth that only regulations necessary to interpret the law or to protect the public health, safety, or welfare shall be promulgated. These principles shall be considered when an agency performs its periodic review of regulations pursuant to §§ 2.2-4007.1 and 2.2-4017 and these procedures.

C. Regulations shall be clearly written and easily understandable by the regulated community and the public.

D. Regulations shall be designed to achieve their intended objective in the most efficient, cost-effective manner.
Regulatory Development

A. Regulatory development shall be based on the best reasonably available and reliable scientific, economic data, and other information concerning the need for, and consequences of, the intended regulation. Agencies shall specifically cite the best reasonably available and reliable scientific, economic, or statistical data as well as any other information in support of regulatory proposals.

B. Regulatory development shall be conducted in accordance with the statutory provisions related to impact on small businesses. DPB shall work with state agencies to address these requirements during the regulatory review process, including notifications, as appropriate, to the Joint Commission on Administrative Rules.

C. During regulatory development, agencies shall consider the impact on existing and potential Virginia employers and their ability to maintain and increase the number of jobs in the Commonwealth, the impact on other state agencies and local governments, as well as the cost of compliance to the general public.

Public Participation

A. Agencies shall actively seek input for proposed regulations from interested parties, stakeholders, citizens, and members of the General Assembly.

B. In addition to requirements established in Article 2 of the APA, all executive branch agencies shall post all rulemaking actions and related materials, including meeting notices and minutes, on the Town Hall website to ensure that the public is adequately informed of rulemaking activities.

C. All legal requirements and guidelines related to public participation shall be strictly followed to ensure that citizens have reasonable access and opportunity to present comments and concerns. Agencies shall inform interested persons of (1) Town Hall’s email notification service that can send information regarding specific regulations, regulatory actions, and meetings about which citizens are interested, and (2) the process to submit comments in Town Hall public comment forums. Agencies shall establish procedures that provide for a timely written response to all comments and the inclusion of suggested changes that would improve the quality of the regulation.

Unified Regulatory Plan

A. All executive branch agencies shall prepare a unified regulatory plan by July 1 of each year that lists all anticipated rulemaking actions during the subsequent state fiscal year. For 2022 the plan will be due on October 1.

B. The plan will be prepared according to instructions issued by DPB, and will delineate each anticipated type of rulemaking by topic. After submission, the plan will either be
approved or modified by ORM. Regulations that become necessary after the publication of the unified regulatory plan may be submitted to ORM for potential inclusion in the plan. All final, approved plans will be posted on the Virginia Regulatory Town Hall website.

Other

A. Agencies, as well as reviewing entities, shall perform their tasks in the regulatory process as expeditiously as possible and shall adhere to the timeframes set out in these procedures.

B. Regulations are subject to periodic evaluation, review, and modification, as appropriate, in accordance with the APA, policy initiatives of the Governor, and legislation.

C. Each agency head will be held accountable for ensuring that the policies and objectives specified in EO 19 and these procedures are followed. Agency heads shall ensure that information requested by DPB, a Cabinet Secretary, ORM, or the Office of the Governor, in connection with EO 19, is provided on a timely basis. Such information may include additional data on entities affected by the agency’s regulations and the impact of regulations thereon. Incomplete regulatory packages may be returned to the appropriate agency by DPB.

Executive Branch Review Process

Regulations shall be subject to Executive Branch Review as specified herein. All agency regulatory packages shall be submitted via the Town Hall website. For each stage of the regulatory development process, agencies shall complete and post the applicable ABD on Town Hall to describe the regulatory action and inform the public about the substance and reasons for the rulemaking.

If any regulatory package is submitted to DPB, and DPB determines that the package is not substantially complete pursuant to instructions issued by DPB, then DPB may return the regulatory package via the Town Hall website to the agency. The agency may resubmit the package after all missing elements identified by DPB have been added or addressed. After approval by the Governor, agencies shall submit regulatory packages to the Registrar for publication within 14 days of being authorized to do so.

In rulemakings where there are two or more stages, the filing of each stage shall be submitted on the Town Hall website as expeditiously as the subject matter allows and no later than 180 days after the conclusion of the public comment period for the prior stage.
A. Standard Rulemaking Process

1. NOIRA Stage

The NOIRA shall describe the nature and scope of the regulatory changes being considered and the relevant chapters and sections of the VAC. This package shall include draft regulatory text if it is available.

