

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5305-01  
Bill No.: HB 1885  
Subject: Economic Development Dept.; Licenses - Professional  
Type: Original  
Date: March 14, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Missouri Real Estate Appraisers	(\$1,120)	(\$16,120)	(\$1,120)
Missouri Real Estate Appraisers Investigation	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown less than \$1,120)</b>	<b>(Unknown less than \$16,120)</b>	<b>(Unknown less than \$1,120)</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of State Courts Administrator** and **Office of State Treasurer** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Economic Development - Division of Professional Registration (DED-PR)** state the executive director estimates that 3% (or 75) of current licensees will opt for the inactive license, which costs \$200 rather than the \$400 full license fee during each biennial renewal period. This will result in a reduction of approximately \$15,000 of revenue to the board fund starting in FY 08.

**Oversight** notes in 339.507.5 of the proposal, the per diem for commission members is changed from \$50 to \$70 per day. Based on legislation relating to other professional registration boards, the DED-PR estimates boards generally meet for two (2) days at a time when conducting board business. Therefore, **Oversight** assumes the increase in board member per diem will result in an additional cost of \$1,120 to the Missouri Real Estate Appraiser Fund each fiscal year (7 members X 4 board meetings per year X 2 days/meeting X \$20 increase in per diem).

**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 Investigation Fund" and are to be used for future investigations. **Oversight** assumes the funds collected as a result of the provisions of section 339.509.2 are unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>MISSOURI REAL ESTATE APPRAISERS FUND</b>			
<u>Costs - Department of Economic Development</u>			
Increase in board member per diem	(\$1,120)	(\$1,120)	(\$1,120)
<u>Loss - Department of Economic Development</u>			
Reduction in licensure fee revenue	<u>\$0</u>	<u>(\$15,000)</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT ON MISSOURI REAL ESTATE APPRAISERS FUND</b>	<b><u>(\$1,120)</u></b>	<b><u>(\$16,120)</u></b>	<b><u>(\$1,120)</u></b>
<b>MISSOURI REAL ESTATE APPRAISERS INVESTIGATION FUND</b>			
<u>Income - Department of Economic Development</u>			
Reimbursement of costs and settlements	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON MISSOURI REAL ESTATE APPRAISERS INVESTIGATION FUND</b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>	<b><u>Unknown</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

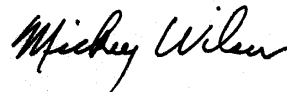
## DESCRIPTION

This proposal changes the laws regarding the Missouri Real Estate Appraisers Commission and real estate appraisers. The proposal: (1) Repeals the requirement that members of the commission be members in good standing of a nationally recognized real estate appraisal organization; (2) Repeals the provision regarding the term of office of initial members of the commission; (3) Repeals the provision authorizing the commission to decide the location of future quarterly meetings; (4) Increases the daily per diem of commission members from \$50 to \$70; (5) Authorizes the commission to administer oaths and issue and enforce subpoenas; (6) Repeals the provision authorizing the commission to waive continuing education requirements for retired or disabled appraisers; (7) Allows persons to renew expired licenses within a one-year period if evidence of the completion of all continuing education requirements is provided; and (8) Authorizes the commission to issue inactive licenses.

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 State Courts Administrator  
Department of Economic Development -  
Division of Professional Registration  
Office of State Treasurer



Mickey Wilson, CPA  
Director  
March 14, 2006