

Office of Regulatory Management
Economic Review Form

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| Agency name | Common Interest Community Board |
| Virginia Administrative Code (VAC) Chapter citation(s) | 18 VAC 48-45 |
| VAC Chapter title(s) | Time-Share Regulations |
| Action title | Time-Share Regulations - HB 1955/SB 969 Amendments |
| Date this document prepared | September 19, 2023 |
| Regulatory Stage (including Issuance of Guidance Documents) | Final - Exempt |

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Table 1a: Costs and Benefits of the Proposed Changes (Primary Option)

| | | |
|---|--|---------------------------------------|
| <p>(1) Direct & Indirect Costs & Benefits (Monetized)</p> | <p>This action amends provisions of the Time-Share Regulations to conform to changes resulting from the enactment of Chapters 52 and 53 of the 2023 Acts of Assembly.</p> <ol style="list-style-type: none"> 1. This action amends the requirements for registration of time-share programs to remove the prerequisite for registration that the time-share instrument include a statement detailing that the developer reserves or does not reserve the right to add or delete an alternative purchase from the time-share program. 2. This action removes the requirement for a time-share registration application to include a description of an alternative purchase if the developer has reserved the right to add or delete an alternative purchase from the time-share program. 3. This action amends requirements for a time-share public offering statement (POS) to (i) remove the requirement that the POS include statements addressing whether or not the developer reserves the right to add or delete any alternative purchase; and (ii) add a requirement that the developer disclose whether the developer will offer any alternative purchase. <p>Direct Costs: There are no monetizable direct costs associated with this change.</p> <p>Indirect Costs: There are no monetizable indirect costs associated with this change.</p> <p>Direct Benefits: There are no monetizable direct benefits associated with this change.</p> <p>Indirect Benefits: There are no monetizable indirect benefits associated with this change.</p> | |
| <p>(2) Present Monetized Values</p> | <p>Direct & Indirect Costs</p> | <p>Direct & Indirect Benefits</p> |
| | <p>(a) \$0</p> | <p>(b) \$0</p> |
| <p>(3) Net Monetized Benefit</p> | <p>\$0</p> | |
| <p>(4) Other Costs & Benefits (Non-Monetized)</p> | <p>Costs:</p> <ul style="list-style-type: none"> • Developers will need to revise any POS on file with the Board that does not meet the current requirement. Some developers may elect to have revisions prepared by legal professionals. This would be a one-time cost. (Direct.) | |

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| | <ul style="list-style-type: none"> • Administrative and time costs for Board staff to review and revise time-share application form. (Direct.) • Developer administrative and time costs to submit updated POS to Board. (Indirect.) • Developer administrative and time costs to distribute updated POS to prospective purchasers. (Indirect.) • Time cost for Board staff to review updated documents filed with the Board. (Indirect.) <p>Benefits:</p> <ul style="list-style-type: none"> • Regulatory provisions will be consistent with statute. (Direct.) |
| (5) Information Sources | |

Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)

| | | |
|--|---|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | <p>Direct Costs: There are no new monetizable direct costs associated with maintaining the status quo.</p> <p>Indirect Costs: There are no new monetizable indirect costs associated with maintaining the status quo.</p> <p>Direct Benefits: There are no new monetizable direct benefits associated with maintaining the status quo.</p> <p>Indirect Benefits: There are no new monetizable indirect benefits associated with maintaining the status quo.</p> | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) \$0 | (b) \$0 |
| (3) Net Monetized Benefit | \$0 | |
| (4) Other Costs & Benefits (Non-Monetized) | | |
| (5) Information Sources | | |

Table 1c: Costs and Benefits under Alternative Approach(es)

| | | |
|--|--|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | See Box #4. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) N/A | (b) N/A |
| (3) Net Monetized Benefit | N/A | |
| (4) Other Costs & Benefits (Non-Monetized) | This regulatory change is the result of a legislative change where no agency discretion is involved. | |
| (5) Information Sources | | |

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 2: Impact on Local Partners

| | | |
|--|--|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | N/A – See Box #3. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) N/A | (b) N/A |
| (3) Other Costs & Benefits (Non-Monetized) | There are no anticipated direct or indirect costs to local partners. There are no anticipated direct or indirect benefits to local partners. | |
| (4) Assistance | N/A | |
| (5) Information Sources | | |

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 3: Impact on Families

| | | |
|--|--|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | N/A – See Box #3. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) N/A | (b) N/A |
| (3) Other Costs & Benefits (Non-Monetized) | There are no anticipated direct or indirect costs to families. There are no anticipated direct or indirect benefits to families. | |
| (4) Information Sources | | |

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Table 4: Impact on Small Businesses

| | | |
|--|---|----------------------------|
| (1) Direct & Indirect Costs & Benefits (Monetized) | See Box #3. | |
| (2) Present Monetized Values | Direct & Indirect Costs | Direct & Indirect Benefits |
| | (a) | (b) |
| (3) Other Costs & Benefits (Non-Monetized) | <p>This regulatory change affects developers of registered time-share programs. Developers may be either incorporated or unincorporated business entities. Some of these entities would likely fall within the meaning of “small business” in § 2.2-4007.1 of the Code of Virginia.</p> <p>The costs and benefits of this regulatory change are identified in Table 1(a). To the extent that additional costs are assumed by a small business entities, this regulatory change would impact small businesses.</p> | |

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| (4) Alternatives | This regulatory change is the result of a legislative change where no agency discretion is involved. Therefore, no alternatives were considered. |
| (5) Information Sources | |

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

For each individual action, please fill out the appropriate chart to reflect any change in regulatory requirements, costs, regulatory stringency, or the overall length of any guidance documents.

Change in Regulatory Requirements

| VAC Section(s) Involved | Authority of Change | Initial Count | Additions | Subtractions | Net Change |
|-------------------------|-----------------------|---------------|-----------|--------------|------------|
| 45-110 | Statutory: | 49 | 0 | 1 | -1 |
| | Discretionary: | 5 | 0 | 0 | 0 |
| 45-130 | Statutory: | 41 | 0 | 0 | 0 |
| | Discretionary: | 127 | 0 | 0 | 0 |
| 45-160 | Statutory: | 7 | 0 | 0 | 0 |
| | Discretionary: | 32 | 0 | 1 | -1 |
| 45-190 | Statutory: | 8 | 0 | 0 | 0 |
| | Discretionary: | 1 | 0 | 0 | 0 |
| 45-310 | Statutory: | 1 | 1 | 0 | +1 |
| | Discretionary: | 2 | 0 | 0 | 0 |
| 45-350 | Statutory: | 0 | 0 | 0 | 0 |
| | Discretionary: | 0 | 0 | 0 | 0 |

Cost Reductions or Increases (if applicable)

| VAC Section(s) Involved | Description of Regulatory Requirement | Initial Cost | New Cost | Overall Cost Savings/Increases |
|-------------------------|---------------------------------------|--------------|----------|--------------------------------|
| N/A | N/A | N/A | N/A | N/A |

Other Decreases or Increases in Regulatory Stringency (if applicable)

| VAC Section(s) Involved | Description of Regulatory Change | Overview of How It Reduces or Increases Regulatory Burden |
|-------------------------|----------------------------------|---|
| N/A | N/A | N/A |

Length of Guidance Documents (only applicable if guidance document is being revised)

| Title of Guidance Document | Original Length | New Length | Net Change in Length |
|----------------------------|-----------------|------------|----------------------|
| N/A | N/A | N/A | N/A |