

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 1237 and SB 437 Amendment
Date this document prepared	July 17, 2024
Regulatory Stage (including Issuance of Guidance Documents)	Exempt Final (Action 6535 / Stage 10423)

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 327 and 352 of the 2024 Acts of Assembly.</p> <p>The legislation defines the terms “place of business” and “branch office” in Chapter 21 of Title 54.1 of the Code of Virginia. The legislation requires every principal broker to have readily available to the public in the broker’s primary place of business the firm license, principal broker license, and the license of every salesperson and broker active with the firm and requires each branch office to have readily available to the public the branch office license and a roster of every salesperson or broker assigned to that branch office.</p> <p>The proposed amendments conform applicable provisions of the regulation to the legislation. Substantive amendments include:</p> <ol style="list-style-type: none"> 1. Section 18VAC135-20-10 is revised to incorporate by reference the new statutory definitions of “place of business” and “branch office.” 2. The provisions in 18VAC135-20-20 regarding licensure for real estate brokerage branch offices are revised to provide that a real estate broker obtain a branch office license for each additional place of business other than the primary place of business noted on the firm’s license application. 3. Section 18VAC135-20-20 is also revised to provide for exemptions from the branch office licensure requirement. 4. Section 18VAC135-20-160 is revised to remove provisions that provided a meaning for the term “place of business.” The meaning of the term “place of business” is defined in § 54.1-2100 of the Code of Virginia. 5. Section 18VAC135-20-160 is revised to provide that each branch office have readily available to the public the branch office license and a roster of every salesperson or broker assigned to that branch office. <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>
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	Indirect Benefits: There are no new monetizable indirect benefits associated with this change.	
(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)	The legislative change may provide clarity to regulated parties and the public regarding what is considered a “place of business” for a real estate practice, what is considered a branch office, and which types of locations are exempt from the requirement for a branch office license.	
(5) Information Sources	N/A	

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> <p>Indirect Benefits: There are no new monetizable indirect benefits associated with maintaining the status quo.</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)	There are no new non-monetizable costs or benefits associated with maintaining the status quo.	

(5) Information Sources	N/A
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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 provisions in the regulation regarding the meaning of the terms “place of business” and “branch office”; and the requirements for licensure of branch offices 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.
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(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 firm and branch office licenses are issued to business entities. Many of these business entities likely fall within the meaning of “small business” as defined in § 2.2-4007.1 of the Code of Virginia.</p> <p>In addition, 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.”</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
20-10	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	0	0	0
	(D/R):	3	0	0	0
20-20	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	2	0	0	0
	(D/R):	13	0	0	0
20-160	(M/A):	0	0	0	0
	(D/A):	0	0	0	0
	(M/R):	0	5	0	+5
	(D/R):	6	0	4	-4
Grand Total of Changes in Requirements:					(M/A): 0 (D/A): 0 (M/R): +5 (D/R): -4

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
N/A	N/A	N/A

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).