

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Board of Housing and Community Development
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	13 VAC 5 – 91
<b>VAC Chapter title(s)</b>	Industrialized Building Safety Regulations
<b>Action title</b>	Update the Industrialized Building Safety Regulations
<b>Date this document prepared</b>	September 2023 (Update, October 2023)
<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.

**Agency Note: Changes between proposed and final regulations were editorial in nature. The table at the end of the document titled *FINAL PHASE Editorial corrections that are not expected to have cost impact* identifies these changes.**

**The Uniform Statewide Building Code, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations are based on national model codes and standards. These codes and standards are incorporated by reference except where Virginia makes specific amendments in compliance with state law or via its extensive stakeholder development process.**

## National Model Codes – Development Overview

The International Code Council develops construction and public safety codes through a governmental consensus process. The Code Council governmental consensus process meets the principles defined by the National Standards Strategy of 2000, and the OMB Circular A-119, Federal Participation in the Development and Use of Voluntary Consensus Standards and in Conformity Assessment Activities (1998). It complies with Public Law 104-113 National Technology Transfer and Advancement Act of 1995.

### Openness

- Participation in the development of the codes, including code hearings, is open to all at no cost.
- Anyone can submit a code change proposal or make a public comment.
- Code committees must consider all views before voting.

### Transparency

- Evidence of committee vote, with reason, must be documented.
- Final decisions are made in an open hearing by public safety officials.
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### Balance of Interests

- Committee members represent general interests, user interests, producer interests, or multiple interests. One-third of the committee's members must be public safety officials.
- Committee members cannot vote on issues that are a conflict of interest.
- ICC membership is not a condition of committee membership.

### Due Process

- A code change proponent has the opportunity to rebut opponents and vice versa.
- Anyone who attends the hearing can testify.
- Committees are required to consider all views, objections and the cost impact of all code change proposals.

### Appeals

- Anyone can appeal an action or inaction of the code committee.
- ICC renders its decision on the appeal based on whether due process was served.

### Consensus

- Committee members vote to approve the code change, make modifications to it, or vote against it.
- A simple majority from the committee decides the action of the proposed code change.

A link to the national process is here: <https://www.iccsafe.org/products-and-services/i-codes/code-development/current-code-development-cycle-archive-2018-2019/>

**Other Standards Incorporated – In addition to the ICC Model Codes, the Uniform Statewide Building Code, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations incorporate other national standards. The process for each standard is governed by the promulgating organization, but all generally follow the American National Standards Institute (ANSI) accredited process of balanced committees, openness and appeals, etc. and are subject to regular review.**

This document identifies changes to the existing regulation. The changes included in this action are clarifications/editorial in nature. For example, they correct references to other codes, clarify existing language, or remove duplicative provisions. The table included at the end identifies all editorial/clarification proposals – these proposals are not believed to have a cost impact. Generally, cost impact and benefit information is as provided by a proposal’s proponent and where proponents have provided specific scenarios, this information is included. As described in detail below, this action is not believed to have a cost impact for local governments (Table 2). Detailed code change proposal information is available at - <https://www.dhcd.virginia.gov/board-housing-and-community-development-bhcd> under 2021 Code Development Cycle.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	None Expected	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	Code change proposals as submitted in the proposed phase.	

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

**Agency Note:** A majority of the changes included in this action are clarifications/editorial in nature. For example, they correct references to other codes, clarify existing language, or remove duplicative provisions. For these changes, maintaining the regulation without change may result in confusion or implementation challenges.

(1) Direct & Indirect Costs & Benefits (Monetized)	See Agency Note
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	<b>Code change proposals as submitted in the proposed phase.</b>	

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

**Agency Note: In general, the Uniform Statewide Building, Statewide Fire Prevention Code, Industrialized Building Safety Regulations, and the Virginia Amusement Device Regulations are performance-based codes. Outside of general administrative requirements, the codes typically offer various compliance paths to achieve the desired construction outcome. As the codes are performance based, the ability to provide alternative approaches is part of the framework of the codes.**

**Virginia is required by code to consider national model codes and standards in the development of its construction codes and as such, it is important to stay current with the latest updates of these standards. The alternative is to continue to utilize older editions of the model codes. Updates are beneficial to consumers and regulants in considering the newest technologies and safety considerations as well as staying current for insurance rating agencies, FEMA, and other entities.**

**Virginia’s code updates process offers all affected stakeholders significant opportunity to propose amendments to the national model codes that work best for Virginia. There is an open and transparent stakeholder process prior to the adoption of the codes.**

