



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 65-30 – Regulations for Preneed Funeral Planning
Department of Health Professions
June 3, 2013

Summary of the Proposed Amendments to Regulation

The proposed changes will allow funeral service providers to maintain preneed contracts in an alphabetical order.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

The proposed changes will allow funeral service providers to maintain preneed contracts in an alphabetical order. Current regulations require providers to maintain a chronological listing of all preneed contracts. According to the Department of Health Professions (DHP), chronological listing is required primarily for ease of inspection to check compliance with the requirements for preneed funeral planning. However, DHP reports that some providers prefer to maintain their preneed contracts in an alphabetical rather than a chronological order due to ease of access.

This change will accommodate the preferences of providers who wish to maintain their contracts in an alphabetical order. The proposed less restrictive record keeping requirement should benefit some providers while complicating an inspector's verification of compliance by a small margin. However, neither the benefits nor the costs are likely to be significant.

Businesses and Entities Affected

The proposed regulations primarily apply to funeral service establishments. There are 426 licensed establishments in Virginia. DHP believes that most of the establishments offer preneed funeral services.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

No significant impact on employment is expected.

Effects on the Use and Value of Private Property

No significant effect on the use and value of private property is expected.

Small Businesses: Costs and Other Effects

Many of the funeral establishments are believed to be small businesses. As discussed above, the proposed less restrictive record keeping requirement should benefit some of them.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations do not impose an adverse impact on small businesses.

Real Estate Development Costs

No effect on real estate development costs is expected.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.04 of the Administrative Process Act and Executive Order Number 14 (10). Section 2.2-4007.04 requires that such economic impact analyses include, but need not be limited to, a determination of the public benefit, 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. Further, if the proposed regulation has an adverse effect on small businesses, Section 2.2-4007.04 requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small

businesses; and (iv) a description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.