

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

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### 13 VAC 6-20 – Virginia Manufactured Housing Licensing and Transaction Recovery Fund Regulations

Department of Housing and Community Development

Town Hall Action/Stage: 4757/8071

December 4, 2017

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#### Summary of the Proposed Amendments to Regulation

The Manufactured Housing Board (Board) proposes to amend its regulation to: 1) add a clarifying definition, 2) update obsolete references in regulatory text, 3) eliminate unnecessary requirements that manufactured housing salesmen provide biographical information, and 4) add failure to perform a written contract<sup>1</sup> as grounds for disciplinary action.

#### Result of Analysis

Benefits likely outweigh costs for all proposed changes.

#### Estimated Economic Impact

The Board last updated this regulation in an action that was initiated in 2008. The Board now proposes a clarifying amendment to add a definition for “date of delivery”, proposes to remove requirements that biographical information such as weight, height and eye color be provided on applications for licensure and also proposes to replace obsolete references to the

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<sup>1</sup> Such contracts must contain specified minimum requirements to include: 1) a statement of the total cost of the contract, 2) a listing of specified materials and work to be performed as well as specification as to who will supply materials and who will perform the work, 3) the name, address and phone number of the Board licensee performing the contract, 4) the make and model of the home to be delivered, 5) a statement indicating whether the home is new or used, 6) a listing of the length and width of the home to be delivered under the contract, 7) the date of manufacture and the serial number of the home except when that information is not known because the home has not been built yet, 8) a statement notifying consumers of the limitations on liability for damages to the home and 9) a statement notifying consumers of the available dispute resolution program.

Virginia Department of Motor Vehicles with references to the Virginia Motor Vehicle Dealer Board.<sup>2</sup> Changes such as these do not add any new regulatory requirements and, so, no regulated entity is likely to incur additional costs. Removing obsolete and now incorrect information from this regulation will benefit readers as this will eliminate any possible confusion about who registers manufactured housing dealers and brokers.

The Board also proposes to add failure to perform a written contract containing enumerated minimum requirements to the list of grounds for disciplining regulated entities. This change will likely benefit manufactured housing buyers as it will allow the Board to take action, up to and including license revocation, if a licensee defrauds a customer by failing to deliver on a contract.

### **Businesses and Entities Affected**

This regulatory action will affect all Board licensees as well as their customers. Board staff reports that the Board currently licenses 27 manufacturers, 15 brokers, 178 dealers and 317 salespeople

### **Localities Particularly Affected**

No locality is likely to 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.

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<sup>2</sup> The Virginia Motor Vehicle Dealer Board now registers manufactured housing dealers and brokers.

**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 are likely to incur any additional costs on account of these proposed regulatory changes..

**Alternative Method that Minimizes Adverse Impact**

No small businesses are likely to incur any additional costs on account of these proposed regulatory changes.

**Adverse Impacts:****Businesses:**

No businesses are likely to incur any additional costs on account of 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.