

Department of Planning and Budget 2011 Fiscal Impact Statement

1. Bill Number: HB1907H1

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
 Second House ☐ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Miller, J.

3. Committee: General Laws

4. Title: Real Estate Board; approve continuing education program for renewal of broker, etc., license.

5. Summary: Requires the Real Estate Board to approve a continuing education program of at least three hours on the changes in the law made by this bill as a prerequisite for renewal or reinstatement of a broker or salesperson license. The bill further limits the liability of real estate licensees in their real estate dealings. The bill (i) defines the terms for property management agreements and brokerage agreements, and sets out required provisions in such agreements; (ii) revises the dual representation provisions for real estate licensees and provides standard disclosure forms to be used in connection therewith; (iii) revises the designated dual representation provisions for real estate licensees and provides standard disclosure forms to be used in connection therewith; (iv) allows all required documents and records to be maintained by real estate licensees to be kept in electronic form; and (v) revises the required disclosures under the Virginia Residential Property Disclosure Act and requires certain disclosures to be made on the Virginia Real Estate Board's website. The bill contains technical amendments and contains a delayed effective date for certain provisions contained in the bill.

6. Budget Amendment Necessary: Yes. Item #113.

The Department's appropriation will need to be increased for FY2012 and FY2013 to cover the projected costs associated with this bill.

	<u>FY12</u>	<u>FY13</u>	<u>Positions</u>
Service Area 560 46:	\$25,520	\$25,520	0.00
Service Area 560 47:	\$0	\$0	0.00
Service Area 560 48:	\$0	\$0	0.00

7. Fiscal Impact Estimates: The fiscal impact estimates are preliminary.

7a. Expenditure Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2011	\$0	0.0	0900 NGF

2012	\$25,520	0.0	0900 NGF
2013	\$25,520	0.0	0900 NGF
2014	\$0	0.0	0900 NGF
2015	\$0	0.0	0900 NGF
2016	\$0	0.0	0900 NGF
2017	\$0	0.0	0900 NGF

7b. Revenue Impact:

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Fund</i>
2011	\$0	0900 NGF
2012	\$0	0900 NGF
2013	\$0	0900 NGF
2014	\$0	0900 NGF
2015	\$0	0900 NGF
2016	\$0	0900 NGF
2017	\$0	0900 NGF

- 8. Fiscal Implications:** This bill amends continuing education requirements for the Real Estate Board. The Board currently regulates approximately 58,000 real estate salespeople and brokers who would be affected by this requirement.

Personal Service Costs: This legislation will not require any additional personal service costs.

Operating Costs: The Board expects to mail two notifications to the 58,000 licensees at a cost of \$25,520 in FY2012 and \$25,520 in FY2013.

Revenue: No additional revenue is expected as a result of this bill.

In accordance with the provisions of Section 54.1-113 (Callahan Act) of the Code of Virginia, licensing fees are established at rates adequate to cover a program's operating costs and a proportionate share of agency support costs.

The Board's current cash and revenue are expected to be sufficient for the next biennium to cover the increased costs associated with this legislation.

Cost to Regulants: No additional cost to licensees is expected as a result of this legislation.

- 9. Specific Agency or Political Subdivisions Affected:** Department of Professional and Occupational Regulation

10. Technical Amendment Necessary: No.

11. Other Comments: None.

Date: 1/14/2011

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