



## Economic Impact Analysis Virginia Department of Planning and Budget

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**18 VAC 5-10 – Public Participation Guidelines Regulations**  
**Board of Accountancy**  
December 4, 2006

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### **Summary of the Proposed Amendments to Regulation**

The Board of Accountancy (board) proposes to revise its Public Participation Guidelines by: 1) stating that individuals may request to be added to the notification list electronically as well as “in writing,” 2) stating that persons or organizations will be deleted from the notification list only when mail is returned as undeliverable *over more than one day*, 3) adding clarifying language on the proper procedure to file a petition for rulemaking, 4) updating statutory citations referencing the Administrative Process Act, and 5) adding other clarifying language.

### **Result of Analysis**

The benefits likely exceed the costs for all proposed changes.

### **Estimated Economic Impact**

The board proposes to amend these regulations to state that individuals may request to be added to the notification list electronically as well as “in writing.” This is a positive change in that it makes clear that the public has the less costly and faster option of email to request being added to the notification list, as well as mail. The board has in practice accepted electronic requests to be added to the notification list.<sup>1</sup> Thus, in practice the impact of the change will be small.

The current regulations state that “When mail is returned as undeliverable, individuals and organizations will be deleted from the list.” That is reasonable when communication is only through physical mail. It is not reasonable when email is used. Most Internet servers are down

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<sup>1</sup> Source: Board of Accountancy Regulatory Coordinator

at some point. Thus, it is not reasonable to assume that individuals or organizations are no longer using an email address if a single email message is returned as undeliverable.

The board sensibly proposes to amend the text to state that “When mail is returned as undeliverable *over more than one day or there has been no response to a request from the Board*, such persons or organizations will be deleted from the list.” The proposed language indicates that if email is returned as undeliverable that at least one more email message will be sent on another day before the person or organization is deleted from the list. This proposed amendment will create a net benefit for the public since the likelihood that interested parties will be struck from the notification list will be reduced.

The board also proposes clarifying language on the proper procedure to file a petition for rulemaking. The proposed clarifying language is beneficial in that it will reduce the probability that a petitioner will have to resubmit due to failure to include necessary information

## **Businesses and Entities Affected**

The proposed regulations affect the 19,000 individual CPA licensees and 1,600 CPA firms in the Commonwealth, as well as other parties interested in the board’s activities.<sup>2</sup>

## **Localities Particularly Affected**

The proposed regulations do not disproportionately affect specific localities.

## **Projected Impact on Employment**

The proposed amendments should not significantly affect employment.

## **Effects on the Use and Value of Private Property**

The proposed amendments will not have a large impact on the use and value of private property.

## **Small Businesses: Costs and Other Effects**

The proposed language indicating that if email is returned as undeliverable that at least one more email message will be sent on another day before the person or organization is deleted from the list will reduce the likelihood that interested parties, including small businesses, will be struck from the notification list.

## **Small Businesses: Alternative Method that Minimizes Adverse Impact**

The proposed amendments do not adversely affect small businesses.

### **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.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H 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. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H 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.

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<sup>2</sup> Source: Board of Accountancy