

Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. Bill Number: SB491

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

2. Patron: Carroll Foy

3. Committee: Courts of Justice

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

5. 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; and (iv) 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 or city 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.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. Indeterminate – See Item 8.

8. Fiscal Implications: The Office of the Attorney General and Department of Law (OAG) reports that this bill would give 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. This bill also would give OAG and 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 would not be enforceable through the Virginia Consumer Protection Act. Therefore, this bill

may have a fiscal impact on agency operations. However, the fiscal impact cannot be quantified at this time.

9. Specific Agency or Political Subdivisions Affected: Office of the Attorney General and Department of Law, local county or city attorneys

10. Technical Amendment Necessary: No.

11. Other Comments: Similar to HB318.

Date: 2/14/2024