



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

24 VAC 20-82 Permit Regulations
Department of Motor Vehicles
Town Hall Action/Stage: 6449 / 10308
June 26, 2024

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 the potential economic impacts as of the date of this analysis.¹

Summary of the Proposed Amendments to Regulation

The Department of Motor Vehicles (DMV) proposes to eliminate the requirement that expired decals for overload permits be removed or destroyed.

Background

“Overload permit” is defined in the regulation as “a permit issued by the Virginia Department of Motor Vehicles ... to allow Virginia-based and foreign-based vehicles or combinations of vehicles to exceed the weight limitations otherwise applicable to such vehicles by 5.0%.”

Estimated Benefits and Costs

The current regulation requires that expired decals for overload permits be removed or destroyed. According to DMV, in practice, law enforcement officers have not penalized motor carrier companies for failing to remove expired decals. If this proposal is finalized, permit

¹ 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.

holders who have been removing or destroying their expired decals, and who choose to no longer regularly do so, would benefit by a small reduction in required staff time.

Businesses and Other Entities Affected

The proposed amendment potentially affects the 2,418 distinct overload permit holders.² Permit holders who have been removing or destroying their expired decals, who choose to no longer regularly do so if the proposal is finalized, would be particularly affected.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.³ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁴ The proposed amendment neither increases costs nor reduces revenue. Thus, no adverse impact is indicated.

Small Businesses⁵ Affected:⁶

The proposed amendment does not adversely affect small businesses.

² Data source: DMV.

³ 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 Finance.

⁴ 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. As a result, DPB has adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

⁵ 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.”

⁶ 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.

Localities⁷ Affected⁸

The proposed amendment neither disproportionately affects particular localities nor introduces costs for local governments.

Projected Impact on Employment

The proposed amendment does not appear to affect total employment.

Effects on the Use and Value of Private Property

Some motor carrier companies who currently regularly remove or destroy expired decals may no longer do so. This would save a small amount of staff time, but would not likely substantively affect the value of the firms. The proposed amendment does not affect real estate development costs.

⁷ “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.

⁸ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.