

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2035-01  
Bill No.: HB 829  
Subject: Economic Development Dept.; Licenses - Professional  
Type: Original  
Date: February 21, 2007

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Bill Summary: Modifies laws relating to the professional registration of real estate appraisers.

**FISCAL SUMMARY**

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

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

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

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

☐ 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).

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

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## **FISCAL ANALYSIS**

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### **ASSUMPTION**

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

Officials from the **Office of Attorney General** assume any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Insurance, Financial and Professional Regulation (DIFP)** 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
<b>REAL ESTATE APPRAISERS FUND</b>			
<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>
<b>ESTIMATED NET EFFECT ON REAL ESTATE APPRAISERS FUND</b>	<b><u>(\$16,100) to Unknown</u></b>	<b><u>(\$49,320) to Unknown</u></b>	<b><u>(\$19,320) to Unknown</u></b>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u><b>\$0</b></u>	<u><b>\$0</b></u>	<u><b>\$0</b></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.

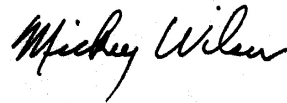
FISCAL DESCRIPTION

This proposal changes the laws regarding the Missouri Real Estate Appraisers Commission and real estate appraisers. In its main provisions, the proposal: (1) Increases the daily per diem of commission members from \$50 to \$70; (2) Authorizes the commission to administer oaths and issue and enforce subpoenas; (3) Allows a person to renew his or her expired license within a one-year period if evidence of the completion of all continuing education requirements is provided; and (4) 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 Attorney General  
Office of Administration -  
    Administrative Hearing Commission  
Office of State Courts Administrator  
Department of Insurance, Financial and Professional Regulation

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
February 21, 2007