

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 48-50 Common Interest Community Manager Regulations
Department of Professional and Occupational Regulation
Town Hall Action/Stage: 4510 / 7631
August 30, 2016

Summary of the Proposed Amendments to Regulation

The Common Interest Community Board (Board) proposes amendments to the “Virginia common interest community law and regulation training program” and “fair housing training program” requirements. The Board proposes to remove erroneous language and amend other language to improve clarity.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The current “18VAC48-50-253 Virginia Common Interest Community Law and Regulation Training Program Requirements” states that:

In order to qualify as a Virginia common interest community law and regulation training program **for applicants for and renewal of certificates**¹ issued by the board, the common interest community law and regulation program must include a minimum of two contact hours and the syllabus shall encompass Virginia laws and regulations related to common interest community management and creation, governance, administration, and operations of associations.”

¹ The text in the regulation is not bolded.

Analogous to 18VAC48-50-253, the current “18VAC48-50-255 Fair Housing Training Program Requirements” states that “In order to qualify as a fair housing training program **for applicants for and renewal of certificates**² issued by the board, the fair housing training program must include a minimum of two contact hours and ...” According to the Department of Professional and Occupational Regulation, the two contact hour programs are only applicable for renewal of certificates for principal or supervisory employees, and not a prerequisite to initial certification. Thus the Board proposes to remove “applicants for and” from both 18VAC48-50-253 and 18VAC48-50-255. Removing this language will not have any impact in practice beyond clarifying the actual requirements in practice. This will be beneficial in that it will reduce the likelihood that readers of the regulation are misled.

The Board also proposes to clarify the language on the training content. The current regulation specifies which aspects (i.e., management, creation, governance, administration, and operations) of common interest communities to which the training must be related. The proposed action would remove those specific aspects to clarify that the training on law and regulations is not limited only to those aspects of common interest communities.

Businesses and Entities Affected

The proposed amendments pertain to the 6 Virginia common interest community law and regulation training programs and the 7 fair housing training programs.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments do not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments do not affect the use and value of private property.

Real Estate Development Costs

The proposed amendments do not affect real estate development costs.

² Ibid

Small Businesses:**Definition**

Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

Costs and Other Effects

The proposed amendments do not significantly affect costs for small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments do not adversely affect businesses.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order Number 17 (2014). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance within the 45-day period.

If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for

preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

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