



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2009 Biennium

**Bill #** SB0153

**Title:** Revise professional and occupational licensing laws

**Primary Sponsor:** Cocchiarella, V.

**Status:** As Introduced

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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Include in HB 2    | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<b>Expenditures:</b>				
State Special Revenue	\$11,290	\$11,290	\$11,572	\$11,862
<b>Revenue:</b>				
State Special Revenue	\$42,500	\$42,500	\$42,500	\$42,500
<b>Net Impact-General Fund Balance</b>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

### Description of Fiscal Impact:

This bill revises and clarifies various professional and occupational licensing statutes. In addition, this bill expands the board of Realty Regulation from five to seven members, establishes a site and fine for real estate audits, and provides real estate broker endorsement.

## FISCAL ANALYSIS

### Assumptions:

- Two additional board members for the Board of Realty Regulation will attend 10 meetings each per year of the biennium.
- Per diem is \$50 per day x 10 meeting days x 2 board members = \$1,000
- Average travel per meeting is 500 miles round trip. Ten meetings per year x 500 miles per trip x \$0.445/mile x 2 members = \$4,450.
- The state meal allowance is \$ 23/day, but since board members will be paid meals during travel status, the average will be \$34 x 10 meetings per year x 2 members = \$680.

5. Lodging cost is \$60/day x 10 meetings per year x 2 members = \$1,200.
6. Training materials and supplies are estimated at \$405 per year x 2 board members = \$810.
7. Real Estate Broker endorsements will cost \$25 per licensee, per fiscal year. The board expects 1,500 brokers to receive this endorsement for a total of \$37,500.
8. An average of 20 additional audits will be performed annually.
9. Average travel per audit is 200 miles. Twenty additional audits per year x 200 miles per outing x \$0.445/mile = \$1,780.
10. Ten of the 20 audits will require an overnight stay. Lodging cost is \$60/day x 10 additional audits per year = \$600.
11. The state meal allowance is \$23/day (\$23 x 10 non-overnight audits = \$230). Since 10 audits will typically involve overnight travel, each overnight auditor will average \$34 x 10 overnight stays = \$340. Total meal increase is \$570.
12. Audit supplies will average \$200 per fiscal year.
13. The auditor for the Board of Realty Regulation will issue an estimated 100 citations per year of the biennium for not complying with trust account maintenance requirements. The fine for each violation will be \$50. (\$5,000/ year revenue).
14. For FY 2010 and FY 2011, a 2.5% inflation factor is assumed for increases in personal services and operating expenses.
15. The Board of Realty Regulation will not see an increase in fees because of this bill.
16. All other costs associated with these changes will be absorbed by the boards.

**Expenditures:**

Personal Services	\$1,000	\$1,000	\$1,025	\$1,051
Operating Expenses	\$10,290	\$10,290	\$10,547	\$10,811

**Funding of Expenditures:**

State Special Revenue (02)	\$11,290	\$11,290	\$11,572	\$11,862
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**Revenues:**

State Special Revenue (02)	\$42,500	\$42,500	\$42,500	\$42,500
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**Net Impact to Fund Balance (Revenue minus Funding of Expenditures):**

State Special Revenue (02)	\$31,210	\$31,210	\$30,928	\$30,638
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*Sponsor's Initials*

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*Date*

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*Budget Director's Initials*

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*Date*