

Office of Regulatory Management
Economic Review Form

Agency name	Common Interest Community Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 48-70
VAC Chapter title(s)	Common Interest Community Ombudsman Regulations
Action title	CIC Ombudsman Regulations - HB 1627/SB 1042 Amendments
Date this document prepared	September 7, 2023 (revised October 3, 2023)
Regulatory Stage (including Issuance of Guidance Documents)	Final (Exempt)

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)

<p>(1) Direct & Indirect Costs & Benefits (Monetized)</p>	<p>This action amends provisions of the Common Interest Community Ombudsman Regulations to conform to changes resulting from the enactment of Chapters 20 and 21 of the 2023 Acts of Assembly.</p> <p>1. This action amends the regulation to provide that upon receipt of a notice of final adverse decision (NFAD), the Common Interest Community Ombudsman (CICO) must either (i) refer the adverse decision to the CIC Board to review whether the adverse decision is in conflict with laws or board regulations governing CICs; or (ii) review the adverse decision in accordance with the regulation.</p> <p>2. This action amends the regulation to require that the CICO, upon receipt of a NFAD, provide a copy of the NFAD to the governing board of the association against whom the complaint was made, and, if applicable, the association’s common interest community manager. Similarly, once a final determination is made, a copy of the determination must be sent to the association’s governing board, and, if applicable, the association’s common interest community manager.</p> <p>3. This action amends the regulation to provide that if within 365 days of issuing a determination that an association’s adverse decision is in conflict with laws or CIC board regulations governing CICs, a subsequent NFAD is received for the same violation by the association, the matter must be referred to the CIC Board for it to take action.</p> <p>Direct Costs: There are no anticipated new monetizable direct costs associated with these changes to the regulations.</p> <p>Indirect Costs: There are no anticipated new monetizable indirect costs associated with these changes to the regulations.</p> <p>Direct Benefits: There are no anticipated monetizable direct benefits associated with these changes to the regulations.</p> <p>Indirect Benefits: There are no anticipated monetizable indirect benefits associated with these changes to the regulations.</p>	
<p>(2) Present Monetized Values</p>	<p>Direct & Indirect Costs</p>	<p>Direct & Indirect Benefits</p>
	<p>(a) \$0</p>	<p>(b) \$0</p>
<p>(3) Net Monetized Benefit</p>	<p>\$0</p>	

(4) Other Costs & Benefits (Non-Monetized)	<p>Costs:</p> <ul style="list-style-type: none"> • Potential for increased administrative and staff time costs to provide copy of NFAD and final determination to both association governing board and association common interest community manager. Contact information for each that is provided by the complainant in an NFAD may not be accurate, requiring staff to obtain correct information prior to sending these copies. (Direct.) • Potential for increased administrative and staff time costs to review and prepare NFAD cases for consideration by the Board. (Direct.) • Potential for increased administrative and staff time costs to research to determine whether there are “repeat” violations within 365 days of issuing a final determination. (Indirect.) <p>Benefits:</p> <ul style="list-style-type: none"> • Association governing boards are more likely to be made aware of NFADs filed with the CICO and any resulting final determinations by the CICO. (Direct.)
(5) Information Sources	<ol style="list-style-type: none"> 1. CIC Board program staff. 2. Office of the Common Interest Community Ombudsman.

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

(1) Direct & Indirect Costs & Benefits (Monetized)	<p>Direct Costs: There are no new monetizable direct costs associated with maintaining the status quo.</p> <p>Indirect Costs: There are no new monetizable indirect costs associated with maintaining the status quo.</p> <p>Direct Benefits: There are no new monetizable direct benefits associated with maintaining the status quo.</p> <p>Indirect Benefits: There are no new monetizable indirect benefits associated with maintaining the status quo.</p>	
(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)	There are no new costs or benefits associated with maintaining the status quo.
(5) Information Sources	

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)	This regulatory change is the result of a legislative change where no agency discretion is involved.	
(5) Information Sources		

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)	N/A – 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)	There are no anticipated direct or indirect costs to local partners. There are no anticipated direct or indirect benefits to local partners.
(4) Assistance	N/A
(5) Information Sources	

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)	N/A – 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)	There are no anticipated direct or indirect costs to families. There are no anticipated direct or indirect benefits to families.	
(4) Information Sources		

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)	(b)
(3) Other Costs & Benefits (Non-Monetized)	The costs and benefits of this regulatory change are identified in Table 1(a). The costs of this regulatory change affect the CIC Board and the Office of the Common Interest Community Ombudsman.	
(4) Alternatives	This regulatory change is the result of a legislative change where no agency discretion is involved. Therefore, no alternatives were considered.	
(5) Information Sources		

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	Net Change
70-105	Statutory:	0	1	0	+1
	Discretionary:	0	0	0	0
70-110*	Statutory:	2	2	0	+2
	Discretionary:	3	0	1	-1
70-120	Statutory:	0	3	0	+3
	Discretionary:	0	0	0	0

* Prior to July 1, 2023, § 54.1-2354.4(B) of the Code of Virginia mandated the Director of DPOR to provide a copy of the notice of final adverse decision to the association. The Board’s regulation, however, directs the Ombudsman to provide this notification. Accordingly, this regulatory requirement was considered discretionary. The change in statute effective July 1, 2023, now mandates the Ombudsman provide a copy of the notice of final adverse decision. The current requirement in the regulation is no longer discretionary.

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
N/A	N/A	N/A

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

Title of Guidance Document	Original Length	New Length	Net Change in Length
N/A	N/A	N/A	N/A