

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0153
Prime Sponsor(s): Sen. Tochtrop
Rep. Williams

Date: February 18, 2013
Bill Status: Senate Business, Labor, & Technology
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING CONTINUATION OF THE BOARD OF MORTGAGE LOAN ORIGINATORS IN THE DIVISION OF REAL ESTATE, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS OF THE 2012 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
Cash Funds		
Division of Real Estate Cash Fund		\$2.4 million
State Expenditures		
Cash Funds		
Division of Real Estate Cash Fund		\$1.2 million
FTE Position Change		9.45 FTE
Effective Date: July 1, 2013.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill continues the regulation of mortgage loan originators by the Division of Real Estate in the Department of Regulatory Agencies (DORA) until September 1, 2018, and implements the recommendations in the department's 2012 sunset review of the licensing of mortgage loan originators. Specifically, this bill:

- requires the board to deny, refuse to renew, or revoke the licenses of persons who commit specified offenses;
- allows the board to deny, refuse to renew, or revoke the licenses of, or to discipline, persons who commit specified offenses and receive a deferred judgment; and
- clarifies that a mortgage company may act only through individuals who are licensed or in the process of becoming licensed.

Fiscal Impact of Programs Set to Expire

This bill continues a program in the Division of Real Estate (division) that is set to repeal, effective July 1, 2013. Under current law, state agencies may be appropriated funds to wind up the affairs of an expiring program for 12 months following the repeal date. To account for the wind-up period, the impact of extending the program beyond the current repeal date is shown as beginning in FY 2014-15, one year after the repeal date. There is no need for an appropriation of the division's base funding in FY 2013-14, since the program's authorization has not yet expired, and ongoing funding for the program is included in the division's base budget request for FY 2013-14.

State Revenue and Expenditures

The state revenue and state expenditures impact for FY 2014-15 reflect the program's anticipated fee revenue and base budget request beginning that year. There are no increased expenses to implement this bill. The DORA's request for the regulation of real estate appraisers in FY 2014-15 is \$1.2 million and 9.45 FTE. The estimated revenue is \$2.4 million for two years of base expenditures.

Departments Contacted

Judicial

Law

Regulatory Agencies