The order of Executive Branch Review shall be as follows:

a. DPB shall review the regulatory package to determine whether it complies with all requirements of this Executive Order and applicable statutes, and whether the contemplated regulatory action comports with the policy of the Commonwealth as set forth herein. Within 14 days of receiving a complete regulatory package from the agency, the Director of DPB or his designee shall prepare a policy analysis containing the results of DPB's review. If the Director of DPB or his designee advises the appropriate Cabinet Secretary and the Governor that the regulatory package presents issues requiring further review, it shall be forwarded to the Cabinet Secretary.

b. The Cabinet Secretary or his designee shall review the regulatory package within 14 days and forward a recommendation to ORM.

c. ORM shall review the regulatory package within 14 days and forward a recommendation to the Governor.

d. The Chief of Staff to the Governor or his designee is hereby authorized to approve or disapprove NOIRAs on behalf of the Governor. The agency shall be authorized to submit the NOIRA to the Register for publication after the Governor approves the NOIRA.

Public comments received following publication of the NOIRA should be encouraged and carefully considered in developing the proposed stage of a regulatory proposal.
2. Proposed Stage

Following the initial public comment period required by § 2.2-4007.01 of the Code of Virginia, and taking into account the comments received, the agency shall prepare a regulatory package.

At this stage, the regulatory package, including the text of the proposed regulation, shall be in as close to final form as possible, including completed review by all appropriate regulatory advisory panels or negotiated rulemaking panels. New issues that were not disclosed to the public when the NOIRA was published shall not be addressed at the proposed stage unless they result from an intervening mandate that is directly related to the nature and scope of the regulatory changes addressed in the NOIRA.

The order of Executive Branch Review shall be as follows:

a. OAG will review the regulatory package and produce a memorandum assessing the agency’s legal authority to promulgate the regulation, identifying any specific mandate that requires the regulation, and determining whether the content of the proposed regulation conflicts with applicable law. The OAG may also provide any advice, recommendations, or other comments for consideration by the Governor with respect to the proposed regulation. After the OAG has completed its review, the regulatory package will be submitted to DPB.

b. DPB shall review the regulatory package to determine whether it complies with all requirements of these procedures and applicable statutes, and other policies of the Commonwealth as set forth herein. Consistent with § 2.2-4007.04 of the Code of Virginia, within 45 days of receiving a complete regulatory package, the Director of DPB or his designee shall prepare an EIA and a policy analysis containing the results of DPB’s review.

c. The Cabinet Secretary or his designee shall review the regulatory package within 14 days and forward a recommendation to ORM.

d. ORM shall review the regulatory package within 14 days and forward a recommendation to the Governor.

e. The Chief of Staff to the Governor or his designee is hereby authorized to approve or disapprove proposed regulations on behalf of the Governor.
3. Revised Proposed Stage (Optional)

Following the public comment period of the proposed stage, required by § 2.2-4007.03 of the Code of Virginia, the agency may wish to make additional changes and/or receive additional public comment by publishing a revised proposed regulation (as allowed by § 2.2-4007.03 of the Code of Virginia). The order of Executive Branch Review for the revised proposed stage shall be the same as for the proposed stage, with the exception that DPB will perform its duties within 28 days.

4. Final Stage

Following the approval of the proposed regulation or the revised proposed regulation, and taking into account all comments received during the prior stage, the rulemaking entity shall prepare a final regulation. New issues that were not disclosed to the public when the NOIRA was published shall not be addressed at the final stage unless they result from an intervening mandate that is directly related to the nature and scope of the regulatory changes addressed in the NOIRA.

If any change with substantial impact as determined by either the promulgating agency or DPB, has been made to the regulatory text between the proposed and final stages, the agency shall obtain a letter from the OAG certifying that the agency has authority to make the additional changes.

The order of Executive Branch Review shall be as follows:

a. DPB shall review the regulatory package to determine whether it complies with all requirements of these procedures and applicable statutes, and other policies of the Commonwealth as set forth herein. In particular, DPB shall assess the effect of any substantive changes made since the publication of the proposed regulation and the responsiveness of the agency to public comment. Within 21 days of receiving a complete final regulatory package from the agency, the Director of DPB or his designee shall prepare a policy analysis containing the results of DPB’s review.

b. The Cabinet Secretary or his designee shall review the regulatory package within 14 days and forward a recommendation to ORM.
c. ORM shall review the regulatory package within 14 days and forward a recommendation to the Governor.

d. The Chief of Staff to the Governor or his designee is hereby authorized to approve or disapprove proposed final regulations on behalf of the Governor.

