



Virginia Department of Planning and Budget **Economic Impact Analysis**

24 VAC 20-40 Rules and Regulations on Accident Prevention Courses for Older Drivers
Department of Motor Vehicles
Town Hall Action/Stage: 6466 / 10333
July 25, 2024

The Department of Planning and Budget (DPB) 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 19. The analysis presented below represents DPB's best estimate of the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

The Department of Motor Vehicles (DMV) proposes to eliminate certain requirements concerning course materials and classrooms from 24 VAC 20-40 *Rules and Regulations on Accident Prevention Courses for Older Drivers*.

Background

§ 38.2-2217(A) of the Code in part states that

Any schedule of rates, rate classifications or rating plans for motor vehicle insurance as defined in § 38.2-2212 filed with the [State Corporation] Commission shall provide for an appropriate reduction in premium charges for those insured persons who are fifty-five years of age and older and who qualify as provided in this subsection. Only those insured persons who have voluntarily and successfully completed a mature driver motor vehicle crash prevention course approved by the Department of Motor Vehicles shall qualify for a three-year period after the completion of the course for the reduction in rates.

¹ Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis 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.

The *Rules and Regulations on Accident Prevention Courses for Older Drivers* delineates the requirements for mature driver motor vehicle crash prevention courses to be approved by DMV.

Section 30 of the regulation contains two subsections: A on course content requirements, and B on instructional methodology requirements. The proposed action does not alter course content requirements, but does eliminate the following instructional methodology requirements in subsection B:

3. Vision and other physical problems should be considered in designing instructional materials and aids and classroom setup.
5. Course materials shall be clearly and simply written, avoid technical terms, and be printed in large enough type to be easily legible. Insofar as practical, written materials should be personal in tone; e.g., use "you" instead of "the older driver." The materials should focus on specific driving information needs, rather than present age itself as a problem. Terms which emphasize aging, such as "elderly," should be avoided, since research has shown that people do not tend to identify with such terms. Illustrations, in addition, should not present physical stereotypes of older persons.
8. Classes may not exceed 35 students or the maximum capacity of the accommodation, whichever is less. Classroom facilities shall provide adequate lighting, space, ventilation, and freedom from distracting noise.

Estimated Benefits and Costs

DMV states that it is proposing to remove subsections three and five because "Mature driver training businesses can determine the best instructional methods with regards to their student's physical needs without specific guideline requirements established by DMV." This may be moderately beneficial for the driver training businesses in that it allows them additional flexibility in their instructional methodology design, while not changing course content requirements.

Regarding subsection eight, according to the agency there are relatively few attendees for the mature operator course and it is highly unlikely that any class would ever exceed 35 people, even without a maximum capacity requirement. Thus, removing the cap on number of students would not likely have any impact.

Businesses and Other Entities Affected

The proposed amendments would apply to the five existing mature driver training businesses in the Commonwealth.² All five would be considered small businesses.³

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁴ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁵ The proposed amendments neither increase costs nor reduce benefits. Thus, no adverse impact is indicated.

Small Businesses⁶ Affected:⁷

The proposed amendments do not adversely affect small businesses.

Localities⁸ Affected⁹

The proposed amendments neither disproportionately affect particular localities nor introduce costs for local governments.

Projected Impact on Employment

The proposed amendments do not appear to affect total employment.

² Data source: DMV.

³ Source: DMV.

⁴ Pursuant to Code § 2.2-4007.04(D): 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.

⁵ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

⁶ 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.”

⁷ 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.

⁸ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

⁹ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

Effects on the Use and Value of Private Property

The proposed amendments neither substantively affect the use and value of private property nor affect real estate development costs.