Department of Planning and Budget
2007 Fiscal Impact Statement

1. **Bill Number** SB1185

   House of Origin ☒ Introduced ☐ Substitute ☐ Engrossed

   Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. **Patron** Locke

3. **Committee** General Laws and Technology

4. **Title** Real Estate Board; Real Estate Transaction Recovery Fund.

5. **Summary/Purpose:** This bill allows interest on the Virginia Real Estate Transaction Recovery Fund to be used to educate the public as well as real estate licensees.

6. **No Fiscal Impact**

7. **Budget amendment necessary:** None.

8. **Fiscal implications:** The Real Estate Transaction Recovery Fund Act was established in 1977 and since that time has operated independently of the Commonwealth Accounting and Reporting System. The funds are not appropriated, but are expended in accordance with the purposes enumerated in statute, under the authority of the Real Estate Board.

   The Department of Professional and Occupational Regulation (DPOR) reports that at the close of FY 2006, the Fund had approximately $940,000 in interest, and in the past two fiscal years earned interest averaging $92,000 annually. The Real Estate Board uses the interest to pay administrative expenses as authorized in the statute. Administrative expenses averaged approximately $49,700 in the past two fiscal years.

   This proposal will allow the Real Estate Board to use the interest balance to promote public awareness and licensee education. Initial plans for use of the funds include approximately $25,000 for web design and information; $25,000 for presentations and travel costs; and $50,000 for design, production and distribution of information and educational materials.

   There is no impact on DPOR's appropriation as a result of this proposal.

9. **Specific agency or political subdivisions affected:** Department of Professional and Occupational Regulation.

10. **Technical amendment necessary:** No.

11. **Other comments:** None.

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cc: Secretary of Commerce and Trade