**The changes included in this action are clarifications/editorial in nature. For example, they correct references to other codes, clarify existing language, or remove duplicative provisions. For these changes, the alternative would be maintaining the regulation without change, which may result in confusion or implementation challenges.**

(1) Direct & Indirect Costs & Benefits (Monetized)	<b>See Agency Note</b>
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(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Net Monetized Benefit		
(4) Other Costs & Benefits (Non-Monetized)		
(5) Information Sources	<b>Code change proposals as submitted in the proposed phase.</b>	

**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.

**Agency Note: The Industrialized Building Safety Regulations (IBSR) are enforced by local building departments. While any changes to the IBSR must be carried out via the local building department, DHCD and the Virginia Building Code Academy provide training to impacted building departments. Additionally, many code change proposals are submitted by local government officials. Local government officials have an active part in the code development process and a local government code official is a member of the Board.**

**Table 2: Impact on Local Partners**

(1) Direct & Indirect Costs & Benefits (Monetized)	<b>\$0</b>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) <b>\$0</b>	(b) <b>\$0</b>
(3) Other Costs & Benefits (Non-Monetized)		
(4) Assistance	<b>The Department of Housing and Community Development provides training to all local government code officials on code changes at no cost in many cases. Training is conducted via the nationally recognized Virginia Building Code Academy.</b>	

(5) Information Sources	<b>Code change proposals as submitted in the proposed phase.</b>
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**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)	<b>None Expected</b>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		
(4) Information Sources	<b>Code change proposals as submitted in the proposed phase.</b>	

**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)	<b>None Expected</b>	
(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a)	(b)
(3) Other Costs & Benefits (Non-Monetized)		

(4) Alternatives	<p><b>Virginia is required by code to consider national model codes and standards in the development of its construction codes and as such, it is important to stay current with the latest updates of these standards. As such, the alternative is to continue to utilize older editions of the model codes. Maintaining up to date codes is beneficial to consumers and regulants in considering the newest technologies and safety considerations as well as staying current for insurance rating agencies, FEMA, and other entities.</b></p> <p><b>Virginia’s code updates process offers all affected stakeholders significant opportunity to propose amendments to the national model codes that work best for Virginia. There is an open and transparent stakeholder process prior to the ultimate adoption of the codes.</b></p>
(5) Information Sources	<p><b>Code change proposals as submitted in the proposed phase.</b></p>

**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.

**Agency Note:**

*Change in Regulatory Requirements*

Proposal ID	VAC Section Number	Authority of Change	Initial Count	Additions	Subtractions	Net Change
IB20-21	13VAC5-91-20	Statutory:	6	0	0	
		Discretionary:	2	0	2	-2
		Health/Safety/Welfare (HSW)	0	0	0	
IB60-21	13VAC5-91-60	Statutory:	2	0	0	
		Discretionary:	0	0	0	
		HSW	0	0	0	
IB115-21	13VAC5-91-115	Statutory:	0	0	0	
		Discretionary:	0	0	0	
		HSW	6	2	0	+2
IB120-21	13VAC5-91-120	Statutory:	3	0	0	
		Discretionary:	0	0	0	
		HSW	3	0	0	
IB140-21	13VAC5-91-140	Statutory:	0	0	0	
		Discretionary:	0	0	0	
		HSW	6	0	0	
IB160-21	13VAC5-91-160, 170	Statutory:	0	0	0	
		Discretionary:	0	0	0	
		HSW	2	0	0	

Proposed Phase Proposals that are not expected to have cost impact		
Proposal ID	VAC Section Number (13VAC5-91-...)	Description
IB20-21	20	Editorial change related to approval of intermodal shipping containers as building modules or components of an industrialized building.
IB60-21	60	Editorial change related to the issuance of notices of violations under the IBSR.
IB115-21	115	Clarifies that the local building official may approve a change of occupancy of a registered industrialized building.
IB120-21	120	Clarifies options for approval of unregistered industrialized buildings.



<b>IB140-21</b>	<b>140</b>	Clarifies that the report to the SBCO is for moved buildings with active violations.
<b>IB160-21</b>	<b>160; 170</b>	Incorporates the new ICC/MBI 1200-2021 and ICC/MBI 1205-2021 Offsite Construction Standards.

<b>FINAL PHASE Editorial Corrections that are not expected to have a cost impact</b>	
<b>VAC Section Number (13VAC5-91-...)</b>	<b>Description</b>
<b>160</b>	IBSR – Model code incorporation, update ICC address.
<b>DIBR</b>	IBSR – Reference standards, update ICC address.