Office of Regulatory Management

Economic Review Form

Agency name	Common Interest Community Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 48-50
VAC Chapter title(s)	Common Interest Community Manager Regulations
Action title	General Review of Common Interest Community Manager Regulations
Date this document prepared	March 14, 2025 (revised April 1, 2025, and January 27, 2026)
Regulatory Stage (including Issuance of Guidance Documents)	Final (Action 5734 / Stage 11111)

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)

(1) Direct & Indirect Costs & Benefits (Monetized)	1. This regulatory action will revise entry requirements for common interest community manager firms and principal and supervisory employees to complete a Board-approved training module on CIC laws and regulations. The requirement applies to (i) the responsible person of the common interest community manager firm; (ii) the qualifying individual of the common interest community manager firm (when applicable); and (iii) any individual who will be certificated as a principal or supervisory employee. 2. This regulatory action will extend the period of licensure for common interest community managers from one (1) year to two (2) years. 3. This regulatory action will increase the number of required training hours from four (4) hours every two years to six (6) hours every two years for individuals to renew a principal or supervisory employee certificate. 4. This regulatory action will extend the period for reinstatement of a expired license or certification from six (6) months to one (1) year. 5. This regulatory action establishes requirements and standards for (i) the new CIC laws and regulations training module that training providers must meet in order to receive approval from the Board to have training accepted to meet training qualifications for initial licensure or certification; and (ii) the new miscellaneous topics training programs that training providers must meet in order to receive approval from the Board to have training accepted to meet training requirements for renewal of certifications. 6. This regulatory action reduces the minimum number of required program hours for training providers to receive approval of (i) a CIC laws and regulations training program; and (ii) fair housing training program. 7. This regulatory action also makes revisions to the standards of conduct and practice including (i) revisions to standards for management services contracts; and (ii) addition of provisions regarding remuneration to common interest community managers from vendors, contractors, service providers, and others that provide goods or services to client associations. Direct Costs:

	<u>Potential Cost to Regulants Due to the New Virginia CIC Laws and Regulations Training Module Requirement:</u>
	• Applicants for licensure as a CIC manager will be required to have the firm's Responsible Person and Qualifying Individual (when applicable) complete a Virginia CIC laws and regulations training module. Applicants for a principal or supervisory employee certificate will also be required to complete this training module. The minimum length of the training module is four (4) contact hours. Providers who are approved by the Board to provide the training module may impose a charge for this training. In addition, individuals would assume the costs in terms of time to complete the required training.
	• Average cost for "The Essentials of Community Association Management" course offered by the Community Associations Institute (CAI): $629[1]
	  o Cost per hour: $50 ($629 / average 12.5-hour[2] course)
	• Potential cost for a four-hour minimum initial training course: $200 ($50 x four hours).
	• Average, approved applications per year from 2022-2024 for each affected individual:
	  o Initial Responsible Person: 12
	  o Initial Qualifying Individual: 12
	  o Initial Certified Employee (principal or supervisory employee certificate holders): 36
	  o Total number of potentially affected individuals per year: 60
	• Potential cost to affected individuals as a collective, per year: $12,000 ($200 cost of training module x 60 individuals)
	
	<u>Potential Cost to Principal or Supervisory Employee Certificate Holders Due to New, Miscellaneous Training Requirements</u>
	• Individuals who hold a principal or supervisory employee certificate will be required to complete an additional two (2) hours of training during every two-year certificate cycle in order to renew their certificates. Providers who are approved by the Board to provide training may impose a charge for this training. Historically, training providers have generally provided training for renewal of certifications at no charge.
	• Average renewals per year for Initial Certified Employee (principal or supervisory employee certificate holders) from 2022-2024: 82

[1] The cost for CAI members is $579, while the cost for non-members is $679.

[2] The course takes an average of 11 to 14 hours to complete; the assumed average of 12.5 is the median between the two.

	• Potential cost per hour of training: $50.[3] ○ The miscellaneous training requirement is an additional two (2) hours of training that principal or supervisory employee certificate holders must complete during a two-year renewal cycle. This is one (1) additional hour of training per year. • Principal or supervisory employee certificate holders may assume an additional cost of $50 per year. • As a collective, principal or supervisory employee certificate holders may assume an additional cost of $4,100 per year ($50 x 82 renewals). Indirect Costs: There are no anticipated new monetizable indirect costs associated with these changes to the regulations. Direct Benefits: <u>Potential Benefit to Training Providers Due to the New Virginia CIC Laws and Regulations Training Module:</u> • Potential earnings for training providers, as a collective, due to the introduction of a required Virginia CIC laws and regulations training module: $12,000 <u>Potential Benefit to Training Providers Due to the New Miscellaneous Training Requirements:</u> • Potential earnings for training providers, as a collective, due to the introduction of additional miscellaneous training requirements for principal or supervisory employee certificate holders: $4,100 Indirect Benefits: There are no anticipated monetizable indirect benefits associated with these changes to the regulations.

