

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 28, 2023

Agency Submitting: Department of Business and Industry, Real Estate Division

Items of Revenue or Expense, or Both	Fiscal Year 2022-23	Fiscal Year 2023-24	Fiscal Year 2024-25	Effect on Future Biennia
BA9748 GF-Inspector of Structure Application Fees (Revenue)		(\$8,020)	(\$8,020)	(\$16,040)
BA9748 GF-Real Estate Licenses (Revenue)		(\$2,936,854)	(\$2,936,854)	(\$5,873,708)
BA9748 GF-Real Estate Cooperative Fees (Revenue)		(\$2,850)	(\$2,850)	(\$5,700)
BA9748 GF-Land Company Filing Fees (Revenue)		(\$36,175)	(\$36,175)	(\$72,350)
BA9748 GF-Owner/Developer Registration Fees (Revenue)		(\$26,750)	(\$26,750)	(\$53,500)
BA9748 GF-Real Estate Accreditation Fees (Revenue)		(\$112,750)	(\$112,750)	(\$225,500)
BA9748 GF-Inspector of Structure Certification Fees (Revenue)		(\$62,320)	(\$62,320)	(\$124,640)
BA9748 GF-Real Estate Penalties (Revenue)		(\$93,842)	(\$93,842)	(\$187,684)
BA9748 GF-Miscellaneous Appraiser Fees (Revenue)		(\$32,640)	(\$32,640)	(\$65,280)
BA3823 Div-Inspector of Structure Application Fees (Revenue)		\$8,020	\$8,020	\$16,040
BA3823 Div-Real Estate Licenses (Revenue)		\$2,936,854	\$2,936,854	\$5,873,708
BA3823 Div-Real Estate Cooperative Fees (Revenue)		\$2,850	\$2,850	\$5,700
BA3823 Div-Land Company Filing Fee (Revenue)		\$36,175	\$36,175	\$72,350
BA3823 Div-Owner/Developer Registration Fees (Revenue)		\$26,750	\$26,750	\$53,500
BA3823 Div-Real Estate Accreditation Fees (Revenue)		\$112,750	\$112,750	\$225,500
BA3823 Div-Inspector of Structure Certification Fees (Revenue)		\$62,320	\$62,320	\$124,640
BA3823 Div-Miscellaneous Appraiser Fees (Revenue)		\$32,640	\$32,640	\$65,280
BA3823 Div-Real Estate Penalties (Revenue)		\$93,842	\$93,842	\$187,684
BA9748 GF-Transfer Testing Fees (Revenue)		(\$801,447)	(\$801,447)	(\$1,602,894)
BA3823 Div-Testing Fees (Revenue)		\$801,447	\$801,447	\$1,602,894
BA3823 Appropriation from General Fund (Revenue)		(\$2,000,493)	(\$2,033,902)	(\$4,067,804)
General Fund Appropriation to BA 3823 (Expense)		(\$2,000,493)	(\$2,033,902)	(\$4,067,804)
Total	0	0	0	0

Explanation

(Use Additional Sheets of Attachments, if required)

SB 288 (BDR 54-931) has been reviewed and has been determined to have a fiscal impact. As currently drafted,

revenue generated by the Division, as identified in SB 288, will be credited to an account "Account for Real Estate Administration" to meet the costs and expenses of the Division and for the administration of all chapters under - Real Estate (Chapters 645, 645D, 645H, 119, 119A, 119B), -Appraisal (Chapter 645C), -Projects (Chapters 119, 119A, 119B), -Inspectors and Auditors (Chapter 645D). Any balance in the account at the end of the fiscal year will not revert to the State General Fund but be carried forward to the next fiscal year. Lastly, SB 288 (BDR-931) will decrease the State General Fund by \$2,113,156 in fiscal year 2024 and \$2,079,747 in fiscal year 2025.

Name Sharath Chandra

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

Date Tuesday, March 28, 2023

The agency's response appears reasonable.

Name Amy Stephenson

Title Director

FY24-25 BDR 54-931 (SB288) Summary

Fiscal Year 2024

Items	G01	G02	Total	General Fund
General Fund Appropriations	(1,924,507)	(75,986)	(2,000,493)	2,000,493
Fees from BA 9748 to BA 3823	3,236,216	75,986	3,312,202	(3,312,202)
Transfer Testing Fees Remain w/BA 3823	801,447	-	801,447	(801,447)
Totals:	2,113,156	-	2,113,156	(2,113,156)

Fiscal Year 2025

Items	G01	G02	Total	General Fund
General Fund Appropriations	(2,033,902)	-	(2,033,902)	2,033,902
Fees from BA 9748 to BA 3823	3,312,202	-	3,312,202	(3,312,202)
Transfer Testing Fees Remain w/BA 3823	801,447	-	801,447	(801,447)
Totals:	2,079,747	-	2,079,747	(2,079,747)

