



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

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### **24 VAC 20-110 T&M Vehicle, Trailer, and Motorcycle Dealer Advertising Practices and Enforcement Regulations**

**Department of Motor Vehicles**

**Town Hall Action/Stage: 5508/8935**

May 28, 2020

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### **Summary of the Proposed Amendments to Regulation**

The Department of Motor Vehicles (DMV) proposes to repeal 24 VAC 20-110 *T&M Vehicle, Trailer, and Motorcycle Dealer Advertising Practices and Enforcement Regulations*, since all motor vehicle dealer advertising practices are now regulated by the Motor Vehicle Dealer Board (MVDB.)

### **Background**

Chapter 615 of the 2015 Acts of Assembly transferred the administration of 24 VAC 20-110 from DMV to MVDB.<sup>1</sup> MVDB's current regulations include a chapter on advertising practices for motor vehicle dealers in general, including dealers of T&M (recreation) vehicles, trailers and motorcycles.<sup>2</sup>

### **Estimated Benefits and Costs**

The proposed repeal does not introduce any additional costs to motor vehicle dealers or consumers. Readers of the regulations may benefit from greater clarity since all rules and requirements pertaining to advertising by motor vehicle dealers would now be contained in the same chapter.

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<sup>1</sup> See <https://lis.virginia.gov/cgi-bin/legp604.exe?151+ful+HB2189>

<sup>2</sup> See 24 VAC 22-30 *Motor Vehicle Dealer Advertising Practices and Enforcement Regulations* <https://law.lis.virginia.gov/admincode/title24/agency22/chapter30/>

## **Businesses and Other Entities Affected**

Readers of the regulations may be affected by gaining greater clarity. The proposed repeal does not appear to introduce any new costs for businesses or other entities.

## **Small Businesses<sup>3</sup> Affected**

The proposed repeal would not directly affect any small businesses, nor would they face any new costs as a result of the proposed amendments.

## **Localities<sup>4</sup> Affected<sup>5</sup>**

The proposed repeal does not disproportionately affect any specific localities, nor introduce new costs for local governments.

## **Projected Impact on Employment**

The proposed repeal is unlikely to cause any changes to total employment.

## **Effects on the Use and Value of Private Property**

The proposed repeal is unlikely to affect the use or value of private property. Real estate development costs are unlikely to be affected.

## **Legal Mandates**

**General:** The Department of Planning and Budget 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 14 (as amended, July 16, 2018). Code § 2.2-4007.04 requires that such economic impact analyses determine the public benefits and costs of the proposed amendments. Further the report 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.

**Adverse impacts:** 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 within the 45-day period.

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<sup>3</sup> 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.”

<sup>4</sup> “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.

<sup>5</sup> § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.

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.