



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

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**24 VAC 20-40 Rules and Regulations on Accident Prevention Courses for Older Drivers**  
**Department of Motor Vehicles**  
**Town Hall Action/Stage: 6467 / 10334**  
July 2, 2024

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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.<sup>1</sup>

### **Summary of the Proposed Amendments to Regulation**

The Department of Motor Vehicles (DMV) proposes to eliminate the requirements that instructors of motor vehicle accident prevention courses for older drivers (a) issue course evaluation forms to students and (b) provide instructions on filling out the form and sending it to the agency.

### **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.

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<sup>1</sup> 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.

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

One of the current requirements is that instructors issue to each participant at the time of successful course completion a student course evaluation form provided by DMV. The current regulation also states that instructors provide “Instructions which explain that the course evaluation form may be used for both positive and negative comments and should be returned to DMV at the address provided on the form.” The agency proposes to eliminate these requirements.

### **Estimated Benefits and Costs**

According to DMV, in practice the agency has not been receiving any feedback through the evaluation form process. Thus, eliminating the evaluation form requirements would not appear to prevent DMV from receiving useful feedback, but would save mature driver training firms a small amount of staff time.

### **Businesses and Other Entities Affected**

The proposed amendments would affect the five existing mature driver training businesses in the Commonwealth.<sup>2</sup> All five would be considered small businesses.<sup>3</sup>

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>4</sup> 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.<sup>5</sup> The proposed amendments neither increase costs nor reduce benefits. Thus, no adverse impact is indicated.

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<sup>2</sup> Data source: DMV.

<sup>3</sup> Source: DMV.

<sup>4</sup> 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.

<sup>5</sup> 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.

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### **Small Businesses<sup>6</sup> Affected:<sup>7</sup>**

The proposed amendments do not adversely affect small businesses.

### **Localities<sup>8</sup> Affected<sup>9</sup>**

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

### **Projected Impact on Employment**

The proposed amendments do not affect total employment.

### **Effects on the Use and Value of Private Property**

The proposed amendments would save a small amount of staff time, but would not likely substantively affect the value of firms. The proposed amendments do not affect real estate development costs.

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<sup>6</sup> 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.”

<sup>7</sup> 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.

<sup>8</sup> “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.

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