

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 15-20 – Virginia Asbestos Licensing Regulations
Department of Professional and Occupational Regulation
Town Hall Action/Stage: 4625/7925
June 28, 2017

Summary of the Proposed Amendments to Regulation

The Board of Asbestos, Lead and Home Inspectors (Board) proposes to amend its regulation that governs asbestos licensure. Specifically, the Board proposes to add and amend several definitions as well as clarify the entry requirements and information needed to be licensed for firms seeking asbestos licensure. The Board also proposes to restructure the rules for asbestos analytical labs and lower the licensure fees for labs with more than one physical site.

Result of Analysis

Benefits outweigh costs for all proposed changes.

Estimated Economic Impact

Most of the regulatory changes proposed by the Board do not change any substantive requirement or duty for any entity but, instead, are aimed at making the regulatory text easier to read and understand. Changes to the definitions in the regulation as well as language that clarifies, for instance, that firm licenses are non-transferable fall into this category of change. No affected entity is likely to incur costs on account of changes such as these. To the extent that the current regulation contains outdated definitions, or might be otherwise confusing or opaque, these changes will benefit readers by making the regulation more easily understood.

In addition to these clarifying changes, the Board proposes several substantive changes to this regulation's requirements for asbestos analytical labs. Currently, laboratories with more than one physical location must license each location individually, pay the same fee for each location's licensure and provide the Board with duplicative information for that licensure. The Board now proposes to allow laboratories to license their main lab and then license other physical locations as branch offices.

The Board also proposes to institute new, lower, fees for branch office licensure. Currently, the fee for each laboratory licensed (whether or not they are branch offices) is \$120. The renewal fee is \$75 and the fee for late renewal is \$110. The Board proposes to institute fees for branch office licensure that are \$100, \$55 and \$90, respectively. Laboratories with more than one physical location will see savings of \$20 per fee per branch office on account of these proposed fee changes. These laboratories will also see other savings on account of the proposed changes to the licensure process that eliminate the need to provide the same information and paperwork multiple times.

Businesses and Entities Affected

Board staff reports that, as of May 1, 2017, the Board has licensed 186 asbestos contractors, 313 asbestos project managers and 89 asbestos analytical labs. All of these entities, as well as any entities that may seek licensure in the future, will be affected by these proposed regulatory changes. Board staff reports that most of these entities would be considered small businesses.

Localities Particularly Affected

No locality will be particularly affected by these proposed regulatory changes.

Projected Impact on Employment

These proposed regulatory changes are unlikely to affect employment in the Commonwealth.

Effects on the Use and Value of Private Property

These proposed regulatory changes are unlikely to affect the use or value of private property in the Commonwealth.

Real Estate Development Costs

These proposed regulatory changes are unlikely to affect real estate development costs in the Commonwealth.

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

No small businesses will be adversely affected by these proposed regulatory changes. These proposed changes will decrease fees for asbestos analytical labs with more than one physical location.

Alternative Method that Minimizes Adverse Impact

No small businesses will be adversely affected by these proposed regulatory changes.

Adverse Impacts:

Businesses:

No businesses will be adversely affected by these proposed regulatory changes.

Localities:

Localities in the Commonwealth are unlikely to see any adverse impacts on account of these proposed regulatory changes.

Other Entities:

No other entities are likely to be adversely affected by these proposed changes.

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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