${\it Colorado}$ ${\it Legislative}$ ${\it Council}$ ${\it Staff}$ ${\it Fiscal}$ ${\it Note}$

STATE FISCAL IMPACT

Drafting Number: LLS 13-0158 **Date:** February 18, 2013

Prime Sponsor(s): Sen. Baumgardner Bill Status: Senate Business, Labor, & Technology

Rep. Ryden Fiscal Analyst: Josh Abram (303-866-3561)

TITLE:

CONCERNING THE CONTINUATION OF THE BOARD OF REAL ESTATE APPRAISERS, 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		\$1,682,280
State Expenditures Cash Funds Division of Real Estate Cash Fund		\$841,140
FTE Position Change		11.0 FTE
Effective Date: July 1, 2013.		
Appropriation Summary for FY 2013-2014: None	e required.	

Summary of Legislation

Local Government Impact: None.

This bill continues the regulation of real estate appraisers by the Board of Real Estate Appraisers in the Department of Regulatory Agencies (DORA) until September 1, 2022, and implements the recommendations in the department's 2012 sunset review of the board. Specifically, this bill:

- establishes that certified ad valorem appraisers certified under Colorado's regulatory statutes are not subject to regulation under the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989;
- requires the board to adopt rules for the regulation of certified ad valorem appraisers;
- eliminates the appraiser category "registered appraiser" and creates the category "certified ad valorem appraiser";
- requires the board to transfer registered appraisers into the new category of certified ad valorem appraisers;
- allows employees of a county assessor's office until December 31, 2015, to meet any additional requirements imposed by the board;

- directs the board to adopt rules specifying the meaning of the term "moral character" for the purpose of appraiser certification and licensing; and
- clarifies that an appraiser may be disciplined for past deferred judgments and for any conduct that could have been used to deny the issuance of a certificate or license.

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 department'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 expenditures 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 \$841,140 and 11.0 FTE. The estimated revenue is \$1,682,280 for two years of base expenditures.

Departments Contacted

Judicial Law Regulatory Agencies