

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Department of Veterans Services
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	1-VAC-80-10-90
<b>VAC Chapter title(s)</b>	100% Disabled Veteran Real Property Tax Exemption
<b>Action title</b>	Amend 1VAC-80-10-90 per guidance from OAG
<b>Date this document prepared</b>	August 21, 2024
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Final

### 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 &amp; Indirect Costs &amp; Benefits (Monetized)</p>	<p>Direct Costs: Unknown. The change would remove subsection E of 1 VAC § 80-10-90 because it contains a limitation period (three years) that conflicts with §58.1-3219.5 of the Code of Virginia. The Attorney General has issued an opinion (<a href="#">No. 16-060</a>) addressing this. The real estate property tax exemption for 100% disabled veterans is administered by local governments. This change would remove the three-year reimbursement period.</p> <p>The cost to provide the exemption, and any reimbursement of past taxes, is borne by local governments. The cost would be the difference between three years and any longer look-back period. For example, a local government recently provided a veteran with a three-year refund. The county is waiting for 1 VAC § 80-10-90 to be updated to provide the veteran with an additional two years.</p> <p>Indirect Costs: Impact on local government revenue.</p> <p>Direct Benefits: Veterans who are eligible for a tax refund of more than three years (in the example cited above, for five years) will receive the full refund allowed for in Code and spelled out in the AG Opinion.</p> <p>Indirect Benefits: 1 VAC § 80-10-90 will align with the Code.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.</p>	<p>(b) Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes</p>
<p>(3) Net Monetized Benefit</p>	<p>Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.</p>	
<p>(4) Other Costs &amp; Benefits (Non-Monetized)</p>	<p>The Commissioners of the Revenue Association has requested the update to 1 VAC § 80-10-90 so they can consistently and fairly apply the refunds consistent with the Code of Virginia.</p>	

(5) Information Sources	Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes
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**Table 1b: Costs and Benefits under the Status Quo (No change to the regulation)**

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: if 1 VAC § 80-10-90 is <u>not</u> changed (status quo) then there will be no additional direct costs imposed on localities.</p> <p>Indirect Costs: If 1 VAC § 80-10-90 is not updated, it will be in conflict with the Code of Virginia and AG opinion (<a href="#">No. 16-060</a>).</p> <p>Direct Benefits: if 1 VAC § 80-10-90 is <u>not</u> changed (status quo) then there will be no additional direct benefits to Veterans.</p> <p>Indirect Benefits: if 1 VAC § 80-10-90 is <u>not</u> changed (status quo) then there will be no additional indirect benefits for veterans.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to calculate, as refunds are at the local government on a case-by-case basis.	(b) Unable to calculate, as refunds are at the local government on a case-by-case basis, but this will benefit veterans who are eligible for a tax refund of more than three years (in the example cited above, for five years) will receive the full refund allowed for in Code and spelled out in the AG Opinion
(3) Net Monetized Benefit	Unable to calculate, as refunds are at the local government on a case-by-case basis.	
(4) Other Costs & Benefits (Non-Monetized)	Unable to calculate costs, as refunds are at the local government on a case-by-case basis, but this will benefit veterans who are eligible for a tax refund of more than three years (in the example cited above, for five years) will receive the full refund allowed for in Code and spelled out in the AG Opinion	
(5) Information Sources		

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

(1) Direct & Indirect Costs &	Direct Costs: N/A. This regulatory action is required by state statute and AG opinion ( <a href="#">No. 16-060</a> ).
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Benefits (Monetized)	<p>Indirect Costs: N/A. This regulatory action is required by state statute and AG opinion (<a href="#">No. 16-060</a>).</p> <p>Direct Benefits: N/A. This regulatory action is required by state statute and AG opinion (<a href="#">No. 16-060</a>).</p> <p>Indirect Benefits: N/A. This regulatory action is required by state statute and AG opinion (<a href="#">No. 16-060</a>).</p>	
(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)	N/A	
(5) Information Sources	N/A	

**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)	<p>Direct Costs: Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.</p> <p>Indirect Costs: Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.</p> <p>Direct Benefits: Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.</p>
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	Indirect Benefits: the Commissioners of the Revenue Association has requested the change in order to provide consistent application of the exemption per the Code of Virginia and the AG Opinion.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.	(b) Unable to calculate, as the additional refunds would be handled at the local government on a case-by-case basis. DVS is aware of one pending refund at the local level, equal to two years of real estate taxes.
(3) Other Costs & Benefits (Non-Monetized)	The Commissioners of the Revenue Association has requested the change in order to provide consistent application of the exemption per the Code of Virginia and the AG Opinion	
(4) Assistance	N/A	
(5) Information Sources	N/A	

**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)	<p>Direct Costs: N/A – no cost to families</p> <p>Indirect Costs: N/A – no indirect costs to families.</p> <p>Direct Benefits: the families of Veterans will benefit by the consistent application of the exemption in accordance with the Code and AG opinion.</p> <p>Indirect Benefits: the Commissioners of the Revenue Association has requested the change in order to provide consistent application of the exemption per the Code of Virginia and the AG Opinion. Consistent application would benefit families.</p>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits

	(a) N/A – no cost to families.	(b) the families of Veterans will benefit by the consistent application of the exemption in accordance with the Code and AG opinion.
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Information Sources	DVS	

**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)	Direct Costs: N/A. Indirect Costs: N/A. Direct Benefits: N/A. Indirect Benefits: N/A.	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	N/A	
(4) Alternatives	N/A	
(5) Information Sources	DVS – this regulation change does not affect small businesses.	

**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	Total Net Change in Requirements
	(M/A):				
	(D/A):				
	(M/R):				
	(D/R):				
				<b>Grand Total of Changes in Requirements:</b>	(M/A):
					(D/A):
					(M/R):
					(D/R):

**Key:**

*Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:*

**(M/A):** Mandatory requirements mandated by federal and/or state statute affecting the agency itself

**(D/A):** Discretionary requirements affecting agency itself

**(M/R):** Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

**(D/R):** Discretionary requirements affecting external parties, including other agencies

*Cost Reductions or Increases (if applicable)*

VAC Section(s) Involved*	Description of Regulatory Requirement	Initial Cost	New Cost	Overall Cost Savings/Increases

*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

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

<b>Title of Guidance Document</b>	<b>Original Word Count</b>	<b>New Word Count</b>	<b>Net Change in Word Count</b>
Guidelines Governing the Administration of the Veteran and Surviving Spouse Property Tax Exemption	98 pages	68 pages	Reduction of 30 pages

\*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).