



# **COMMONWEALTH of VIRGINIA**

*Office of the Governor*

P.O. Box 1475  
Richmond, Virginia 23218

December 6, 2022

The Honorable Janet D. Howell, Co-Chair  
Senate Finance and Appropriations Committee  
14th Floor, Pocahontas Building  
900 East Main Street  
Richmond, VA 23219

The Honorable George L. Barker, Co-Chair  
Senate Finance and Appropriations Committee  
14th Floor, Pocahontas Building  
900 East Main Street  
Richmond, VA 23219

The Honorable Barry D. Knight, Chair  
Virginia House Appropriations Committee  
910 Capitol Street  
Richmond, Virginia 23219

Dear Chairwoman Howell, Chairman Barker, and Chairman Knight:

Pursuant to recent legislation (SB 572), the Secretary of Veterans and Defense Affairs and the Secretary of Commerce and Trade, in conjunction with the Department of Small Business and Supplier Diversity, were directed to examine the waiving of fees associated with permits necessary to establish a small business for veteran-owned small businesses.

Pursuant to recent legislation (SB 572):

The Secretary of Veterans and Defense Affairs and the Secretary of Commerce and Trade (the Secretaries), in conjunction with the Department of Small Business and Supplier Diversity, shall examine the waiving of fees associated with permits necessary to establish a small business for veteran-owned small businesses. The Secretaries shall identify the necessary permits and determine the total costs of associated fees for a start-up by type of business and by regulatory agency and shall determine the feasibility of waiving any such fees for veteran-owned small businesses. In conducting their examination, the Secretaries may also identify and make recommendations regarding removing other regulatory barriers for veteran-owned small businesses.

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Given the scale and impact of veteran-owned businesses on our Commonwealth, the Secretary of Veterans and Defense Affairs contacted all of the Commonwealth's agencies to (1) identify the fees they charge to establish a business and (2) assess the feasibility of waiving such fees, including the impact such waiver would have on the agency as well as the mechanism or protocol necessary for fees to be waived.

After receiving various agencies' feedback regarding the total costs of associated fees and the feasibility of waiving such fees, the Secretary of Veterans and Defense Affairs and the Secretary of Commerce and Trade are unable to make recommendations regarding removing regulatory barriers for veteran-owned small businesses at this time. The Secretariats have not received one hundred percent of responses from agencies across the Commonwealth. To make meaningful recommendations to waive fees for veteran-owned businesses, the Secretariats require additional time and feedback from relevant stakeholders.

The Secretariats will remain proactive to receive feedback from agencies and engage subject matter experts to come to meaningful recommendations and support the Commonwealth's veteran-owned businesses. The goal will be to have their responses and report recommendations to the Chairs of the House Committees on Appropriations and Labor and Commerce and the Senate Committees on Finance and Appropriations and Commerce and Labor during the 2023 General Assembly Session.

Sincerely,



Craig C. Crenshaw  
Secretary of Veterans and Defense Affairs



Caren Merrick  
Secretary of Commerce and Trade