

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Real Estate Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	18 VAC 135-20
<b>VAC Chapter title(s)</b>	Virginia Real Estate Board Licensing Regulations
<b>Action title</b>	SB 554 Amendment
<b>Date this document prepared</b>	July 15, 2024
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Exempt Final (Action 6529 / Stage 10417)

**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>This action amends the Virginia Real Estate Board Licensing Regulations to conform to changes resulting from the enactment of Chapter 157 of the 2024 Acts of Assembly.</p> <p>The legislation amends the Universal Licensing Recognition (“ULR”) statute in § 54.1-205 of the Code of Virginia to provide an additional entryway for licensed salespersons and brokers in neighboring states (District of Columbia, Maryland, North Carolina, Kentucky, Tennessee, or West Virginia).</p> <p>The proposed amendments conform applicable provisions of the regulation to the legislation. Substantive amendments include:</p> <ul style="list-style-type: none"> <li>• Section 18VAC135-20-10 is revised to incorporate by reference the statutory definitions of “another state” and “neighboring state.” These terms are defined in § 54.1-205 of the Code of Virginia.</li> <li>• The provisions in 18VAC135-20-65 regarding universal license recognition applicants are revised to provide an additional entryway to licensure in Virginia for individuals licensed as salespersons or brokers in neighboring states. The section provides for the qualifications necessary for such individuals to receive a license under ULR. Qualifications include (i) holding a current and valid license with a similar scope of practice in a neighboring state; (ii) payment of an application fee; and (iii) passing the Virginia Real Estate Exam.</li> </ul> <p>Direct Costs: There are no new monetizable direct costs associated with this change.</p> <p>Indirect Costs: There are no new monetizable indirect costs associated with this change.</p> <p>Direct Benefits: There are no new monetizable direct benefits associated with this change.</p> <p>Indirect Benefits: There are no new monetizable indirect benefits associated with this change.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct &amp; Indirect Costs</p>	<p>Direct &amp; Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>

(3) Net Monetized Benefit	\$0
(4) Other Costs & Benefits (Non-Monetized)	<p>The statutory change allows individuals licensed in District of Columbia, Maryland, North Carolina, Kentucky, Tennessee, or West Virginia seeking a real estate broker or salesperson license through ULR in Virginia to qualify for licensure without needing to meet the requirements for (i) being licensed for three years; and (ii) having passed a state required examination and met education, training, or experience requirements to obtain licensure in the neighboring state.</p> <p>There are no new non-monetizable costs or benefits associated with this change.</p>
(5) Information Sources	N/A

**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)	There are no new non-monetizable costs or benefits associated with maintaining the status quo.	
(5) Information Sources	N/A	

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to 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. The regulatory change amends provisions in the regulation regarding licensure under ULR for those who are licensed as a real estate broker or salesperson in a neighboring state to conform the regulation to the legislative change. No alternatives were considered.	
(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)	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 costs or benefits to local partners as a result of the regulatory change.	
(4) Assistance	N/A	

(5) Information Sources	N/A
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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)	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 costs or benefits to families as a result of the regulatory change.	
(4) Information Sources	N/A	

**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) N/A	(b) N/A

(3) Other Costs & Benefits (Non-Monetized)	<p>Real estate broker and salesperson licenses are issued to individuals and not firms. However, many real estate brokers and salespersons may be owners or employees of firms which fall within the meaning of “small business” as defined in § 2.2-4007.1 of the Code of Virginia.</p> <p>As noted in Table 1(a), this regulatory action changes provisions related to licensure through ULR to the current requirements in statute. There are no new costs or benefits associated with the change.</p>
(4) Alternatives	N/A
(5) Information Sources	N/A

**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
20-65	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	6	0	0	0
	(D/R):	1	0	0	0
<b>Grand Total of Changes in Requirements:</b>					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

**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
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
20-65	Amends Universal Licensing Recognition (ULR) provisions in the regulation to permit individuals licensed in designated “neighboring states” to qualify for licensure under	Allows for individuals licensed in District of Columbia, Maryland, North Carolina, Kentucky, Tennessee, or West Virginia to become licensed in Virginia under ULR without

	<p>ULR without needing to meet the requirements for (i) being licensed for three years; and (ii) having passed a state required examination and met education, training, or experience requirements to obtain licensure in the neighboring state.</p>	<p>meeting the same requirements for individuals licensed in non-neighboring states.</p>
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*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>
N/A	N/A	N/A	N/A

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