B. Fast-Track Rulemaking Process

The fast-track rulemaking process is for regulations that are expected to be noncontroversial. After a fast-track regulation has been submitted on Town Hall, Executive Branch Review will proceed as follows:

1. The OAG will review the regulatory package and produce a memorandum assessing the agency’s legal authority to promulgate the regulation, identifying any specific mandate that requires the regulation, and determining that the content of the proposed regulation does not conflict with applicable law. The OAG may also provide any advice, recommendations, or other comments for consideration by the Governor with respect to the fast-track regulation. After the OAG has completed its review, the regulatory package will be submitted to DPB.

2. DPB shall review the regulatory package to determine whether it complies with all requirements of these procedures and applicable statutes, and with the policies of the Commonwealth as set forth herein. DPB shall make an initial determination within 10 days whether the regulatory package is appropriate for the fast-track rulemaking process and communicate this decision to the agency. After the initial determination, the Director of DPB or his designee shall have 30 days to prepare a policy analysis and EIA, and advise the appropriate Cabinet Secretary and the Governor of the results of the review. At any point during the review, DPB may request a determination by the Governor’s Office if there is any question as to whether a regulatory package is appropriate for the fast-track process. The Governor or his designee retains final discretion to disapprove use of the fast-track rulemaking process when the Governor or his designee determines it is controversial or otherwise not in the public interest.

3. The Cabinet Secretary or his designee shall review the regulatory package within 14 days and forward a recommendation to ORM.
4. ORM shall review the regulatory package within 14 days and forward a recommendation to the Governor.

5. The Chief of Staff to the Governor or his designee is hereby authorized to approve or disapprove fast-track regulations on behalf of the Governor.

C. Emergency Rulemaking Process

Emergency regulations may be promulgated by an agency in accordance with § 2.2-4011 of the Code of Virginia if the agency determines there is an emergency situation, consults with the OAG, and obtains the approval of the Governor or his designee. Emergency regulations may also be promulgated where Virginia statutory law, an Act of Assembly such as the Appropriation Act, federal law, or federal regulation requires that a state regulation be effective in 280 days or fewer from its enactment and the regulation is not exempt from the APA. If the agency plans to replace the emergency regulation with a permanent regulation, it should file an Emergency/NOIRA stage.

The order of Executive Branch Review shall be as follows:

1. The OAG will review the regulatory package and produce a memorandum assessing the agency’s legal authority to promulgate the regulation, identifying any specific mandate that requires the regulation, and determining that the content of the proposed regulation does not conflict with applicable law. The OAG may also provide any advice, recommendations, or other comments for consideration by the Governor with respect to the proposed emergency regulation. After the OAG has completed its review, the regulatory package will be submitted to DPB.

2. DPB shall review the regulatory package to determine whether it complies with all requirements of these procedures and applicable statutes, and other policies of the Commonwealth as set forth herein. Within 21 days of receiving a complete emergency regulatory package from the agency, the Director of DPB or his designee shall prepare a policy analysis, and advise the appropriate Secretary and the Governor of the results of the review. For non-executive branch agencies, DPB shall forward the package directly to the Governor.

3. The Cabinet Secretary or his designee shall review the regulatory package within 14 days and forward a recommendation to ORM.
4. ORM will review the regulatory package within 14 days and forward a recommendation to the Governor.

5. The Chief of Staff to the Governor or his designee is hereby authorized to approve or disapprove emergency regulations on behalf of the Governor.

An emergency regulation shall be effective for up to 18 months and may be extended for up to an additional six months if, despite the rulemaking entity’s best efforts, a permanent replacement regulation cannot become effective before the emergency regulation expires. If an agency wishes to extend an emergency regulation beyond its initial effective period, the agency shall submit an emergency extension request to the Governor’s Office via the Town Hall website as soon as the need for the extension is known, but no later than 30 days before the emergency regulation is set to expire. The emergency extension request must be granted prior to the expiration date of the emergency regulation, pursuant to § 2.2-4011(D) of the Code of Virginia.

D. Exempt Rulemaking Process

Exempt regulations may be promulgated by an executive branch agency in accordance with applicable sections of the APA, the Virginia Register Act, the agency’s public participation guidelines, and the agency’s basic authorizing statutes. All exempt regulatory packages must be posted on the Town Hall website according to instructions issued by DPB. This requirement is advisory for non-executive agencies or boards that authorize a regulatory action to be promulgated without executive branch review.

