

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	Periodic Review
Date this document prepared	July 10, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

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.

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.

Description of Impact on Local Partners

- **Identify the local partners impacted by your program (DOLI, DOE, DEQ, etc.).**
- **For each partner, describe the nature of the impact.**

The regulation does not impact local partners.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Families

- **Describe the specific ways in which your program impacts families (employability, transferability of license (i.e. military), impacts on children (i.e. child care needs, etc.)).**

The regulation does not have any direct impact on families. Costs of the regulation that are borne by common interest community management firms may be passed on to client common interest community (CIC) associations through management fees, which are then typically passed on to owners through common expense assessments imposed by the association on owners. Any impact on assessments for owners may impact the cost of housing.

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.

Description of Impact on Small Businesses

- **Identify the ways your program impacts small businesses (which licenses interact with small businesses, regulations that impact them directly or indirectly).**

Under Chapter 23.3 of Title 54.1 of the Code of Virginia, the Board is mandated to regulate those who provide management services to CICs by requiring that common interest community managers obtain a license in order to provide management services to CICs, and that employees of managers who have principal responsibility for providing management services, or have supervisory responsibility for those that directly provide management services, are certified as having the character and minimum skills to provide management services.

Common interest community manager licenses are issued to firms. Most of the requirements imposed by statute and the regulation are binding upon common interest community management firms. Many such firms would likely fall within the meaning of “small business” as defined in § 2.2-4007.1 of the Code of Virginia. In addition, many of the individuals who are required to be certified by the Board, and therefore assume certain obligations under the regulation, are likely to be owners or employees of common interest community management firms. In addition, firms that seek to provide Board-approved training programs must meet the requirements imposed by the regulation for approval of training programs. Many of these firms may fall within the meaning of “small business.”

Under the Act and the regulation, a common interest community management firm is prohibited from offering or providing management services to CIC associations unless licensed by the Board. Licensure requirements include the filing of an application, payment of an application fee, and submission of required documentation. Required documentation includes (i) proof of blanket fidelity bond or employee dishonesty insurance policy required by § 54.1- 2346; and (ii) proof of active designation as an Accredited Association Management Company by the Community Associations Institute, or, in lieu of this requirement, satisfactory documentation that a qualifying individual for the firm has the minimum required education and experience in management services.

Similarly, individuals who must be certified by the Board must file an application, pay an application fee, and submit required documentation including satisfactory documentation of minimum required education and experience in management services.

Firms that seek approval of a training program must file an application, pay an application fee, and submit required documentation, including copies of training program syllabi, information regarding program instructors, and copies of materials that will be used in the training program. Those programs that will include an examination must provide a copy of the examination.

Following licensure or certification, regulants are required to maintain the licensure or certification, as applicable, by renewing the credential and reporting any changes to information previously provided to the Board. Common interest community manager firms must also maintain the bond or insurance required by § 54.1- 2346 of the Code of Virginia, and provide proof of such bond or policy when renewing a license. In addition, firms must also ensure that all employees who have principal responsibility for providing management services, or have supervisory responsibility for those that directly provide management services, are properly certified as required by the statute and the regulation in order to renew a license. Certificated individuals must complete a total of four contact

hours of Board-approved training every certificate cycle (two years) in order to renew a certificate.

Firms that provide approved training programs must maintain the training program approval, including updating any information or documents previously filed with the Board.

The application and registration requirements of the statute and the regulation impose costs on the regulated firms and individuals. These include payment of required fees, costs to obtain and maintain required bonds or insurance, and costs to attend required training. In addition, there are likely time and administrative costs associated with fulfilling the requirements imposed by the statute and the regulation.

Changes to Number of Regulatory Requirements

Table 5: Regulatory Reduction

Not Applicable.