



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 1600

PRINTERS NO. 2974

PRIME SPONSOR: Mackenzie

COST / (SAVINGS)

FUND	FY 2015/16	FY 2016/17
General Fund; Corporation Bureau Restricted Account	See Fiscal Impact	See Fiscal Impact

SUMMARY: House Bill 1600, Printer's Number 2974, provides an exemption for the payment of a business fee for a veteran-owned small business.

ANALYSIS: This legislation amends Title 51 (Military Affairs), Chapter 96 (Veteran-Owned Small Businesses), to provide for waiver of business start-up fees for veterans. The bill defines business fee as "a fee required to be paid to the Commonwealth or an instrumentality of the Commonwealth for starting or opening a business within this Commonwealth. The term does not include a fee for maintaining licensure or other requirement for continuing to operate a business."

A veteran must provide the Department of Military and Veteran's Affairs with proof of the veteran's status using any of the following copies of identification: Federal DD-214 form; Federal NGB-22 form; or a valid Federal Veteran's Administration Card. The bill also sets penalties for a person trying to fraudulently obtain or use a business fee exemption, which will be a misdemeanor of the third degree.

The bill directs the Department of State, in consultation with other Commonwealth agencies, to determine an applicant's status as a veteran. The Department of State also shall determine the total number of exemptions issued on an annual basis.

The effective date of this legislation is 60 days after enactment.

FISCAL IMPACT: The waiver exempting related business fees would result in the loss of revenue to both the General Fund and the agency's Corporation Bureau Restricted Account. For example, it costs \$125 to register a domestic corporation, LLC or LLP and \$70 to register a fictitious name with these fees being split between the General Fund (70%) and the Corporation Bureau Restricted Account (30%). The overall loss in revenue would be determined by the number of fee exemptions approved.

It is expected that the Department of State and Department of General Services can handle the duties as outlined in the bill as part of their existing operations.

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House Appropriations Committee (R)

DATE: April 6, 2016

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.