



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

2 VAC 5-610– Rules Governing the Solicitation of Contributions
Department of Agriculture and Consumer Services
January 23, 2014

Summary of the Proposed Amendments to Regulation

The Board of Agriculture and Consumer Services (Board) proposes to amend the Rules Governing the Solicitation of Contributions in order to: 1) update references to the names of other state agencies, 2) update language to reflect current IRS filing requirements, 3) remove references to the defunct Office of Consumer Affairs, and 4) no longer require that charitable organization registration applications be notarized.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposal to eliminate the notarization requirement will save charitable organizations a small amount of time in putting together their registration application package. In cases where charitable organizations do not have access to free notarization, this proposal could also save these organizations a small fee. Otherwise the proposed amendments do not change requirements, but are beneficial nonetheless in that there would be increased clarity and a reduction in the likelihood of confusion amongst readers of the regulation.

Businesses and Entities Affected

The proposed regulations pertain to the approximate 14,000 charitable organizations in the Commonwealth that have either registered with or been granted exemption by the Virginia Department of Agriculture and Consumer Services (Department), as well as the approximate 100 professional solicitors and 400 professional fundraising counselors that have registered with the Department.

Localities Particularly Affected

The regulations do not disproportionately 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 proposal to no longer require that charitable organization registration applications be notarized will save a small amount of staff time for charitable organizations.

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 adversely affect small businesses.

Real Estate Development Costs

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

Legal Mandate

General: 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 and Executive Order Number 14 (2010). Section 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report should include but not be limited to:

- the projected number of businesses or other entities to whom the proposed 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.

Small Businesses: If the proposed regulation will have an adverse effect on small businesses, § 2.2-4007.04 requires that such economic impact analyses include:

- an identification and estimate of the number of small businesses subject to the proposed regulation,

- 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,
- a statement of the probable effect of the proposed regulation on affected small businesses, and
- a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation.

Additionally, pursuant to § 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 (JCAR) is notified at the time the proposed regulation is submitted to the *Virginia Register of Regulations* for publication. This analysis shall represent DPB's best estimate for the purposes of public review and comment on the proposed regulation.

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