



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

18 VAC 15-30 Virginia Lead-Based Paint Activities Regulations
Department of Professional and Occupational Regulation
Town Hall Action/Stage: 6367/10711
May 14, 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.¹

Summary of the Proposed Amendments to Regulation

As a result of a general review and in response to Executive Order 19 (2022) and Executive Directive 1 (2022), the Virginia Board for Asbestos, Lead and Home Inspectors (Board) proposes reduce requirements for individuals and businesses who are engaged in lead-based paint activities and for the accreditation of training programs that teach lead-based paint activities.

Background

Executive Directive 1 (2022) directs executive branch entities under the authority of the Governor “...to initiate regulatory processes to reduce by at least 25 percent the number of regulations not mandated by federal or state statute, in consultation with the Office of the Attorney General, and in a manner consistent with the laws of the Commonwealth.”²

Accordingly, the Board seeks to (i) make revisions to ensure the regulation complements current

¹ 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.

² See <https://www.governor.virginia.gov/media/governorvirginiagov/governor-of-virginia/pdf/ed/ED-1-Regulatory-Reduction.pdf>

Virginia law and meets applicable federal requirements; (ii) make the regulation more organized, clear, and understandable; (iii) ensure the regulation provides minimal burdens on regulators while still protecting the public; and (iv) reduce regulatory requirements. The most substantive changes are summarized below.

- Section 20 (Definitions): Reduce the stringency of conflict of interest provisions in two sections of the regulation by amending the definition of “financial interest” to increase the value from exceeding \$1,000 to exceeding \$2,000. Specifically, the definition of “financial interest” would be amended such that a financial interest would exist “by reason of ... (ii) annual gross income that exceeds, or may be reasonably anticipated to exceed \$2000 from ownership in real or personal property or a business; (iii) salary, or other compensation, ... to exceed \$2000 annually; or (iv) ownership of real or personal property if the interest exceeds \$2000 in value.” The \$1,000 thresholds were set in October 2003, and this change would affect the following conflict of interest provisions:
 - Section 53 (Qualifications for lead contractors) allows the Board to deny an application if the applicant has a controlling financial interest by an individual or firm whose license has previously been revoked or not renewed.
 - Section 510 (General requirements) prohibits a lead contractor from performing lead abatement if the lead inspection or project design is to be performed by individuals who have a financial interest in the lead contractor, unless the contractor provides the building owner with a board-issued disclosure sheet.
 - Section 510 also requires that persons licensed to perform post-abatement clearance procedures have no financial interest in the licensed lead abatement contractor.
- Section 52 (General requirements for licensure: individuals) would be amended to add requirements found in a Board guidance document (*Training Variance to Qualify for Lead Inspector Licenses*) that allows initial applicants for lead inspector licensure to qualify by demonstrating successful completion of board-approved lead inspector refresher training and evidence that the applicant has taken and maintained current risk

assessor training.³ This provision allows for consistency with licensure requirements in bordering states and adds flexibility by not requiring that out-of-state applicants re-take the initial lead inspection course. Further, applicants seeking to apply based on having completed a degree would now be able to submit a transcript from the institution instead of an education verification form issued by the Board that has to be completed by the school. These changes would reduce burdens relating to application requirements.

- Sections 52 and 53 would both be amended to replace the requirement for individuals and businesses to disclose all misdemeanor convictions (except marijuana misdemeanors) with a requirement to disclose only those that occurred within three years of the date of application, unless the conviction is related to environmental remediation. Applicants would continue to be required to disclose all misdemeanor convictions related to environmental remediation activity, regardless of when they occurred.
- Section 53 (Qualifications for lead contractors) would also be amended to remove specific requirements based on their business type, and the contractor license applicant would no longer be required to certify that the company is in compliance with all other occupational and professional licenses and standards as required by Virginia statute and local ordinance. These requirements were considered overly burdensome and unnecessary.
- Section 332 (Changes to an approved course) would require that a change in ownership of a training program be reported to the Board. This would replace a current requirement in Section 334 that a training provider that has a change in ownership must apply for a new training program approval.
- Section 435 (Access by the department) would require training providers to allow Department of Professional and Occupational Regulation (DPOR) representatives to attend, evaluate, and monitor any accredited training program. These provisions are similar to provisions in the Board's current and proposed asbestos regulations and are not expected to create new costs unless the training programs are found lacking.

³ See

https://townhall.virginia.gov/L/GetFile.cfm?File=C:/TownHall/docroot/GuidanceDocs/222/GDoc_DPOR_5834_v1.pdf.

- Section 795 (Response to inquiry and provision of records) would be newly added to specify timeframes for licensees to respond to the Board with required documentation if they are notified of a complaint filed against them.

The Board also proposes to remove a number of broad requirements pertaining to “good standing” and compliance with federal and state law and other regulations.

Estimated Benefits and Costs

As described above, the proposed amendments would reduce the stringency of certain conflict-of-interest provisions, reduce the lookback period for reporting certain misdemeanor convictions that are unrelated to environmental remediation activity, increase flexibility for out-of-state applicants for licensure, and reduce other application requirements for individuals and firms. These changes would benefit both applicants and incumbents in the profession. Individuals served by lead contractors may be made worse off by weakening the conflict-of-interest provision, however the adjusted amount more closely reflects the impact of inflation (\$1,000 in October 2003 amounts to \$1,734 in April 2025 when adjusted for inflation, per the U.S. Bureau of Labor Statistics inflation calculator). Thus, the impact of doubling the thresholds largely reflects inflation and would not necessarily double the number of conflicts that would now be considered permissible.

Businesses and Other Entities Affected

DPOR reports that as of February 1, 2025, there are 4 interim lead supervisors, 7 interim lead inspectors, 2 interim lead risk assessors, 321 lead workers, 130 lead supervisors, 79 lead inspectors, 156 lead risk assessors, and 24 lead project designers; these are all individual licensees. Further, there are 59 lead contractors and at least 19 accredited training program providers; these are firms.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁴ 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

⁴ 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.

combined.⁵ Since the proposed changes mainly serve to increase flexibility and remove unnecessary requirements, an adverse impact is not indicated.

Small Businesses⁶ Affected:⁷

DPOR reports that many of the firms that hold a lead contractor license or those that are accredited as a training provider are likely to be small businesses, and most licensed individuals either own or work for a small business. The proposed amendments do not appear to adversely affect small businesses.

Localities⁸ Affected⁹

The proposed amendments do not disproportionately affect particular localities or affect costs for local governments.

Projected Impact on Employment

The proposed amendments do not affect total employment.

Effects on the Use and Value of Private Property

The proposed amendments may modestly increase the value of lead contractor firms to the extent that they reduce certain costs and increase regulatory flexibility. The proposed amendments do not affect real estate development costs.

⁵ 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 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.

⁶ 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.”

⁷ 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.

⁸ “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.

⁹ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.