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## Exempt Action Final Regulation Agency Background Document

<b>Agency name</b>	Common Interest Community Board
<b>Virginia Administrative Code (VAC) citation(s)</b>	18 VAC 48-60
<b>Regulation title(s)</b>	Common Interest Community Board Management Information Fund Regulations
<b>Action title</b>	Eliminate Annual Assessments and Extend Temporary Fee Reductions
<b>Final agency action date</b>	March 14, 2019
<b>Date this document prepared</b>	April 11, 2019

While a regulatory action may be exempt from executive branch review pursuant to § 2.2-4002 or § 2.2-4006 of the *Code of Virginia*, the agency is still encouraged to provide information to the public on the Regulatory Town Hall using this form. However, the agency may still be required to comply with the Virginia Register Act, Executive Order 14 (as amended, July 16, 2018), the Regulations for Filing and Publishing Agency Regulations (1 VAC7-10), and the *Virginia Register Form, Style, and Procedure Manual for Publication of Virginia Regulations*.

### Brief Summary

*Please provide a brief summary (preferably no more than 2 or 3 paragraphs) of this regulatory change (i.e., new regulation, amendments to an existing regulation, or repeal of an existing regulation). Alert the reader to all substantive matters. If applicable, generally describe the existing regulation.*

This action implements Chapter 391 of the 2019 Acts of Assembly by eliminating the statutory requirement for common interest community associations to make annual payments to the Common Interest Community Board ("the Board") based on gross assessment income. The enacted legislation, which becomes effective July 1, 2019, amends sections in the Condominium Act (Chapter 4.2 of Title 55), the Real Estate Cooperative Act (Chapter 24 of Title 55), and the Property Owners' Association Act (Chapter 26 of Title 55).

This action also extends existing temporary fee reductions for applications and renewals received on or before June 30, 2020. The purpose of the fee reductions is to continue the reduction of an accumulated surplus in the Board's budget and to comply with the Callahan Act (§ 54.1-113 of the Code of Virginia).

### Mandate and Impetus

*Please identify the mandate for this regulatory change, and any other impetus that specifically prompted its initiation (e.g., new or modified mandate, internal staff review, petition for rulemaking, periodic review, board decision, etc.). "Mandate" is defined as "a directive from the General Assembly, the federal government, or a court that requires that a regulation be promulgated, amended, or repealed in whole or part."*

Statutory amendments by the General Assembly require changes to Section 18 VAC 48-60-20 of the Board's regulations in order to conform to Chapter 391 of the 2019 Acts of Assembly, which become effective July 1, 2019. This regulatory action is exempt from the Administrative Process Act pursuant to Va. Code § 2.2-4006(A)(4)(a):

Regulations that are necessary to conform to changes in Virginia statutory law or the appropriation act where no agency discretion is involved.

The Callahan Act (§ 54.1-113) requires the Department of Professional and Occupational Regulation to review each board's financial position, to determine whether fees need to be readjusted to ensure revenues are sufficient, but not excessive, to cover operating expenses. The action to amend Section 18 VAC 48-60-60 to extend temporary fee reductions through June 30, 2020, is necessary to continue the reduction of an accumulated surplus in the Board's budget and to improve its Callahan Act position. This regulatory action is exempt from the Administrative Process Act pursuant to Va. Code § 2.2-4006(A)(6):

Regulations of the regulatory boards served by (i) the Department of Labor and Industry pursuant to Title 40.1 and (ii) the Department of Professional and Occupational Regulation or the Department of Health Professions pursuant to Title 54.1 that are limited to reducing fees charged to regulants and applicants.

### Statement of Final Agency Action

*Please provide a statement of the final action taken by the agency including: 1) the date the action was taken; 2) the name of the agency taking the action; and 3) the title of the regulation.*

At its March 14, 2019, meeting, the Common Interest Community Board authorized these two exempt actions for the Common Interest Community Board Management Information Fund Regulations.