

Department of Planning and Budget 2018 Fiscal Impact Statement

1. Bill Number: SB979S1

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

2. Patron: Chafin

3. Committee: General Laws and Technology

4. Title: Professions and occupations; appraisal management companies.

5. Summary: Amends the definition of appraisal management company and adds definitions for appraisal management services and appraiser panel. The bill also requires applicants for a license to provide the Virginia Real Estate Appraiser Board with information regarding ownership of any part of the appraisal management company has never had a license to act as an appraiser surrendered in lieu of revocation or revoked by the Virginia or any other state. Under current law, applicants must provide information only if they own more than ten percent of an appraisal management company that has had a disciplinary action.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Preliminary. See Item 8.

7a. Expenditure Impact:

| <i>Fiscal Year</i> | <i>Dollars</i> | <i>Positions</i> | <i>Fund</i> |
|--------------------|----------------|------------------|-------------|
| 2018 | 0 | 0 | n/a |
| 2019 | \$3,565 | 0 | NGF |
| 2020 | 0 | 0 | n/a |
| 2021 | 0 | 0 | n/a |
| 2022 | 0 | 0 | n/a |
| 2023 | 0 | 0 | n/a |
| 2024 | 0 | 0 | n/a |

8. Fiscal Implications: This bill increases the administrative and regulatory responsibilities of the Department of Professional and Occupational Regulation (DPOR). This bill updates the definitions of appraisal management companies, appraisal management services, and appraiser panels to match federal requirements and changes the requirements of appraisal management company owners. The Real Estate Appraiser Board (Board) will need to update regulations to implement the changes. The Board will also need to update applications, forms, and letters to comply with the new requirements.

Expenditure Impact: In FY 2019, the Board will need to conduct two additional board meetings to make the regulation revisions. The Board reimburses members for travel expenses incurred when attending board meetings. There is also a one-time charge for

printing and postage expense to send out notification letters to existing licensees regarding the changes. Existing staff resources will be utilized to modify and update all applications and to make configuration updates to the licensing system. The total additional one-time expenditures for two board meetings and notification mailings is approximately \$3,565. It is anticipated that these expenditures can be absorbed within existing resources.

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

10. Technical Amendment Necessary: No.

11. Other Comments: HB1506 also amends the definition of appraisal management company and adds definitions for appraisal management services and appraiser panel.