

Adverse impact notification sent to Joint Commission on Administrative Rules, House Committee on Appropriations, and Senate Committee on Finance (COV § 2.2-4007.04.C): Yes Not Needed

If/when this economic impact analysis (EIA) is published in the *Virginia Register of Regulations*, notification will be sent to each member of the General Assembly (COV § 2.2-4007.04.B).



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

17 VAC 30-30 Evaluation Criteria and Procedures for Designations by the Board of Historic Resources

Department of Historic Resources

Town Hall Action/Stage: 4305/7376

December 17, 2015

Summary of the Proposed Amendments to Regulation

The proposed changes will clarify the owner objection process when their real property is nominated to be included in the Virginia Landmarks Register.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

This regulation establishes the owner objection process when their real property is nominated to be included in the Virginia Landmarks Register, which is the state's official list of properties important to Virginia's history. The purpose of the registration is to recognize the historic value of a property and encourage present and future owners to continue to exercise good stewardship. Participation is voluntary and registration itself does not limit the owner's rights in any way. However, owners of registered properties may donate historic preservation easements, participate in state historic rehabilitation tax credit programs, or accept grants which may place certain restrictions on alterations or demolitions.

In most cases, owners nominate their own properties. However, in cases where there are multiple owners or a property is located in a district nominated to be listed in the register, an

owner has a right to object according to the procedures set out in this regulation. The proposed changes primarily clarify the objection process. Specifically, the Board of Historic Resources (Board) proposes to 1) require that a copy of the recorded deed evidencing transferred ownership to the objecting party be submitted along with the objection letter when official land records or tax records do not reflect the accurate ownership information; 2) require owners to state the subject property address or parcel number in a formal objection letter and require that the letter be attested; 3) require that formal letters of objection be submitted at least seven days prior to the Board meeting and require that letters for reconsideration be submitted at least 30 days prior the Board meeting; and 4) clarify that the ownership information be obtained from official land records or tax records for public hearing notifications sent to owners.

While requiring a copy of a recorded deed may introduce a nominal cost on the owners whose ownership is not yet reflected in the official land records or tax records, this requirement will be relevant only when a transfer of ownership occurred between the time the Board obtained ownership information and sent notices to the owners. The number of such cases is expected to be very small.¹ On the other hand, this change will ensure that the new owner of the property is notified and afforded a chance to object. Remaining proposed changes are expected to improve the clarity of the formal objection process requirements to prevent any confusion by the property owners and the staff, and are not expected to create any significant economic effects.

Businesses and Entities Affected

The proposed regulation applies to property owners who may wish to object to the nomination of their property for listing in the Virginia Landmarks Register. Between September 2014 and December 2015, the Department of Historic Resources received 58 nominations to either the Virginia Landmarks Register or the National Register, sent out 1673 notifications to the property owners, and received 6 objection letters. Separate statistics for the Virginia Landmarks Register alone is not available at this time.

Localities Particularly Affected

The proposed changes apply throughout the Commonwealth.

¹ There were only 6 objections between September 2014 and December 2015 to the nominations for either the Virginia Landmarks Register or the National Register. Thus, the chance of one of them being a new owner is relatively small.

Projected Impact on Employment

The proposed amendments are unlikely to affect employment.

Effects on the Use and Value of Private Property

No impact on the use and value of private property is expected.

Real Estate Development Costs

No impact on real estate development costs is expected.

Small Businesses:**Definition**

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.”

Costs and Other Effects

The proposed regulation will not affect small businesses unless a property they own is nominated for listing in the Virginia Landmarks Register, in which case the effects would be the same as discussed above.

Alternative Method that Minimizes Adverse Impact

No adverse impact on small businesses is expected.

Adverse Impacts:**Businesses:**

The proposed regulation will not adversely affect non-small businesses.

Localities:

The proposed regulation will not adversely affect localities.

Other Entities:

The proposed regulation will not adversely affect other entities.

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 Number 17 (2014). 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(C): 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.

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.

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