

Office of Regulatory Management  
Economic Review Form

<b>Agency name</b>	Common Interest Community Board
<b>Virginia Administrative Code (VAC) Chapter citation(s)</b>	18 VAC 48-30
<b>VAC Chapter title(s)</b>	Condominium Regulations
<b>Action title</b>	Periodic Review
<b>Date this document prepared</b>	June 27, 2023
<b>Regulatory Stage (including Issuance of Guidance Documents)</b>	Periodic Review

**Cost Benefit Analysis**

Complete Tables 1a and 1b for all regulatory actions. You do not need to complete Table 1c if the regulatory action is required by state statute or federal statute or regulation and leaves no discretion in its implementation.

Table 1a should provide analysis for the regulatory approach you are taking. Table 1b should provide analysis for the approach of leaving the current regulations intact (i.e., no further change is implemented). Table 1c should provide analysis for at least one alternative approach. You should not limit yourself to one alternative, however, and can add additional charts as needed.

Report both direct and indirect costs and benefits that can be monetized in Boxes 1 and 2. Report direct and indirect costs and benefits that cannot be monetized in Box 4. See the ORM Regulatory Economic Analysis Manual for additional guidance.

## **Impact on Local Partners**

Use this chart to describe impacts on local partners. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

### **Description of Impact on Local Partners**

- **Identify the local partners impacted by your program (DOLI, DOE, DEQ, etc.).**
- **For each partner, describe the nature of the impact.**

The regulation may have a limited impact on local governments. Under the Virginia Condominium Act, there are provisions related to conversion condominiums, which are condominiums that contain structures which before the recording of the condominium declaration were occupied by persons other than those who have contracted for the purchase of condominium units and those who occupy with the consent of such purchasers. Typically, these would include buildings where apartments are leased that are being converted to the condominium form of ownership.

The Act and the regulation impose requirements on the Board to provide notice to local governments in the event a declarant files for registration of a conversion condominium. Under § 55.1-1982 of the Act, local governments have authority to enact ordinances related to conversion condominiums in their jurisdiction.

The regulation does not impose any obligations on local governments.

## **Impacts on Families**

Use this chart to describe impacts on families. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

### **Description of Impact on Families**

- **Describe the specific ways in which your program impacts families (employability, transferability of license (i.e. military), impacts on children (i.e. child care needs, etc.)).**

The regulation does not have any direct impact on families. To the extent that the regulation imposes obligations on the declarant (developer) of a condominium, which may include compliance costs, the regulation may impact the cost or accessibility of housing.

## **Impacts on Small Businesses**

Use this chart to describe impacts on small businesses. See Part 8 of the ORM Cost Impact Analysis Guidance for additional guidance.

## Description of Impact on Small Businesses

- **Identify the ways your program impacts small businesses (which licenses interact with small businesses, regulations that impact them directly or indirectly).**

Under the Virginia Condominium Act, the Board is mandated to regulate the offering and disposition of condominium units. The requirements imposed by statute and the regulation are binding upon the declarant (developer) of a condominium. Many such firms would likely fall within the meaning of “small business” as defined in § 2.2-4007.1 of the Code of Virginia.

Under the Act and the regulation, a declarant is prohibited from offering or disposing of a condominium unit to the public without the condominium in which the unit is included being registered with the Board. Registrations requirements include the filing of an application, payment of an application fee, and submission of required documentation. Required documentation includes copies of the (i) proposed condominium instruments (declaration, bylaws, plat and plans); (ii) proposed public offering statement; (iii) documentation regarding the firm and those responsible for the development of the condominium; (iv) proof of financing for development, when applicable; and (v) filing of bonds or letters of credit required by the Act. In the event a declarant seeks registration of a conversion condominium, the Act and the regulation impose additional obligations on the declarant, including notification requirements to any tenants in a building that is being converted, and disclosures in the public offering statement regarding the condition of structures that will become part of the condominium, and the costs that will be imposed on future unit owners to maintain or replace components in the condominium.

Following registration of the condominium, the declarant is required to maintain the registration by filing annual reports and making other filings in the event of a change in the documents initially filed with the registration. The declarant is also required to maintain all bonds or letters of credit filed with the Board until such time as these instruments are eligible for return as provided for in the regulation.

The application and registration requirements of the Act and the regulation impose costs on the declarant. These include payment of required fees and costs to obtain and maintain required bonds or letters of credit. Though not required, many declarants will hire law firms to assist the declarant with the filing and registration requirements at initial application, and often through the entirety of the registration. In addition, there are likely time and administrative costs associated with fulfilling the requirements imposed by the Act and the regulation.

**Changes to Number of Regulatory Requirements**

**Not Applicable.**