



Virginia Department of Planning and Budget **Economic Impact Analysis**

13 VAC 5-20 Manufactured Housing¹ Licensing and Transaction Recovery Fund Regulations

Department of Housing and Community Development

Town Hall Action/Stage: 6445 / 10497

May 10, 2025

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with § 2.2-4007.04 of the Code of Virginia (Code) and Executive Order 19. The analysis presented below represents DPB’s best estimate of the potential economic impacts as of the date of this analysis.²

Summary of the Proposed Amendments to Regulation

The Board of Housing and Community Development proposes to remove 1) a requirement for a salesperson working for more than one company or locations with different owners to be licensed separately for each and pay a separate assessment for each license; 2) a filing requirement for manufacturers related to dealer-manufacturer sales agreements; 3) a requirement for manufacturers to provide continued parts and service support for a discontinued line of homes for at least five years from the date of such discontinuance; and 4) the records retention requirements for advertisers. The Board proposes additional changes for clarity and organization.

¹ “Manufactured home” is defined as “a structure constructed to federal standards, transportable in one or more sections, which, in the traveling mode is eight feet or more in width and is 40 feet or more in length, or when erected on site, is 320 or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained therein.”

² Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the analysis should include but not be limited to: (1) the projected number of businesses or other entities to whom the proposed regulatory action would apply, (2) the identity of any localities and types of businesses or other entities particularly affected, (3) the projected number of persons and employment positions to be affected, (4) the projected costs to affected businesses or entities to implement or comply with the regulation, and (5) the impact on the use and value of private property.

Background

The current regulation specifies that “If a salesperson works for more than one company or at locations with different owners, he shall be licensed separately for each and pay a separate Transaction Recovery Fund assessment for each such license.” The Board proposes to remove this text and only require that salespeople have one sales license, regardless of how many companies they work for.

The current regulation requires that “Each licensed manufacturer shall file with the board a true copy of each new, amended, modified, or different form of dealer/manufacturer sales agreement to be offered to a dealer or prospective dealer in the Commonwealth prior to the date the sales agreement is offered.” Further, it specifies that “The department shall review the form for terms inconsistent with the requirements of this chapter. Any forms found to contain inconsistent terms shall be reported to the board for review and notification. The department shall notify the manufacturer of the inconsistent terms and its report to the board.” The Board proposes to eliminate all of this text.

The current regulation requires that manufacturers “provide continued parts and service support to a dealer for a discontinued line of homes for at least five years from the date of such discontinuance.” The Board proposes to eliminate this requirement.

The current regulation requires that advertisers “maintain a copy of all media advertising for a period of not less than 60 days after the expiration date of the advertisement.” The Board also proposes to eliminate this requirement.

Estimated Benefits and Costs

The salesperson fee is \$100 annually. Thus, a salesperson who works for two companies or locations with different owners would save \$100 annually due to the proposal to no longer require a separate license for each company for whom the salesperson works. A salesperson who works for three companies or locations with different owners would save \$200 annually, and so on. Currently there 45 salespeople who have multiple licenses because they work for more than one company or locations with different owners.³ These 45 salespeople would have savings as just described.

³ Data source: DHCD.

The Department of Housing and Community Development (DHCD) reports that requiring manufacturers to file with the Board a true copy of each new, amended, modified, or different form of dealer/manufacturer sales agreements has not been useful. Thus, the proposal to eliminate the requirement that such documents be filed would save time for both manufacturers and DHCD staff but would have no other substantive impact.

According to DHCD, no dealers are known to object to the proposal to remove the requirement for manufacturers to provide continued parts and service support for a discontinued line of homes for at least five years from the date of such discontinuation.⁴ The agency points out that similar to site built and modular homes, when servicing an existing home outside of the warranty period, model specific parts are not needed. To the extent that manufacturers have been providing continued parts and service support to dealers for discontinued lines of homes for at least five years from the date of such discontinuance, the removal of this requirement may reduce their costs.

The Board does not believe that the requirement that advertisers maintain a copy of all media advertising for a period of not less than 60 days after the expiration date of the advertisement is useful. Thus, the repeal of this requirement would save advertisers the associated recordkeeping cost but would have no other substantive impact.

Businesses and Other Entities Affected

The proposed amendments would affect the 35 licensed manufacturers, 234 licensed dealers, 13 licensed brokers, and 373 licensed salespeople of manufactured homes.

The Code requires DPB to assess whether an adverse impact may result from the proposed regulation.⁵ An adverse impact is indicated if there is any increase in net cost or reduction in net benefit for any entity, even if the benefits exceed the costs for all entities combined.⁶ Since there is no apparent increase in net cost nor reduction in net benefit for any entity, no adverse impact is indicated.

⁴ The dealers on the Board did not object and did not think other dealers would object.

⁵ Pursuant to Code § 2.2-4007.04(D): In the event this economic impact analysis reveals that the proposed regulation would have an adverse economic impact on businesses or would impose a significant adverse economic impact on a locality, business, or entity particularly affected, the Department of Planning and Budget shall advise the Joint Commission on Administrative Rules, the House Committee on Appropriations, and the Senate Committee on Finance.

⁶ Statute does not define “adverse impact,” state whether only Virginia entities should be considered, nor indicate whether an adverse impact results from regulatory requirements mandated by legislation. As a result, DPB has

Small Businesses⁷ Affected:⁸

The proposed amendments do not appear to adversely affect small businesses.

Localities⁹ Affected¹⁰

The proposed amendments may disproportionately affect localities where manufactured homes are particularly prevalent. Costs for local governments would not be affected.

Projected Impact on Employment

The proposed amendments are unlikely to affect total employment.

Effects on the Use and Value of Private Property

The proposal to no longer require salespeople to have multiple licenses when they work for multiple employers would moderately reduce their costs and would commensurately increase their net worth. The proposal to no longer require manufacturers to provide continued parts and service support for discontinued lines of homes for at least five years may reduce their costs and commensurately increase their value. The proposed amendments would not affect real estate development costs.

adopted a definition of adverse impact that assesses changes in net costs and benefits for each affected Virginia entity that directly results from discretionary changes to the regulation.

⁷ Pursuant to § 2.2-4007.04 of the Code of Virginia, small business is defined as “a business entity, including its affiliates, that (i) is independently owned and operated and (ii) employs fewer than 500 full-time employees or has gross annual sales of less than \$6 million.”

⁸ If the proposed regulatory action may have an adverse effect on small businesses, Code § 2.2-4007.04 requires that such economic impact analyses include: (1) an identification and estimate of the number of small businesses subject to the proposed regulation, (2) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the proposed regulation, including the type of professional skills necessary for preparing required reports and other documents, (3) a statement of the probable effect of the proposed regulation on affected small businesses, and (4) a description of any less intrusive or less costly alternative methods of achieving the purpose of the proposed regulation. Additionally, pursuant to Code § 2.2-4007.1, if there is a finding that a proposed regulation may have an adverse impact on small business, the Joint Commission on Administrative Rules shall be notified.

⁹ “Locality” can refer to either local governments or the locations in the Commonwealth where the activities relevant to the regulatory change are most likely to occur.

¹⁰ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.