

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: HB1371

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Simon

3. Committee: General Laws

4. Title: Virginia Public Procurement Act; local arbitration agreements.

5. Summary: Allows a participating locality, for any procurement solicitation or contract exceeding \$10,000 for goods and services, to require the bidder or offeror to disclose certain information regarding pre-dispute arbitration clauses, defined in the bill, in employment, civil rights, and certain consumer disputes, and provides that a locality may consider the policies and practices related to arbitration of each bidder and offeror. The bill also provides that a participating locality shall require the bidder or offeror to provide written or electronic submissions to allow the locality to ascertain(i) whether the bidder or offeror requires persons with whom it is in a work relationship or prospective work relationship to sign or otherwise enter into a contract containing a pre-dispute arbitration clause that would cover an employment or civil rights dispute and(ii) whether the bidder or offeror requires consumers to sign or otherwise enter into a contract containing a pre-dispute arbitration clause as a condition of downloading mobile applications or using websites to pay a school district for goods, services, or fees. The bill authorizes a participating locality to cancel, terminate, or suspend, in whole or in part, the contract of any contractor that has violated a provision of the bill and to declare the contractor ineligible for further contracts with such locality for up to five years.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: None

8. Fiscal Implications: No state fiscal impact expected.

9. Specific Agency or Political Subdivisions Affected: The bill applies to all local public bodies subject to the Virginia Public Procurement Act (VPPA). This bill will not apply to local governments that have exempted themselves from the VPPA as authorized by Va. Code §2.2-4343 (9, 10, 11).

10. Technical Amendment Necessary: No

11. Other Comments: None