



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

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### **18 VAC 110-21 Regulations Governing the Licensure of Pharmacists and Registration of Pharmacy Technicians**

**Department of Health Professions**

**Town Hall Action/Stage: 6201 / 9952**

August 15, 2023

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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.<sup>1</sup>

### **Summary of the Proposed Amendments to Regulation**

The Board of Pharmacy (Board) proposes to repeal two obsolete sections from the regulatory text.

### **Background**

Pursuant to Chapters 102 and 237 of the 2020 Acts of Assembly,<sup>2</sup> a previous regulatory action<sup>3</sup> combined sections 140 and 150 into a new section (141) to be consistent with the new legislation. Subsequently, sections 140 and 150 expired on July 1, 2022, and section 141 became effective. However, sections 140 and 150 remain in the regulation. In this regulatory action, the Board proposes to repeal those two obsolete sections in their entirety.

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<sup>1</sup> 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.

<sup>2</sup> <https://lis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP0102> & <https://lis.virginia.gov/cgi-bin/legp604.exe?201+ful+CHAP0237>

<sup>3</sup> <https://townhall.virginia.gov/L/ViewStage.cfm?stageid=9634>

## **Estimated Benefits and Costs**

The proposed changes repeal sections 140 and 150 which were replaced by section 141 effective July 1, 2022 to be consistent the new legislation. Since these two sections have been obsolete for all intent and purposes, their repeal is not expected to create any economic impact other than eliminating potentially confusing language in the regulatory text.

## **Businesses and Other Entities Affected**

The proposed changes would affect all readers of the regulation by clarifying that the sections being repealed are no longer relevant.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>4</sup> An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. As noted above, the two sections being repealed have been replaced by new section 141 effective July 1, 2022 and have been obsolete since then. Thus, no adverse or disproportionate impact on any entity is indicated.

## **Small Businesses<sup>5</sup> Affected:<sup>6</sup>**

The proposed amendments do not adversely affect small businesses.

## **Localities<sup>7</sup> Affected<sup>8</sup>**

The proposed amendments do not affect localities or local government.

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<sup>4</sup> Pursuant to Code § 2.2-4007.04(D): 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. 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.

<sup>5</sup> 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.”

<sup>6</sup> 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.

<sup>7</sup> “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.

<sup>8</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

### **Projected Impact on Employment**

The proposed amendments do not affect employment.

### **Effects on the Use and Value of Private Property**

No effect on the use and value of private property or real estate development costs is expected.