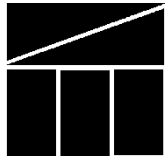


Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes¹ Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



Virginia Department of Planning and Budget Economic Impact Analysis

18 VAC 48-60 Common Interest Community Management Information Fund Regulations
Department of Professional and Occupational Regulation
Town Hall Action/Stage: 5064 / 8539
April 1, 2019

Summary of the Proposed Amendments to Regulation

The Common Interest Community Board (Board) proposes to clarify language regarding the registration process, filing fees, renewals, and information updates.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

This regulation establishes when and how common interest community associations (property owners' associations, condominium unit owners' associations, and proprietary lessees' associations in cooperatives) are to register with the Board by filing an annual report, registration application filing fees, procedures for renewing registrations, and requirements for updating registration information.

The Board proposes to improve the clarity of the regulatory language by adding definitions, creating a new section on registration requirements, consolidating several existing sections regarding registration timeframes into a single section, removing outdated language, clarifying procedures for renewal of a registration, and addressing statutory requirements for

¹ Adverse impact is indicated if there is any increase in net cost for any entity, even if the benefits exceed the costs for all entities combined.

associations to pay an annual fee to the Board based on associations' gross assessment income. According to the Board, the proposed changes reflect current practices and do not create any new requirements. Thus, no significant economic impact is expected from the proposed amendments other than improving the language of the regulation to reflect the current practices.

Businesses and Entities Affected

This regulation applies to common interest community associations. There were 6,349 associations registered with the Board in February 2019. However, this number likely understates the true number of affected entities due to non-registration by some associations.

Localities Particularly Affected

The proposed amendments do not disproportionately affect particular localities.

Projected Impact on Employment

The proposed amendments would not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments would not affect the use and value of private property.

Real Estate Development Costs

The proposed amendments would not affect real estate development costs.

Small Businesses:

Definition

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.”

Costs and Other Effects

The proposed amendments do not create costs and other effects on small businesses.

Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small businesses.

Adverse Impacts:**Businesses:**

The proposed amendments do not adversely affect businesses.

Localities:

The proposed amendments do not adversely affect localities.

Other Entities:

The proposed amendments do not adversely affect other entities.

Legal Mandates

General: The Department of Planning and Budget 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 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report 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.

Adverse impacts: Pursuant to Code § 2.2-4007.04(C): 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 within the 45-day period.

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.