

Office of Regulatory Management
Economic Review Form

Agency name	Common Interest Community Board
Virginia Administrative Code (VAC) Chapter citation(s)	18 VAC 48-45
VAC Chapter title(s)	Time-Share Regulations
Action title	Periodic Review
Date this document prepared	July 10, 2023
Regulatory Stage (including Issuance of Guidance Documents)	Periodic Review

Cost Benefit Analysis

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

Impact on Local Partners

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Local Partners

- **Identify the local partners impacted by your program (DOLI, DOE, DEQ, etc.).**
- **For each partner, describe the nature of the impact.**

The regulation does not impact local partners.

Impacts on Families

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Families

- **Describe the specific ways in which your program impacts families (employability, transferability of license (i.e. military), impacts on children (i.e. child care needs, etc.)).**

The regulation does not impact families.

Impacts on Small Businesses

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

Description of Impact on Small Businesses

- **Identify the ways your program impacts small businesses (which licenses interact with small businesses, regulations that impact them directly or indirectly).**

Under the Virginia Real Estate Time-Share Act, the Board is mandated to regulate the offering and disposition of interests in a time-share program. The requirements imposed by statute and the regulation are binding upon the developer of a time-share program. The Act also imposes registration obligations on time-share exchange companies and time-share resellers. Many such firms would likely fall within the meaning of “small business” as defined in § 2.2-4007.1 of the Code of Virginia.

Under the Act and the regulation, a developer is prohibited from offering or disposing of interests in a time-share program without the time-share program being registered with the Board. Registration requirements include the filing of an application, payment of an application fee, and submission of required documentation. Required documentation includes copies of the (i) time-share instrument; (ii) proposed public offering statement;

(iii) contracts and other agreements that a purchaser will be required to agree to or sign;
(iv) the buyer's acknowledgement required by § 55.1-2226 of the Code of Virginia; and
(v) filing of bonds or letters of credit required by the Act.

In connection with a time-share program registration, if a developer will offer purchasers an alternative purchase, anything valued in excess of \$100 that is offered to a potential purchaser by the developer during the developer's sales presentation and that is purchased by such potential purchaser for more than \$100, even though the purchaser did not purchase a time-share, then such alternative purchase must be registered with the Board. This includes filing of an application, payment of an application fee, and submission of required documentation, including a copy of the terms and conditions of the alternative purchase.

Similarly, an exchange company is required to register an exchange program with the Board. This includes filing of an application, payment of a fee, and submission of required documentation, including the exchange program disclosure document and a report, independently audited by a CPA or accounting firm, that provides information regarding exchanges in the exchange program.

Further, time-share resellers are also required to register with the Board. This includes filing of an application, payment of a fee, and submission of required documentation including copies of proposed contracts and disclosures that are required to be provided to the owner of a resale time-share.

Following registration of the time-share program, alternative purchase, or exchange program, as applicable, regulants are required to maintain these registrations by filing annual reports and making other filings in the event of a change in the documents initially filed with the registration. The developer of a time-share program is also required to maintain all bonds or letters of credit filed with the Board until such time as these instruments are eligible for return as provided in the regulation. A time-share reseller is also required to renew a time-share reseller registration and make other filings in the event of a change in the documents initially filed with the registration.

The application and registration requirements of the Act and the regulation impose costs on regulants. These include payment of required fees and costs to obtain and maintain any required bonds or letters of credit. Though not required, some developers will hire law firms to assist with the filing and registration requirements at initial application, and often through the entirety of the registration. In addition, there are likely time and administrative costs associated with fulfilling the requirements imposed by the Act and the regulation.

Changes to Number of Regulatory Requirements

Not Applicable.