



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

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**1 VAC 75-40 Unclaimed Property Administrative Review Process**  
**Department of the Treasury**  
**Town Hall Action/Stage: 5807 / 9379**  
November 18, 2021

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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 14 (as amended, July 16, 2018). The analysis presented below represents DPB's best estimate of these economic impacts.<sup>1</sup>

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

As the result of a legislative mandate,<sup>2</sup> the State Treasurer proposes to amend 1 VAC 75-40 *Unclaimed Property Administrative Review Process* (regulation) to update Code of Virginia citations that are no longer valid due to the recodification of the Uniform Disposition of Unclaimed Property Act<sup>3</sup> in 2019. Additionally, obsolete text would be removed and non-consequential wording changes would be made.

## **Background**

Pursuant to a recommendation of the Virginia Code Commission, Title 55.1 (Property and Conveyances) was created in the Code of Virginia as a revision of then existing Title 55 (Property and Conveyances).<sup>4</sup> The Uniform Disposition of Unclaimed Property Act was in Title 55 prior to the legislation, but is now in Title 55.1 and renamed the Virginia Disposition of

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<sup>1</sup> 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.

<sup>2</sup> See <https://townhall.virginia.gov/l/viewmandate.cfm?mandateid=1239>

<sup>3</sup> See <https://law.lis.virginia.gov/vacode/title55.1/chapter25/>

<sup>4</sup> See Chapter 712 of the 2019 Acts of Assembly at <https://lis.virginia.gov/cgi-bin/legp604.exe?191+ful+CHAP0712>

Unclaimed Property Act. The regulation contains citations to the Uniform Disposition of Unclaimed Property Act using what are now obsolete numbers. The proposed action would update the name of the act and the citations to the Title 55.1 numbers in the regulation.

### **Estimated Benefits and Costs**

Updating citations to the Code of Virginia would be beneficial because it helps enable readers of the regulation to find relevant information. Otherwise, the proposed amendments would not have any substantive impact in practice.

### **Businesses and Other Entities Affected**

The proposed amendments affect readers of the regulation. The regulation pertains to any person or entity (i) asserting ownership of property remitted to the Commonwealth under the Virginia Disposition of Unclaimed Property Act or (ii) required to pay or deliver abandoned property pursuant to the Virginia Disposition of Unclaimed Property Act. Such persons or people who work for such entities may be particularly interested in reading the regulation.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.<sup>5</sup> An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. The proposed amendments do not produce adverse impact.

### **Small Businesses<sup>6</sup> Affected:<sup>7</sup>**

The proposed amendments do not appear to adversely affect small businesses.

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<sup>5</sup> 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. 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.

<sup>6</sup> 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.”

<sup>7</sup> 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.

**Localities<sup>8</sup> Affected<sup>9</sup>**

The proposed amendments neither disproportionately affect any particular localities, nor affect costs for local governments.

**Projected Impact on Employment**

The proposed amendments do not affect employment.

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

The proposed amendments do not affect the use and value of private property or real estate development costs.

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<sup>8</sup> “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.

<sup>9</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.