(2) Present Monetized Values	Direct & Indirect Costs	Direct & Indirect Benefits
	(a) $75,945 (over 5 years)	(b) $75,945 (over 5 years)
(3) Net Monetized Benefit	$0 (over 5 years)	

[3] Most of the current, continued licensure training for principal or supervisory employee certificate holders is offered for free by law firms. The potential "cost per hour of training" is an estimate if training providers choose to impose a charge for this training.

(4) Other Costs & Benefits (Non-Monetized)	Costs: • The fees for initial licensure and license renewal of CIC managers would increase from $100 to $200. However, the licensure period for a license would also increase from one (1) years to two (2) years. The adjustment does not impose any net change in application costs. The licensing fee may be considered a transfer payment. • The Virginia CIC laws and regulations training module and miscellaneous topics training would be new training programs. Business entities that seek approval from the Board to provide the training would need to assume the costs of application including an application fee of $100 and administrative costs associated with preparing the training program approval application. Approved providers of a training module or training program would also assume administrative costs associated with maintaining the approved training including submitting program updates to the Board. • Applicants for a CIC manager license would be required to disclose all employees of the firm who have principal responsibility for management services, or supervisory responsibility for employees who participate directly in the provision of management services. This change may impose a small increase in administrative costs associated with preparing a license application. • Changes to the standards of conduct and practice related to standards for management contracts may impose increased administrative costs to ensure compliance. Changes to the standards of conduct and practice related to remuneration may impose some administrative costs to ensure compliance. Benefits: • Removal of regulatory requirements that are not necessary to protect the public welfare. • Reduction of regulatory burdens by expanding the period of licensure for common interest community managers; and by expanding the period for reinstatement of licenses and certificates. • Enhanced training of individuals engaged in the profession to better ensure compliance with Virginia CIC laws and regulations. • Enhanced training of individuals engaged in the profession to better provide management services to CIC associations. • Enhanced standards of conduct and practice that will better serve to protect members of the public.

	• Providing of needed updating and clarification, including incorporating the Board's previous interpretive guidance.
(5) Information Sources	Price for "Essentials of Community Association Management" Course: https://www.caionline.org/education-for-managers/m100/ Board staff.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	Direct Costs: There are no new monetizable direct costs associated with maintaining the status quo. Indirect Costs: There are no new monetizable indirect costs associated with maintaining the status quo. Direct Benefits: There are no new monetizable direct benefits associated with maintaining the status quo. Indirect Benefits: There are no new monetizable indirect benefits associated with maintaining the status quo.	
(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)	Costs: • Individuals who provide management services to CIC associations may continue to lack important knowledge of Virginia CIC laws and regulations. This may potentially expose the public to the risk for harm, including civil liability for CIC associations in the event of a lawsuit or regulatory liability before the CIC Board. • CIC associations may be adversely impacted without the enhanced protections in the standards of conduct and practice for regulants, to include standards for management services contracts and the requirement for an association governing board to approve remuneration to CIC managers for vendors, contractors, and other service providers for being approved to provide services to the association. • Applicants and regulants may continue to have confusion regarding legal and regulatory requirements for licensure and	

	certification as a result of current regulatory language and requirements that are vague and unclear. Benefits: There are no new non-monetizable benefits associated with maintaining the status quo.
(5) Information Sources	Board staff.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	See 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)	No less intrusive alternative approaches were identified in the development of this action.	
(5) Information Sources	Agency staff.	

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)	It is not anticipated the regulatory changes will result in any costs or benefits to localities.
(4) Assistance	N/A
(5) Information Sources	Agency staff.

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)	It is not anticipated the regulatory changes will result in any costs or benefits to families.	
(4) Information Sources	Agency staff.	

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)	Common interest community manager licenses are issued to firms. Some of these firms would likely fall within the meaning of "small business" as defined in § 2.2-4007.1 of the Code of Virginia. In addition, training providers who provide training programs for individuals in the community management industry are likely business entities that meet the definition of "small business." The costs and benefits of this regulatory change are identified in Table 1(a). To the extent that additional costs are assumed by a small business entities, this regulatory change would impact small businesses.	
(4) Alternatives	N/A	
(5) Information Sources	Agency staff.	

