

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6322-04
Bill No.: HB 2103
Subject: Property, Real and Personal; Licenses - Professional
Type: Original
Date: March 27, 2014

Bill Summary: This proposal modifies various provisions of the Missouri Certified Licensed Real Estate Appraisers and Appraisal Management Company Regulation Act.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| Missouri Real Estate Commission Fund | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | (Unknown) | (Unknown) | (Unknown) |

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

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2015 | FY 2016 | FY 2017 |
| | | | |
| | | | |
| 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 2015 | FY 2016 | FY 2017 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** assume this proposal makes the Missouri Real Estate Appraisers Commission liable for the cost of an appraisal and an appraisal report if complaint investigation requirements are not met. There is no way to determine how many appraisals would be to be investigated and how many appraisals and reports have to be paid at the commission's expense. Therefore, there is an unknown fiscal impact with the implementation of this legislation to the Missouri Real Estate Appraisers Commission.

| | | | |
|--|---------------------|---------|---------|
| <u>FISCAL IMPACT - State Government</u> | FY 2015 (10 Mo.) | FY 2016 | FY 2017 |
|--|---------------------|---------|---------|

**MISSOURI REAL ESTATE
 APPRAISER COMMISSION FUND**

| | | | |
|---|-------------------------|-------------------------|-------------------------|
| <u>Cost - Appraisal and Appraisal Report Costs</u> | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|---|-------------------------|-------------------------|-------------------------|

| | | | |
|---|-------------------------|-------------------------|-------------------------|
| ESTIMATED NET EFFECT ON MISSOURI REAL ESTATE APPRAISER COMMISSION FUND | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
|---|-------------------------|-------------------------|-------------------------|

| | | | |
|--|---------------------|---------|---------|
| <u>FISCAL IMPACT - Local Government</u> | FY 2015 (10 Mo.) | FY 2016 | FY 2017 |
|--|---------------------|---------|---------|

| | | | |
|--|-------------------|-------------------|-------------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
|--|-------------------|-------------------|-------------------|

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Currently, the Missouri Real Estate Appraisers Commission consists of seven members appointed by the Governor, six of whom are appraisers. This proposal requires that the members must not be from the same congressional district and may not participate in a complaint investigation of a direct competitor.

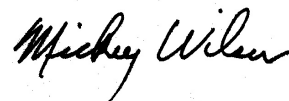
The proposal requires the commission to file an annual report with the General Assembly and the Governor by April 2 of each year. The report must include the number of complaints filed against licensees, number and disposition of investigations conducted, and account for all expenses of the commission. The proposal specifies that any person may file a complaint with the commission against a licensed appraiser. Upon receipt of the complaint, the commission must investigate the licensee and notify the complainant within 10 days that an investigation has commenced. While the investigation is being conducted, the commission must inform the complainant of the status of the investigation every 60 days. An investigation must not last longer than six months and cannot be reopened once it is closed or dismissed.

If the commission fails to comply with the investigation and notification requirements of the proposal, the commission must provide the complainant with a new appraisal of the real estate originally appraised by the licensee under investigation.

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

Department of Insurance, Financial Institutions and Professional Registration



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March 27, 2014

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