



Economic Impact Analysis Virginia Department of Planning and Budget

13 VAC 5-91– Virginia Industrialized Building Safety Regulations Department of Housing and Community Development January 10, 2000

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

The General Assembly mandates in §36-73 of the Code of Virginia that the Virginia Board of Housing and Community Development (Board) promulgate rules and regulations prescribing standards for industrialized buildings. The Board proposes to delete two sections of the current regulation: a requirement that unregistered industrialized buildings offered for sale be marked by a warning sign to prospective buyers which states that the building is not registered in accordance with this regulation and must be inspected by the local code official, and a requirement that the building's data plate include the model designation of major factory-installed appliances.

Estimated Economic Impact

According to the Department of Housing and Community Development (Department), the requirement that unregistered industrialized buildings offered for sale be marked by a

warning sign to prospective buyers which states that the building is not registered in accordance with this regulation and must be inspected by the local code official is obsolete. The warning is no longer relevant and has not been enforced for many years. All industrialized buildings must be inspected regardless of their registration status. Thus, the deletion of this language will have no effect on the economic welfare of Virginia's citizens and businesses.

In the current regulation there is a requirement that the industrialized building's data plate include the model designation of major factory-installed appliances. According to the Department, without exception, every major factory installed appliance has its model designation listed on its exterior. Thus, interested parties may determine the specific models of factory-installed appliances without viewing the data plate. The Board's proposal to eliminate the requirement that the building's data plate includes the model designation of every factory-installed appliance will thus not decrease the information available to interested parties. The convenience of having all the information in one location would be lost, though. Manufacturers would be spared the cost of a small number of labor hours involved in collecting the information and could perhaps purchase and use smaller data plates. The net economic effect of the proposed change will be very small, regardless of whether the benefit to manufacturers in saving a few labor hours and using a smaller data plate outweighs the loss in convenience to interested parties in having all the appliance model data in one location.

Businesses and Entities Affected

The proposed changes to the regulation will affect manufacturers of industrialized buildings. According to the Department, over the last two years 92 manufacturers of industrialized buildings requested Department of Housing and Community Development seals. Of those 92 manufacturers, 11 are based in Virginia.

Localities Particularly Affected

The proposed changes to the regulation affect localities throughout the Commonwealth.

Projected Impact on Employment

The proposed changes to this regulation are not expected to affect employment.

Effects on the Use and Value of Private Property

Under the proposed regulation, manufacturers of industrialized buildings will no longer be required to include the model designation of major factory installed appliances on the building's data plate. This will save manufacturers the cost of a small number of labor hours.