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
50-10	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	1	0	1	-1
50-15	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	2	0	+2
	(D/R):	0	0	0	0
50-20	**(M/A):**	0	0	0	0
	(D/A):	1	0	0	0
	(M/R):	0	0	0	0
	(D/R):	7	1	0	+1
50-30	**(M/A):**	0	1	0	+1
	(D/A):	2	0	2	-2
	(M/R):	4	0	1	-1
	(D/R):	31	9	14	-5
50-33	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	4	0	+4
	(D/R):	0	9	0	+9
50-35	**(M/A):**	0	1	0	+1
	(D/A):	2	0	2	-2
	(M/R):	1	1	0	+1
	(D/R):	17	3	5	-2
50-40	**(M/A):**	0	1	0	+1
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
50-95	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	4	0	+4

50-100[1]	**(M/A):**	0	0	0	0
	(D/A):	1	1	0	+1
	(M/R):	1	0	0	0
	(D/R):	65	9	5	+4
50-110	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	6	1	1	0
50-130	**(M/A):**	0	1	0	+1
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	0	0	0
50-150	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	2	1	1	0
	(D/R):	11	9	9	0
50-180	**(M/A):**	2	0	0	0
	(D/A):	3	0	3	-3
	(M/R):	0	0	0	0
	(D/R):	14	0	2	-2
50-190	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	25	10	19	-9
50-195	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	12	0	+12
50-205	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	1	0	+1
50-225	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	5	0	+5
50-240	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	13	3	2	+1
	(M/A):	0	0	0	0

50-252	**(D/A):**	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	17	0	+17
50-253	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	2	3	0	+3
50-256	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	0	3	0	+3
50-270	**(M/A):**	0	0	0	0
	(D/A):	1	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	1	-1
50-290	**(M/A):**	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	1	0	1	-1

1: July 2023 Baseline Count should have 65 D/R for 18VAC48-50-100.

Grand Total of Changes in Requirements:	**(M/A): +4**
	(D/A): -6
	(M/R): +6
	(D/R): +39

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
50-30	Firms applying for licensure as a CIC manager will be required to disclose prior criminal history for the firm's qualifying individual. Currently, applicant firms are not required to disclose this information about the qualifying individual.	This change increases the stringency of the current criminal history disclosure requirement for applicants for a CIC manager license. The change increases the stringency of current requirements by 33%. The change applies to two D/R requirements in the section; resulting in an increase of .66 D/R.
50-35	Experience qualifications for a principal or supervisory employee certification are revised to remove provisions that stipulate a portion of required experience be gained immediately prior to application for a certificate.	This change reduces the stringency of the current experience qualifications. This change reduces the stringency of current requirements by 50%. The change applies to one D/R requirement in the section; resulting in a decrease of .5 D/R.
50-90 50-100	The term of licensure for a common interest community manager is increased from one (1) year to two (2) years.	As a result of the change, a CIC manager firm will only be required to renew its license every two (2) years. This change reduces the burden of license renewal requirements by 100% for common interest community managers. This change applies to 40 D/R requirements in 18VAC48-50-100; resulting in a decrease of 40 D/R.

50-95 50-100	Principal or supervisory employee certificate holders will be required to complete six (6) hours of training every two (2) years in order to renew certification. Currently, certificate holder must complete four (4) hours of training during every two-year renewal cycle.	This change increases the stringency of current the current requirement by 50%. This change applies to one D/R requirement in 18VAC48-50-95; resulting in an increase of .5 D/R.
50-110	The reinstatement period for regulants is increased from six (6) months to one (1) year.	Regulants will have additional time to reinstate an expired license or certificate. This change reduces the stringency of current reinstatement requirements by 100%. This change applies to one D/R requirement in the section; resulting in a decrease of 1 D/R.
50-170	A CIC manager will be required to notify the Board whenever there is a change in the licensed firm's business entity. Currently, firms are required to return their licenses to the Board following a change in business entity.	This change reduces the stringency of current the current requirement by 50%. This change applies to one D/R requirement in the section; resulting in a decrease of .5 D/R.
50-253 50-255	The minimum length for a (i) CIC legal updates training program; and (ii) fair housing training program is reduced from two (2) hours to one (1) hour.	This change reduces the stringency of current requirements by 100%. This change applies to one D/R requirement in 18VAC48-50-253 and one D/R requirement in 18VAC48-50-255; resulting in a decrease of two D/R.

50-253	The training content requirements for a CIC legal updates training program are revised to allow training providers to include other legal topics or legal updates that pertain to CICs. Currently, a training course is limited to updates to Virginia laws and regulations directly related to CICs.	This change provides flexibility to training providers in the training content that given to regulants. This change reduces the stringency of the current requirement by 50%. This change applies to one D/R requirement in the section; resulting in a decrease of .5 D/R.
Total Change:		**-43.34 D/R**

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

Title of Guidance Document	**Original Word Count**	**New Word Count**	**Net Change in Word Count**
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).