

Office of Regulatory Management
Economic Review Form

Agency name	Real Estate Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 135-20
VAC Chapter title(s)	Virginia Real Estate Board Licensing Regulations
Action title	HB 383 & SB 330 Amendment
Date this document prepared	July 17, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Final (Action 6533 / Stage 10421)

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 the Virginia Real Estate Board Licensing Regulations to conform to changes resulting from the enactment of Chapters 29 and 120 of the 2024 Acts of Assembly.</p> <p>The legislation amends the continuing education requirements for salespersons and brokers licensed by the Board to renew licensure. The legislation increases the number of hours for required courses and decreases the number of elective hours allowed.</p> <p>The proposed amendments conform applicable provisions of the regulation to the legislation. Section 18VAC135-20-101 will be revised as follows:</p> <ul style="list-style-type: none"> • Salespersons will be required to complete 11 hours of continuing education in mandated subjects, an increase from the current requirement of eight (8) hours. The 11 hours will consist of two hours in fair housing laws; three hours of ethics and standards of conduct; two hours in real estate agency; two hours in real estate contracts; and two hours in legal updates and emerging trends, to include flood zone areas and the National Flood Insurance Program. The number of hours for elective topics will be reduced from eight (8) to five (5). These changed requirements also apply to salespersons licensed in other jurisdictions who hold Virginia licenses. • Brokers will be required to complete 19 hours of continuing education in mandated subjects, an increase from the current requirement of 16 hours. The 19 hours will consist of eight hours in supervision and management of real estate agents and the management of real estate brokerage firms; two hours to include an overview of broker supervision requirements; two hours in fair housing laws; three hours in ethics and standards of conduct; two hours in real estate agency; two hours in real estate contracts; and two hours in legal updates and emerging trends, to include flood zone areas and the National Flood Insurance Program. The number of hours for elective topics will be reduced from eight (8) to five (5). These changed requirements also apply to brokers licensed in other jurisdictions who hold Virginia licenses. <p>This action does not change the total number of continuing education hours that a salesperson or broker must complete in order to renew a license.</p> <p>Direct Costs: There are no new monetizable direct costs associated with this change.</p>
---	---

	<p>Indirect Costs: There are no new monetizable indirect costs associated with this change.</p> <p>Direct Benefits: There are no new monetizable direct benefits associated with this change.</p> <p>Indirect Benefits: There are no new monetizable indirect benefits associated with this change.</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)	<p>Costs:</p> <ul style="list-style-type: none"> • There may be increased costs for continuing education courses in the mandatory subjects since required hours for some core subjects are increased. • Providers may choose to stop offering some elective courses due to lack of demand as a result of the increased hours for core subjects. <p>Benefits:</p> <ul style="list-style-type: none"> • There may be relief in the area of course costs since general elective hours are decreased. • Regulators will receive additional training in the subjects of (i) real estate contracts; (ii) real estate agency; and (iii) real estate legal updates and emerging trends. This may improve competency of regulators in these areas of practice. 	
(5) Information Sources	Board program staff.	

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>
--	--

	Indirect Benefits: There are no new monetizable indirect benefits associated with maintaining the status quo.	
(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 non-monetizable costs or benefits associated with maintaining the status quo.	
(5) Information Sources	N/A	

Table 1c: Costs and Benefits under Alternative Approach(es)

(1) Direct & Indirect Costs & Benefits (Monetized)	Refer to 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. The regulatory change amends the continuing education requirements in the regulation to conform the regulation to the legislative change. No alternatives were considered.	
(5) Information Sources	N/A	

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)	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 costs or benefits to local partners as a result of the regulatory change.	
(4) Assistance	N/A	
(5) Information Sources	N/A	

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)	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 costs or benefits to families as a result of the regulatory change.	
(4) Information Sources	N/A	

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) N/A	(b) N/A
(3) Other Costs & Benefits (Non-Monetized)	<p>Real estate broker and salesperson licenses are issued to individuals and not firms. However, many real estate brokers and salespersons may be owners or employees of firms which fall within the meaning of “small business” as defined in § 2.2-4007.1 of the Code of Virginia.</p> <p>In addition, providers of real estate education are typically business entities, many of which likely fall within the meaning of “small business.” These entities are affected by the statutory change.</p> <p>The costs and benefits of the change are identified in Table 1(a).</p>	
(4) Alternatives	N/A	
(5) Information Sources	N/A	

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	Total Net Change in Requirements
20-101	(M/A):	0	0	0	0
	(D/A):	2	0	0	0
	(M/R):	14	4	4	0
	(D/R):	2	0	0	0
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): 0 (D/R): 0

Key:

Please use the following coding if change is mandatory or discretionary and whether it affects externally regulated parties or only the agency itself:

(M/A): Mandatory requirements mandated by federal and/or state statute affecting the agency itself

(D/A): Discretionary requirements affecting agency itself

(M/R): Mandatory requirements mandated by federal and/or state statute affecting external parties, including other agencies

(D/R): Discretionary requirements affecting external parties, including other agencies

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
20-101	Increases the number of CE hours required for mandatory subjects for real estate salespersons and brokers. Reduces the number of CE	Increases the number of hours in mandatory subjects for real estate salespersons from eight (8) to 11.

	<p>hours that may be in elective subjects.</p> <p>Currently, real estate salespersons and brokers must complete one hour each of the following mandatory topics:</p> <ul style="list-style-type: none"> • Legal updates and emerging trends; • Real estate agency; and • Real estate contracts. <p>The change would require regulants to complete two (2) hours in these subjects.</p>	<p>Increases the number of hours in mandatory subjects for real estate brokers from 16 to 19.</p> <p>The change reduces the number of continuing education hours that may be in elective topics.</p> <p>The statutory change does not increase the overall burden in CE hours required for renewal of licensure.</p> <p>The increases in regulatory stringency only apply to M/R requirements in this section.</p>
--	---	--

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

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

*If the agency is modifying a guidance document that has regulatory requirements, it should report any change in requirements in the appropriate chart(s).