Department of Planning and Budget
2018 Fiscal Impact Statement

1. **Bill Number:** SB514

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

2. **Patron:** Suetterlein

3. **Committee:** General Laws and Technology

4. **Title:** Real Estate Board; powers and duties; escrow funds; education.

5. **Summary:** Establishes notice provisions and required procedures to be followed in the case of escrow funds held by a real estate broker in the event of termination of a real estate purchase contract. In addition, the bill requires that the curricula for new licensees of the Real Estate Board include real estate-related finance as one of the topics and requires the Board to establish guidelines for a post-license educational curriculum for real estate salespersons consisting of at least 30 hours of instruction to be completed within one year from the last day of the month in which the initial license was issued. The bill (i) adds to the criteria for broker licensure courses the requirement that at least two hours of instruction include an overview of broker supervision requirements under Virginia law and Board regulations, and (ii) provides for the Board to develop a form for signature by the parties to a real estate transaction that advises the purchaser to review the residential property disclosure statement on the Board's website. The bill also clarifies that the Board is required to make the disclosure form mandated by the Virginia Residential Property Disclosure Act (§ 55-517 et seq.) available on the Board's website. Provisions of the bill amending the curriculum and instruction requirements have a delayed effective date of January 1, 2019.

6. **Budget Amendment Necessary**: No.

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

7a. Expenditure Impact:

Fiscal Year	*Dollars*	*Positions*	*Fund*
2018	0	0	n/a
2019	$3,747	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:** It is anticipated that this bill will result in a fiscal impact to the Department of Professional and Occupational Regulation (DPOR). This bill increases the administrative and regulatory responsibilities of DPOR by requiring the Real Estate Board to

make various changes to pre-license and post-license continuing education requirements and may require real estate brokers to amend procedures related to escrow funds held during the termination of a contract. The Board will need to update regulations to implement the changes and work with education providers to update pre-license brokerage courses and post-license curriculum. DPOR will need to update education applications and formulate letters for both real estate education providers and real estate licensees.

Expenditure Impact: In FY 2019, the Board will need to conduct two additional board meetings to make the regulation revisions and curriculum updates. The Board reimburses members for travel expenses incurred when attending board meetings. There is also expected to be a one-time charge for printing and postage expense to send out notification letters to existing licensees and educational providers regarding the changes. Existing staff resources would be utilized to modify and update all applications and to make configuration updates to the licensing system. The total additional one-time charge for two board meetings and notification mailings is approximately $3,747.

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

10. **Technical Amendment Necessary:** No.

11. **Other Comments:** None.