



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 25-21 –Regulations of the Auctioneers Board
Department of Professional and Occupational Regulation
July 29, 2006

Summary of the Proposed Regulation

The Auctioneers Board (board) proposes to amend its regulations by removing the requirement that applicants for licensure by examination submit their paperwork to the Department of Professional and Occupational Regulation (DPOR) at least 45 days before a scheduled exam; the proposed amendments also specify that applications for licensure by reciprocity or examination may be reviewed by the board's designee. In addition, the board seeks to clarify when and for what purposes escrow account funds may be dispersed.

Result of Analysis

The benefits likely exceed the costs for this proposed regulatory change.

Estimated Economic Impact

Currently, individuals seeking to take the examination that, when passed, may lead to licensure as an auctioneer must submit their applications to DPOR at least 45 days prior to a scheduled exam. Auctioneer board staff then has 30 days to process those applications. Presently, only auctioneer board staff may process these applications.

The board proposes to drop the 45 day requirement and allow the board's designee to also process applications for licensure and examination. The board's designee is a contractor hired to provide and administer auctioneer examinations. The board believes that this system will allow applications more quickly and, so, the board will no longer need 45 days to ensure that applications are received and thoroughly processed before scheduled exams. Individuals seeking licensure by examination will benefit because they will no longer have to meet the board's deadline or wait until the next scheduled exam. Individuals seeking licensure by reciprocity will

benefit in that they will be able to start practicing their trade more quickly if, after this change, applications are processed more quickly.

The proposed regulation also includes new language that clarifies rules for escrow accounts. According to DPOR this clarification does not represent a change in practice for auctioneers and, so, is not a substantive change.

Businesses and Entities Affected

This proposed regulatory change will affect all of the approximately 1,685 individuals who are regulated by the board. Individuals who will seek licensure as auctioneers at some point in the future will also be affected.

Localities Particularly Affected

All localities in the Commonwealth will be affected by the proposed regulation.

Projected Impact on Employment

To the extent that changes in examination procedures make it marginally less onerous and time consuming to obtain an auctioneer's license, more individuals may seek licensure as auctioneers. This will increase the supply of available licensed auctioneers in the Commonwealth and may increase the number of individuals employed as auctioneers.

Effects on the Use and Value of Private Property

To the extent that changes in examination procedures make it marginally less onerous and time consuming to obtain an auctioneer's license, auctioneers will incur fewer opportunity costs to become licensed.

Small Businesses: Costs and Other Effects

The proposed regulation contains no substantive changes that would cause regulated small businesses to incur any additional bookkeeping or other costs.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulation contains no substantive changes that would cause regulated small businesses to incur any additional bookkeeping or other costs.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 21 (02). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.