



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 135 – Real Estate Board Rules and Regulations Department of Professional and Occupational Regulation

February 20, 2002

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 Real Estate Board is proposing to make amendments to the Virginia Real Estate Board Licensing Regulations following a periodic review of this regulation. Changes to the regulation, aside from general clarifying and editorial changes, include:

- Allowing reciprocal applicants to pass the Virginia real estate license law and regulations examination before their first renewal period rather than prior to initial licensure;
- Excluding certain minor misdemeanor criminal convictions from those that must be reviewed by the Board prior to granting licensure;
- Revising language regarding the supervision of branch offices to specify in detail the type of supervision required to ensure compliance with applicable laws and regulations;
- Incorporating internet advertising into the advertising provisions; and
- Clarifying language regarding the maintenance and management of escrow accounts.

Estimated Economic Impact

Following a periodic review, the Real Estate Board is proposing several changes to update its regulations. The revised regulations will be consistent with current practices of the Board and existing statutory requirements. New language is added to the branch office supervision and escrow account provisions to clarify these rules and should help to increase compliance. New procedures are also provided for the release of escrow money, which should significantly reduce the number of cases that require a court order. The changes proposed for granting licensure to reciprocal applicants and applicants with minor criminal convictions are likely to speed up the licensure process and make it less burdensome without any decrease in the level of protection provided.

The proposed changes do not impose any additional burdens on licensees or applicants for licensure and therefore should not have any significant economic costs. By providing less burdensome ways for individuals to obtain licensure and for licensees to release escrow money without compromising the level of protection provided, the proposed changes are likely to result in a net economic benefit.

Businesses and Entities Affected

As of January 1, 2002, there were approximately 50,000 individuals and firms licensed by the Real Estate Board.

Localities Particularly Affected

There proposed changes to this regulation are not expected to uniquely affect any particular localities.

Projected Impact on Employment

The proposed changes to this regulation are not expected to have any significant impact on employment in Virginia.

Effects on the Use and Value of Private Property

The proposed changes to this regulation are not expected to have any significant effect on the use and value of private property in Virginia.