

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

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ORIGINAL

Bill Number: SB27-ER

Patron: Carroll Foy

Bill Title: Firearm industry members; standards of responsible conduct, civil liability.

Bill Summary: Creates standards of responsible conduct for firearm industry members and requires such members to establish and implement reasonable controls regarding the manufacture, sale, distribution, use, and marketing of the firearm industry member's firearm-related products, as those terms are defined in the bill. Such reasonable controls include reasonable procedures, safeguards, and business practices that are designed to (i) prevent the sale or distribution of a firearm-related product to a straw purchaser, a firearm trafficker, a person prohibited from possessing a firearm under state or federal law, or a person who the firearm industry member has reasonable cause to believe is at substantial risk of using a firearm-related product to harm themselves or unlawfully harm another or of unlawfully possessing or using a firearm-related product; (ii) prevent the loss of a firearm-related product or theft of a firearm-related product from a firearm industry member; (iii) ensure that the firearm industry member complies with all provisions of state and federal law and does not otherwise promote the unlawful manufacture, sale, possession, marketing, or use of a firearm-related product; (iv) prevent the installation and use of an auto sear on firearm-related products; and (v) ensure that the firearm industry member does not engage in an act or practice in violation of the Virginia Consumer Protection Act.

The bill also provides that a firearm industry member may not knowingly or recklessly create, maintain, or contribute to a public nuisance, as defined in the bill, through the sale, manufacturing, importing, or marketing of a firearm-related product. The bill creates a civil cause of action for the Attorney General or a local county, city, or town attorney to enforce the provisions of the bill or for any person who has been injured as a result of a firearm industry member's violation to seek an injunction and to recover costs and damages. The bill also allows the Attorney General to issue a civil investigative demand if he has reasonable cause to believe that any person has engaged in, is engaging in, or is about to engage in any violation of such standards.

Budget Amendment Necessary: Yes.

Items Impacted: Item 54

Explanation: The Office of the Attorney General and Department of Law (OAG) indicates it would need additional staff to handle enforcement obligations.

Fiscal Summary: The bill gives persons injured by a violation of the law a private cause of action against the firearm industry member, including the ability to obtain an injunction prohibiting the conduct, as well as damages and attorneys' fees. The bill gives the OAG, city, and county attorneys the ability to bring an action to obtain an injunction, nuisance abatement, compensatory and punitive damages, and attorneys' fees and costs, but it would not be enforceable through the Virginia Consumer Protection Act (VCPA). In order to meet the

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bill’s objectives, the OAG would need at least one senior assistant attorney general, 50 percent time of one junior assistant attorney general, and one administrative assistant.

General Fund Expenditure Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
	\$0	\$325,824	\$325,824	\$325,824	\$325,824	\$325,824
TOTAL	\$0	\$325,824	\$325,824	\$325,824	\$325,824	\$325,824

Position Impact:

<u>Agency</u>	<u>FY2026</u>	<u>FY2027</u>	<u>FY2028</u>	<u>FY2029</u>	<u>FY2030</u>	<u>FY2031</u>
	0.00	2.50	2.50	2.50	2.50	2.50
TOTAL	0.00	2.50	2.50	2.50	2.50	2.50

Fiscal Analysis: The annual cost of staff, including benefits is \$325,824. The cost of each position is as follows: one senior assistant attorney general (\$150,226), 50 percent time of one junior assistant attorney general (\$67,883), and one administrative assistant (\$107,715).

Other: None.