



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

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**18 VAC 15-30 Virginia Lead-Based Paint Activities Regulations**  
**Department of Professional and Occupational Regulation**  
**Town Hall Action/Stage: 6185 / 9925**  
March 15, 2023

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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 these economic impacts.<sup>1</sup>

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

The Virginia Board for Asbestos, Lead, and Home Inspectors (Board) proposes to update in the regulation the edition of the U.S. Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing that must be followed when performing a lead-based paint inspection, lead-hazard screen, risk assessment or abatement.

## **Background**

The current regulation<sup>2</sup> states that:

E. When performing a lead-based paint inspection, lead-hazard screen, risk assessment or abatement, a licensed individual must perform that activity in compliance with documented methodologies. Documented methodologies that are appropriate for this chapter include the following:

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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.

<sup>2</sup> See 18 VAC 15-30-510: <https://law.lis.virginia.gov/admincode/title18/agency15/chapter30/section510/>

1. U.S. Department of Housing and Urban Development (HUD) Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing, June 1995 edition, including the 1997 Revision to Chapter 7: Lead-Based Paint Inspection.

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5. Any future EPA or HUD guidance that may replace the above methodologies.

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The Board proposes to replace “June 1995 edition, including the 1997 Revision to Chapter 7: Lead-Based Paint Inspection” with “Second Edition, July 2012.”

### **Estimated Benefits and Costs**

The existing and proposed regulation state that when performing a lead-based paint inspection, lead-hazard screen, risk assessment or abatement that the individual must comply with any future HUD guidance that may replace the above methodologies [June 1995 edition, including the 1997 Revision to Chapter 7: Lead-Based Paint Inspection]. Thus, the proposed updating of the edition of the HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing in the regulation that must be followed when performing a lead-based paint inspection, lead-hazard screen, risk assessment or abatement does not in practice change the requirements. Nevertheless, the proposal may be beneficial for readers of the regulation who are not cognizant of the July 2012 edition.

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

The proposed amendments pertain to the 284 licensed lead workers, 135 licensed lead supervisors, 86 licensed lead inspectors, 157 licensed lead risk assessors, 28 licensed lead project designers, 15 licensed interim licensees (supervisors, inspectors, and risk assessors), and 59 licensed lead abatement contractors in the Commonwealth.<sup>3</sup> All 59 licensed lead abatement contractors are small businesses.<sup>4</sup>

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>5</sup> An adverse impact is indicated if there is any increase in net cost or

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<sup>3</sup> Data source: Department of Professional and Occupational Regulation

<sup>4</sup> Ibid

<sup>5</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

reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. Since the proposal neither increases costs nor reduces revenue, no adverse impact is indicated.

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

The proposal does not adversely affect small businesses.

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

The proposal neither disproportionately affects any localities nor introduces costs for local governments.

**Projected Impact on Employment**

The proposal does not affect total employment.

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

The proposal does not affect either the use and value of private property or real estate development costs.

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Finance. 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.

<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.