



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 62-20 – Fair Housing Regulations Department of Professional and Occupational Regulation June 10, 2004

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 9-6.14:7.1.G of the Administrative Process Act and Executive Order Number 25 (98). Section 9-6.14:7.1.G 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. The analysis presented below represents DPB's best estimate of these economic impacts.

Summary of the Proposed Regulation

Pursuant to a mandate from Chapter 575 of the 2003 Virginia Acts of the General Assembly, the Fair Housing Board (board) proposes to establish by regulation an education-based certification program for persons subject to the Fair Housing Law who are involved in the business or activity of selling or renting dwellings. The proposed regulations include the requirements: 1) to obtain certification, 2) to renew certification, 3) for course provider approval, 4) course approval, and instructor approval. The regulations also include definitions, fees, and standards of conduct.

Estimated Economic Impact

Applicants can receive certification by attending a two or three hour class on fair housing law and paying a fee to the board. These regulations were implemented as emergency regulations on July 1, 2003. Since then no one has applied for certification. This is not surprising since certification is not mandatory for anyone to perform any work or function. Also,

receiving the fair housing certification does not imply that the recipient understands the law since there is no required examination to pass for certification.

There is value for individuals who are involved in the business or activity of selling or renting dwellings to understand fair housing law. Unintentionally violating the law can produce negative consequences such as lawsuits for those individuals and their employers. Employers of individuals who could violate fair housing law may potentially reduce some of their liability if their employees have taken a fair housing law course. But classes on fair housing law have been readily available for at least ten years.¹ For example, courses are available from both Department of Professional and Occupational Regulation staff and from the Virginia Apartment & Management Association. Since these courses are readily available without certification, the value of certification is limited, as has been demonstrated by the lack of any individuals applying for certification under the emergency regulations.

The board does propose to lower the fee for certification from \$50 to \$25 for two years. Employers of individuals who could violate fair housing law may believe that the imprimatur of state certification could potentially reduce their liability in the eyes of courts and insurers by a small amount more than their liability is reduced by their employees simply taking the course. Thus some individuals may seek certification when the fee is set at \$25 for two years as is proposed in these regulations. This is unlikely to have an impact on the occurrence of fair housing violations since the value of taking a fair housing law course does not appreciably change with the introduction of the certification.

Businesses and Entities Affected

The fair housing regulations potentially affect all consumers of housing in Virginia, i.e., all seven million citizens of the Commonwealth, as well as business and individuals involved in the provision of housing, i.e., landlords, home sellers, realtors, banks, mortgage brokers, insurance companies, etc.

Localities Particularly Affected

No locality is particularly affected by the proposed amendments.

¹ The Virginia Apartment & Management Association's executive director stated that his organization has offered a fair housing law class for at least ten years.

Projected Impact on Employment

The proposed changes will not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments will not affect the use and value of private property.