BDR 54-931 (SB 288) BA 9748 General Fund Summary

Fees to G02 to replace General Funds **75,986.00**

9748 RGL	New 3823 RGL	Title	Transfer to 3823 (Y/N)	Actual FY 2022 (Est for FY24-25)	Future Biennia Amounts	Fees to 3823 Pct.	G02 Fee Distribution	G01 Fee Distribution	Total Distribution	Check Difference
3107	3107	IOS Application Fee	Y	8,020	16,040	0.24%	184	7,836	8,020	-
3161	3603	Real Estate Licenses	Y	2,936,854	5,873,708	88.67%	67,375	2,869,479	2,936,854	-
3162	3604	Real Estate Cooperative Fee	Y	2,850	5,700	0.09%	65	2,785	2,850	-
3165	3605	Land Company Filing Fee	Y	36,175	72,350	1.09%	830	35,345	36,175	-
3169	3606	Owner/Developer Registration Fee	Y	26,750	53,500	0.81%	614	26,136	26,750	-
3178	3607	Real Estate Accreditation	Y	112,750	225,500	3.40%	2,587	110,163	112,750	-
3190	3608	IOS Certification Fee	Y	62,320	124,640	1.88%	1,430	60,890	62,320	-
3254	4152	Real Estate Penalties	Y	93,843	187,685	2.83%	2,153	91,690	93,843	-
3271	NA	Miscellaneous Fines/Forfeitures	N	297,029	NA	NA	NA	NA	NA	NA
3274	3274	Miscellaneous Appraiser Fees	Y	32,640	65,280	0.99%	749	31,891	32,640	-
4741	NA	Transfer Testing Fees*	N	801,447	1,602,894	NA	NA	NA	NA	NA
				4,410,677	8,227,297	100.00%	75,986	3,236,216	3,312,202	-

Transfer to BA 3823 from BA 9748: **3,312,202**

**RGL 4741 Transfer Testing Fees will be eliminated from BA 9748. 100% of testing fees will stay with BA 3823.*

SB 288 BDR 54-931 Gov Rec Budget Adjustments Crosswalk

Year 1 Summary of Adjustments

3823 Revenue Authority	Year 1 Revenue			
	YR1	BA 3826	BA 3827	Total Divisional Impact
BA3823 - Appropriation	(2,000,493)	-	-	(2,000,493)
BA 3823 Additoinal Testing Fees (Not Transferred to BA 9748)	801,447	-	-	801,447
Balance Forward from BA 3826 YR1	785,098	(785,098)	-	-
Addition of BA9748 Revenue	3,312,202	-	-	3,312,202
Addition of BA3826 Revenue	4,185	(4,185)	-	-
BA 3827 transfer to 3823 instead of 3826	622,681	(622,681)	-	-
Revenue	3,525,120	(1,411,964)	-	2,113,156

3823 Expenditure Authority	Year 1 Operating Expenditures			
	YR1	BA 3826	BA 3827	Total Divisional Impact
BA 3823 Reduction Category 28-No transfer to BA9748	(801,447)	-	-	(801,447)
Addition of BA 3826 Operating Expenditures	605,868	(605,868)	-	-
Expenditure	(195,579)	(605,868)	-	(801,447)

Transfers to 3823 Adjustments	Year 1 Transfers			
	YR1	BA 3826	BA 3827	Total Divisional Impact
Eliminate Transfer from 3826 Cat 11 to 3823	(41,816)	(41,816)	-	-
Increase Transfer from 3827 Cat 85 to 3823 (lower reserve requirement)	200,000	-	200,000	-
Transfers to 3823	158,184	(41,816)	200,000	-

Ending Balance	3,878,883	(764,280)	(200,000)	2,914,603
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Year 2 Summary of Adjustments

3823 Revenue Authority	Year 2 Revenue			
	YR2	BA 3826	BA 3827	Total Divisional Impact
BA3823 - Appropriation	(2,033,902)	-	-	(2,033,902)
BA 3823 Additoinal Testing Fees (Not Transferred to BA 9748)	801,447	-	-	801,447
Balance Forward from BA 3826 YR2	764,280	(764,280)	-	-
Addition of BA9748 Revenue	3,312,202	-	-	3,312,202
Addition of BA3826 Revenue	4,185	(4,185)	-	-
BA 3827 transfer to 3823 instead of 3826	622,681	(622,681)	-	-
Revenues	3,470,893	(1,391,146)	-	2,079,747

3823 Expenditure Authority	Year 2 Operating Expenditures			
	YR2	BA 3826	BA 3827	Total Divisional Impact
BA 3823 Reduction of Category 28-No transfer to BA9748	(801,447)	-	-	(801,447)
Addition of BA 3826 Operating Expenditures	610,617	(610,617)	-	-
Expenditures	(190,830)	(610,617)	-	(801,447)

Transfers to 3823 Adjustments	Year 2 Transfers			
	YR2	BA 3826	BA 3827	Total Divisional Impact
Eliminate Transfer from 3826 Cat 11 to 3823	(42,203)	(42,203)	-	-
Transfers to 3823	(42,203)	(42,203)	-	-

Ending Balance	3,619,520	(738,326)	-	2,881,194
3823 Total Ending Balance YR 2:	7,498,402	-	-	-
Adj. for BA 3826 in YR1 Ending Balance:	(764,280)	-	-	-
Adj. Total Ending Balance (Matches NEBS):	6,734,123	-	-	-