

Department of Planning and Budget 2023 Fiscal Impact Statement

1. Bill Number: SB 1222

House of Origin ☐ Introduced ☐ Substitute ☐ Engrossed
Second House ☐ In Committee ☒ Substitute ☐ Enrolled

2. Patron: Mason

3. Committee: General Laws

4. Title: Resale Disclosure Act; established.

5. Summary: Establishes the Resale Disclosure Act, which sets out disclosure requirements and authorized fees relating to contracts for the resale of property located within common interest communities and provides for the issuance of resale certificates. The bill repeals the existing disclosure requirements and authorized fees relating to association disclosure packets under the Property Owners' Association Act and resale certificates under the Virginia Condominium Act. The bill's provisions will not apply to contacts ratified prior to July, 1, 2023.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2024	26,971	0	NGF
2025	6,971	0	NGF

8. Fiscal Implications: It is anticipated that this bill will result in a nongeneral fund expenditure impact to the Department of Professional and Occupational Regulation (DPOR). This bill increases DPOR's administrative responsibilities by requiring the Common Interest Community (CIC) Board to replace the notice included in the disclosure packet or resale certificate with a newly created resale certificate. The board will also need to amend the CIC Association Registration Regulations and CIC Ombudsman Regulations to comport with the statute requirements. It is anticipated that the CIC Board will need to conduct at least three additional board meetings in both FY 2024 and FY 2025 to revise the boards' regulations and create the resale certificate. DPOR estimates that the cost of the additional meetings is approximately \$6,971 each year and is expected to occur in FY 2024 and FY 2025. Other operating costs estimated at \$20,000 occurring in FY 2024 include printing and postage costs related distributing a notification of the regulation changes to all registered common interest community associations and licensed common interest community managers.

9. Specific Agency or Political Subdivisions Affected: Department of Professional and Occupational Regulation.

10. Technical Amendment Necessary: No.

11. Other Comments: This bill is the companion to HB 2235