



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 15-40 – Certified Home Inspector Regulations
Department of Professional and Occupational Regulation
October 22, 2011

Summary of the Proposed Amendments to Regulation

The Board for Asbestos, Lead, Mold, and Home Inspectors (Board) proposes to remove the requirement that training courses have to be taken in a classroom setting to be accepted as meeting the certified home inspector entry requirements.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

Under the current regulations required training for the initial home inspector license must be in a classroom. The Board proposes to allow the initial training to be via distance learning including, but not limited to, online courses. The cost reduction from not having to travel, find lodging, and spend time away from work could be substantial for some individuals. Additionally, the Board has determined that there would be no loss in the required skills resulting from the newly permitted switch to distance learning. Thus, the proposed amendment should produce a net benefit.

Businesses and Entities Affected

The proposed amendment affects applicants for initial home inspector certification, as well as providers of training for home inspectors. There were 37 applicants for certification in fiscal year 2011.

Localities Particularly Affected

The proposed regulations do not disproportionately affect particular localities.

Projected Impact on Employment

The proposal amendments are unlikely to significantly affect total employment.

Effects on the Use and Value of Private Property

The proposed amendment will moderately reduce costs for some home inspector certification applicants. Providers of classroom training who do not also provide distance learning will likely lose some business, while some providers of online training or other distance learning will likely receive additional demand for their services.

Small Businesses: Costs and Other Effects

The proposed amendments will reduce costs for some small home inspector firms. Small providers of classroom training who do not also provide distance learning will likely lose some business, while some small providers of online training or other distance learning will likely receive additional demand for their services.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed amendments do not adversely affect small home inspector firms. Small providers of classroom training who do not also provide distance learning will likely lose some business, but there is no alternative method that reduces the adverse impact to these firms and still accomplishes the policy goal of reduced costs for initial training of home inspectors.

Real Estate Development Costs

The proposed amendments are unlikely to significantly affect real estate development costs.

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, 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 2.2-4007.04 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.