



Economic Impact Analysis Virginia Department of Planning and Budget

18 VAC 25-21 – Virginia Auctioneers Board Regulations
Department of Professional and Occupational Regulation
February 13, 2009

Summary of the Proposed Amendments to Regulation

The Auctioneers Board (Board) proposes to amend its regulations so that auctioneers are able to accept credit (debit) card payments.

Result of Analysis

The benefits likely exceed the costs for this proposed change.

Estimated Economic Impact

Current regulations require that the proceeds of all personal property auctions, not immediately dispersed to the owner of that personal property, be put into an auction escrow account not later than the next business day after the action. This requirement is, however, problematic for winning bids that would be paid with a credit card. Credit card payments typically take several days to process so the proceeds from these payments would likely not be available to deposit into an escrow account the next business day after they are made.

The Board proposes to amend these regulations so that credit card payments may be deposited in the required escrow account as soon as the credit card issuer releases these funds. This proposed change will benefit auctioneers who will no longer have to either refuse credit card payments or be in violation of the law. Buyers at auctions will also benefit from the greater flexibility to pay for their purchases with credit cards. Because this amendment will facilitate credit card payments, but will not require that auctioneers accept these payments, no affected entities are likely to incur costs on account of these proposed regulations.

Businesses and Entities Affected

These proposed regulations will affect any auctioneers who would like to legally accept credit card payments. The Department of Professional and Occupational Regulation (DPOR) reports that the Board currently oversees 1,425 auctioneers and 223 auction houses.

Localities Particularly Affected

No locality will be particularly affected by this proposed regulatory action.

Projected Impact on Employment

This regulatory action will likely have no impact on employment in the Commonwealth.

Effects on the Use and Value of Private Property

This regulatory action will likely have no effect on the use or value of private property in the Commonwealth.

Small Businesses: Costs and Other Effects

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Small Businesses: Alternative Method that Minimizes Adverse Impact

Small businesses in the Commonwealth are unlikely to incur any costs on account of this regulatory action.

Real Estate Development Costs

This regulatory action will likely have no effect on real estate development costs in the Commonwealth.

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.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H 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.H 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.