The order of Executive Branch Review shall be as follows:

a. OAG will review the regulatory package and produce a memorandum assessing the agency’s legal authority to promulgate the regulation, identifying any specific mandate that requires the regulation, and determining whether the content of the proposed regulation conflicts with applicable law. Any specific citation identified by the agency as an exemption from the APA will be clearly noted.

b. The agency will post the regulatory package on Town Hall, pursuant to instructions issued by DPB, at which time the Secretary will be notified of the posting.

c. After the regulatory package has been posted on Town Hall, ORM shall
review the regulatory package within 14 days and forward a recommendation to the Governor.

d. The Chief of Staff to the Governor or his designee is hereby authorized to approve or disapprove exempt regulations on behalf of the Governor.

Exempt Rulemaking Processs

Governor / Chief of Staff

14 Days

Periodic Review of Existing Regulations

All existing state regulations promulgated by executive branch agencies, including those promulgated pursuant to an exemption from the APA, shall be reviewed every four years to determine whether they should be continued without change or be amended or repealed, consistent with the stated objectives of applicable law, to minimize the economic impact on small businesses in a manner consistent with the stated objectives of applicable law, as regarding § 2.2-4007.1 of the Code of Virginia.

The periodic review shall include: (1) the continued need for the regulation; (2) the nature and complaints or comments received concerning the regulation from the public; (3) the complexity of the regulation; (4) the extent to which the regulation overlaps, duplicates, or conflicts with federal or state law or regulation; (5) an economic analysis including benefit-cost analysis, local government impact analysis, economic impacts on families, and the count of regulatory requirements embedded in the regulation; and (6) 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.

When conducting a periodic review, the agency shall post the notice on the Town Hall website which will then be published in the Register. The agency shall provide a minimum of 21 days for public comment after publication of the notice in the Register. No later than 120 days after the close of the public comment period, the agency shall post the report of findings on Town Hall and then publish the report in the Register.

The periodic review shall include (1) a review by the Attorney General or his designee to ensure general statutory authority to promulgate regulations and identify any specific authority for the regulation under review; (2) a review by ORM; and (3) a determination by the Governor or his designee, whether the regulations are (a) necessary for the protection of public health, safety and welfare and (b) clearly written and easily understandable.

The periodic review must be conducted on the Town Hall website according to instructions issued by DPB, and may be accomplished either by using the (1) stand-alone periodic review process; or (2) the standard rulemaking process during the course of a comprehensive review of the regulation. Use of the stand-alone periodic review process is
preferred, and is required if the agency has no plans to begin a comprehensive review using the standard rulemaking process. Accordingly, an agency can fulfill the periodic review requirement as follows:

1. **Stand-alone Periodic Review Process:** An agency can use the stand-alone process to publish a notice of the periodic review and solicit public comment, and then subsequently report the result of the review. When a regulation has been reviewed using this process, a periodic review shall not be required until four years after the agency reported the result of the periodic review on Town Hall.

2. **Standard Regulatory Process:** An agency can use the NOIRA to publish a notice of the periodic review and solicit public comment. When the proposed stage is submitted for Executive Branch Review, the ABD shall report the result of the periodic review. When a regulation has been reviewed in this manner, a periodic review shall not be required until four years after the effective date of the regulatory action used to conduct the review, consistent with the requirements of § 2.2-4007.1 of the Code of Virginia.

### Posting of Petitions, Meetings, and Documents

Agencies shall post petitions for rulemaking and decisions to grant or deny the petitions on the Town Hall website, in accordance with the timeframes established in § 2.2-4007 of the Code of Virginia. Agencies shall post the notice of, and agenda for, a public regulatory meeting on Town Hall at least seven days prior to the date of the meeting, except if it is necessary to hold an emergency meeting in which case the agenda shall be posted as soon as possible.

In addition, agencies that promulgate regulations and keep minutes of regulatory meetings shall post such minutes of those meetings on the Town Hall website in accordance with the timeframes established in §§ 2.2-3707 and 2.2-3707.1 of the Code of Virginia. For all guidance documents, as defined by § 2.2-4101 of the Code of Virginia, agencies shall post on Town Hall either (a) the guidance document itself or (b) a link to the guidance document on the agency’s website. Any changes to a guidance document or a guidance document link shall be reflected on Town Hall consistent with the requirements of § 2.2-4002.1 of the Code of Virginia. Guidance documents or guidance document links that are not subject to the public comment provisions of § 2.2-4002.1 must be updated on the Town Hall website within 10 days after the content of the guidance document or the link is changed.

### Approval of the Governor

These procedures for the Office of Regulatory Management as required by Executive Order 19 are hereby approved.

Glenn Youngkin, Governor