



Virginia Department of Planning and Budget Economic Impact Analysis

1 VAC 75-30 Regulations Governing Escheats

Department of the Treasury

Town Hall Action/Stage: 5806 / 9377

December 13, 2021

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 14 (as amended, July 16, 2018). The analysis presented below represents DPB's best estimate of these economic impacts.¹

Summary of the Proposed Amendments to Regulation

As the result of a period review² and a legislative mandate,³ the State Treasurer proposes to amend 1 VAC 75-30 *Regulations Governing Escheats* (regulation) to update Code of Virginia citations that are no longer valid and remove obsolete or otherwise unnecessary information.

Background

Pursuant to a recommendation of the Virginia Code Commission, Chapter 712 of the 2019 Acts of Assembly⁴ created in the Code of Virginia Title 55.1 (Property and Conveyances) as a revision of the then existing Title 55 (Property and Conveyances). The Escheat⁵ Generally Statute was in Title 55 prior to the legislation, but is now in Title 55.1 and renamed Escheats. The regulation currently contains citations to the old Escheat Generally Statute using what are

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://townhall.virginia.gov/l/ViewPReview.cfm?PRid=2006>

³ See <https://townhall.virginia.gov/l/viewmandate.cfm?mandateid=1238>

⁴ See <https://lis.virginia.gov/cgi-bin/legp604.exe?191+ful+CHAP0712>

⁵ According to the Department of the Treasury, "escheat" is "a process by which the state acquires title and/or custody of real or personal property which is unclaimed by, undistributed to, or presumed abandoned by the rightful owner."

now obsolete numbers. The proposed action would update the regulation by revising the name of the statute and the Title 55.1 citations. Also, the proposed action revises an outdated reference to the Virginia Freedom of Information Act to the current correct citation.

An example of the obsolete or otherwise unnecessary information that is proposed to be removed is as follows: the State Treasurer proposes to strike the section titled “General,” which contains information about statutory authority, because that information is already contained at the bottom of each section in the Virginia Administrative Code.

Estimated Benefits and Costs

Updating citations to the Code of Virginia would be beneficial because it helps enable readers of the regulation to find relevant information. Otherwise, the proposed amendments would not have any substantive impact in practice.

Businesses and Other Entities Affected

The proposed amendments affect readers of the regulation. People who are interested in becoming an escheator,⁶ auctioneer for an escheat auction, or a bidder at an escheat auction, may be particularly interested in reading the regulation.

The Code of Virginia requires DPB to assess whether an adverse impact may result from the proposed regulation.⁷ An adverse impact is indicated if there is any increase in net cost or reduction in net revenue for any entity, even if the benefits exceed the costs for all entities combined. The proposed amendments do not produce an adverse impact.

Small Businesses⁸ Affected:⁹

The proposed amendments do not adversely affect small businesses.

⁶ The current regulation defines “escheator” as any individual who has been appointed and qualified, and who continues in service in accordance with §§ 55-168 through 55-170 of the Code of Virginia. The proposed regulation updates the citation to §§ 55.1-2401, 55.1-2402, and 55.1-2403.

⁷ 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. 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.

⁸ 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.”

⁹ 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

Localities¹⁰ Affected¹¹

The proposed amendments neither disproportionately affect any particular localities, nor affect costs for local governments.

Projected Impact on Employment

The proposed amendments do not affect employment.

Effects on the Use and Value of Private Property

The proposed amendments do not affect the use and value of private property or real estate development costs.

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.

¹⁰ “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.

¹¹ § 2.2-4007.04 defines “particularly affected” as bearing disproportionate material impact.