



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

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**18 VAC 65-30 – Regulations for Preneed Funeral Planning**  
**Department of Health Professions**  
September 2, 2010

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

The current regulations include some text concerning the termination of irrevocable trusts that conflicts with the Code of Virginia. The Board of Funeral Directors and Embalmers (Board) proposes to amend the language so as to be consistent with the Code.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The current regulations state that “If you have funded your preneed arrangement through an irrevocable trust you will not be able to cancel the trust agreement or receive a refund. An irrevocable trust is one that cannot be cancelled.” This conflicts with Code of Virginia Section 55.544.11 which permits the canceling of such agreements under specified circumstances. The Board proposes to amend the regulatory language so that it is consistent with the Code. Since when the Code of Virginia and regulations are in conflict the Code applies, the proposed amendments do not change the effective law. The proposed amendments will be beneficial though, since the current language may mislead the public as toward the actual law in effect.

### **Businesses and Entities Affected**

The proposed amendments affect potential purchasers and sellers of preneed policies funded by trust agreements, and funeral establishments named beneficiaries of such trusts. According to the Department of Health Professions, there are approximately 510 funeral establishments in Virginia.

## **Localities Particularly Affected**

The proposed amendments do not disproportionately affect particular localities.

## **Projected Impact on Employment**

The proposal amendments are unlikely to significantly affect employment.

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

The proposed amendments are unlikely to significantly affect the use and value of private property.

## **Small Businesses: Costs and Other Effects**

The proposed amendments are unlikely to significantly affect small businesses.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments are unlikely to significantly affect small businesses.

## **Real Estate Development Costs**

The proposed amendments are unlikely to significantly affect real estate development costs.

## **Legal Mandate**

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 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 2.2-4007.04 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.