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SENATE JOINT RESOLUTION NO. 258

Offered January 8, 2025

Prefiled January 7, 2025

Directing the Joint Legislative Audit and Review Commission to update its 2016 study of the impact of regulations on Virginia's manufacturing sector. Report.

Patron—Williams Graves

Referred to Committee on Rules

WHEREAS, Senate Joint Resolution No. 360 (2005) directed the Joint Legislative Audit and Review Commission (JLARC) to evaluate the total cost of compliance by Virginia manufacturers with state and federal environmental, economic, workplace, and tax regulations and to compare the cost of regulatory compliance borne by Virginia manufacturers with the costs of regulatory compliance borne by manufacturers in other Mid-Atlantic and Southern states; and

WHEREAS, the Joint Legislative Audit and Review Commission completed its study in November 2006 (Senate Document No. 18) and estimated that Virginia manufacturers spent between \$923 million and \$3.49 billion in 2005 in complying with state and federal regulations, which averages between \$3,121 and \$11,791 per employee as estimated by JLARC; and

WHEREAS, the Joint Legislative Audit and Review Commission study also concluded that Virginia's manufacturing sector lost approximately 66,000 jobs between 2000 and 2005; and

WHEREAS, while the Joint Legislative Audit and Review Commission concluded that Virginia's regulations do not greatly expand upon federal regulations, it is crucial for the economic vitality of Virginia's manufacturers that this remains the case; and

WHEREAS, Senate Joint Resolution No. 274 (2015) directed JLARC to update the research and analysis performed by JLARC in 2005 to provide General Assembly members with more current information for use in crafting regulatory policies in Virginia; and

WHEREAS, JLARC completed its study in October 2016 (Senate Document No. 13) and estimated that Virginia manufacturers spent between \$942 million and \$4.84 billion in 2014 in complying with state and federal regulations; and

WHEREAS, the JLARC study also concluded that Virginia's manufacturing employment declined by 22 percent, or 64,289 jobs, between 2005 and 2014; however, since 2010, Virginia's manufacturing employment increased by about one percent, or just over 1,500 jobs, as estimated by JLARC; now, therefore, be it

RESOLVED by the Senate, the House of Delegates concurring, That the Joint Legislative Audit and Review Commission be directed to update its 2016 study of the impact of regulations on Virginia's manufacturing sector.

In conducting its study, the Joint Legislative Audit and Review Commission shall (i) estimate the current costs to Virginia manufacturers to comply with federal and state regulations and provide an explanation of how current costs differ from costs evaluated in 2016; (ii) evaluate the degree to which Virginia expands upon federal regulations; (iii) review major actions taken by state agencies since 2016 that have either increased or decreased the costs of regulatory compliance for Virginia manufacturers; (iv) compare the costs of regulatory compliance by industry sectors in Virginia, including manufacturing; and (v) to the extent data is available, compare the costs of regulatory compliance borne by Virginia manufacturers with the costs of regulatory compliance borne by manufacturers in other Mid-Atlantic and Southern states.

All agencies of the Commonwealth shall provide assistance to the Joint Legislative Audit and Review Commission for this study, upon request.

The Joint Legislative Audit and Review Commission shall complete its meetings for the first year by November 30, 2025, and for the second year by November 30, 2026, and the Director shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the next Regular Session of the General Assembly for each year. Each executive summary shall state whether JLARC intends to submit to the General Assembly and the Governor a report of its findings and recommendations for publication as a House or Senate document. The executive summaries and reports shall be submitted as provided in the procedures of the Division of Legislative Automated Systems for the processing of legislative documents and reports and shall be posted on the General Assembly's website.

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