

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

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ORIGINAL

Bill Number: HB777

Patron: Hayes

Bill Title: Virginia Public Procurement Act; required procurement of goods transported by privately owned commercial vessels.

Bill Summary: Provides that whenever a state agency procures goods that may be transported on ocean-going vessels, such agency shall take steps necessary and practicable to ensure that 50 percent of the gross tonnage of the goods will be transported on privately owned commercial vessels, as defined in the bill. The bill also (i) requires all state agencies to include in every contract for goods that exceeds \$10,000 a provision that the contractor must comply with federal and state laws relating to the transportation of goods on privately owned commercial vessels and (ii) provides, beginning November 1, 2026, for the Secretary of Administration to conduct annual reviews of state agency compliance.

Budget Amendment Necessary: No

Items Impacted: N/A

Explanation: The fiscal impact of this legislation is indeterminate.

Fiscal Summary: The fiscal impact of this bill is indeterminate. The Port of Virginia anticipates potentially higher freight costs for state agencies and administrative burden for procurement teams to request exceptions to vendors' standard shipping methods. However, it is unclear how many goods purchased are transported by privately owned commercial vessels, so the fiscal impact is ultimately indeterminate. The Department of General Services expects no fiscal impact to conduct annual reviews of state agency compliance.

Fiscal Analysis: See fiscal summary.

Other: None.