

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2132-01
Bill No.: SB 526
Subject: Licenses - Professional
Type: Original
Date: March 2, 2007

Bill Summary: Modifies licensing standards for real estate appraisers.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Real Estate Appraisers	(\$16,100) to Unknown	(\$49,320) to Unknown	(\$19,320) to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	(\$16,100) to Unknown	(\$49,320) to Unknown	(\$19,320) to Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission, Office of State Courts Administrator, and Office of the Governor** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Attorney General (AGO)** assume that any costs associated with this proposal can be absorbed with existing resources. There may be cases where the AGO is asked to enforce subpoenas in court. The AGO does not anticipate a large number of cases in this area.

Officials from the **Department of Insurance, Financial and Professional Regulation** assume that the board, with a total of 7 members, will use 12 meeting preparation days, 12 meeting days, and 24 case review days at \$70 per day per member. These meetings will cost a total of \$23,520 to conduct commission business. Currently, commission members receive a \$50 per diem and hold 12 meetings per year (total cost of \$4,200). Therefore, this proposal will result in an increase of \$19,320 (\$23,520 - \$4,200) in commission business expenses.

Based on discussions with DIFP staff, **Oversight** assumes approximately 75 of current licensees may opt for an inactive license. Since the board has the authority to set inactive license fees, **Oversight** is ranging the decrease in license fee revenue from \$15,000 to \$30,000 [(\$200 inactive license fee (half of the current \$400 fee) to a \$0 license fee] for FY 09 as licenses are biennial.

Oversight also notes that a respondent licensee may be required to pay the costs of proceedings if the Real Estate Commission is the prevailing party or there is a settlement. Funds are to be deposited in the "Missouri Real Estate Appraisers Fund". **Oversight** assumes the funds collected as a result of the provisions of section 339.513.2 are unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
REAL ESTATE APPRAISERS FUND			
<u>Income - DIFP</u>			
Reimbursement of costs and settlements	Unknown	Unknown	Unknown
<u>Costs - DIFP</u>			
Increase in board member per diem	(\$16,100)	(\$19,320)	(\$19,320)
<u>Loss - DIFP</u>			
Reduction in licensure fee revenue	<u>\$0</u>	<u>(\$15,000 to \$30,000)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON REAL ESTATE APPRAISERS FUND	<u>(\$16,100) to Unknown</u>	<u>(\$49,320) to Unknown</u>	<u>(\$19,320) to Unknown</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

The proposal may impact small business real estate appraisers if they are required to pay the costs of proceedings in which the Real Estate Appraisers Commission prevails.

FISCAL DESCRIPTION

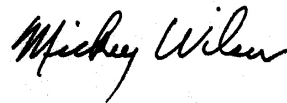
This proposal modifies the requirements for the licensing of real estate appraisers. The proposal updates the per diem for commission members to \$70 for each day devoted to the affairs of the commission and gives the commission subpoena authority and the power to require the licensee to pay costs of proceedings when the commission is the prevailing party.

The proposal allows the licensee two years instead of 1 to renew an expired license. Inactive licenses are authorized.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Attorney General
Office of Administration -
 Administrative Hearing Commission
Office of State Courts Administrator
Department of Insurance, Financial and Professional Regulation
Office of the Governor



Mickey Wilson, CPA
Director
March 2, 2007