

EXECUTIVE AGENCY
FISCAL NOTE

AGENCY'S ESTIMATES

Date Prepared: March 23, 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
Property Manager Permit (RGL 3730) (Revenue)		\$100,000	\$100,000	\$200,000
Personnel Services (Cat 01) (Expense)		\$144,866	\$200,408	\$400,816
Operating (Cat 04) (Expense)		\$8,420	\$11,252	\$22,504
Equipment (Cat 05) (Expense)		\$14,955		
Commission Expenses (Cat 18) (Expense)		\$2,858	\$2,858	\$5,716
Information Services (Cat 26) (Expense)		\$8,408	\$2,271	\$4,542
Total	0	(\$79,507)	(\$116,789)	(\$233,578)

Explanation

(Use Additional Sheets of Attachments, if required)

AB327 (BDR 54-139) has been reviewed and has been determined to have a fiscal impact. As currently drafted, AB327 (BDR 54-139) proposes to create an additional category of person(s) "Landlord property manager" who would be required to obtain a "Property Management Permit" (PM) through the Real Estate Division. Under current law, only a Real Estate Licensee can obtain a PM permit as a supplement to their current license.

Adding a new category will require the Division to establish a sub-permit process, that will require one (1) Admin Assistant position in the licensing section to process new applications, renewals, review education requirements and all other Licensing functions. Division would also have to staff one (1) Compliance/Audit investigator in the Southern Office and a part-time (0.5) Compliance/Audit investigator in the Northern Office to address all complaints, investigations, respond to enquiries, phone calls and additional compliance investigator duties. As drafted, the new permit holders will be required to pass a "Property Manager" test and will have to take pre- and post- licensing education. Original applicants will also have to go through a background check. All these additional duties and process changes will be supported by the additional staff requested above. Currently, the Division has approximately 3,800 PM permit holders. An estimate of 2,500 new permit holders under this bill has been used to estimate revenue.

As drafted, section 1 to 22 of the bill becomes effective upon passage and approval. New staff would be needed by 10/01/23 to start performing all preparatory administrative tasks both in the licensing and compliance sections.

Name Sharath Chandra

Title Administrator

GOVERNOR'S OFFICE OF FINANCE COMMENTS

The agency's response appears reasonable.

Date Wednesday, March 22, 2023

Name Amy Stephenson

Title Director

Section B1: Summary by GL

Budget Account: 3823 B&I - REAL ESTATE ADMINISTRATION

Item No	Description	Actual 2021-2022	Work Program 2022-2023	W01 Year 1 2023-2024	W01 Year 2 2024-2025
REVENUE					
3730	PM PERMIT FEE	0	0	100,000	100,000
	TOTAL REVENUES FOR BUDGET ACCOUNT 3823	0	0	100,000	100,000
EXPENDITURE					
01	PERSONNEL				
5100	SALARIES	0	0	99,914	138,855
5200	WORKERS COMPENSATION	0	0	2,441	2,804
5300	RETIREMENT	0	0	17,486	24,300
5400	PERSONNEL ASSESSMENT	0	0	593	593
5500	GROUP INSURANCE	0	0	19,713	27,309
5700	PAYROLL ASSESSMENT	0	0	118	118
5750	RETIRED EMPLOYEES GROUP INSURANCE	0	0	3,107	4,416
5800	UNEMPLOYMENT COMPENSATION	0	0	44	0
5840	MEDICARE	0	0	1,450	2,013
	TOTAL FOR CATEGORY 01	0	0	144,866	200,408
04	OPERATING EXPENSES				
7020	OPERATING SUPPLIES	0	0	259	345
7022	OPERATING SUPPLIES-B	0	0	46	61
7040	NON-STATE PRINTING SERVICES	0	0	284	379
7044	PRINTING AND COPYING - C	0	0	160	213
7045	STATE PRINTING CHARGES	0	0	201	268
7050	EMPLOYEE BOND INSURANCE	0	0	9	9
7054	AG TORT CLAIM ASSESSMENT	0	0	291	291
705A	NON B&G - PROP. & CONT. INSURANCE	0	0	48	64
7110	NON-STATE OWNED OFFICE RENT	0	0	3,645	4,986
7285	POSTAGE - STATE MAILROOM	0	0	2,886	3,848
7289	EITS PHONE LINE AND VOICEMAIL	0	0	507	676
7296	EITS LONG DISTANCE CHARGES	0	0	84	112
	TOTAL FOR CATEGORY 04	0	0	8,420	11,252
05	EQUIPMENT				
7460	EQUIPMENT PURCHASES < \$1,000	0	0	1,131	0
8241	NEW FURNISHINGS <\$5,000 - A	0	0	13,824	0
	TOTAL FOR CATEGORY 05	0	0	14,955	0
18	COMMISSION EXPENSES				
6200	PER DIEM IN-STATE	0	0	1,512	1,512
6210	FS DAILY RENTAL IN-STATE	0	0	262	262

State of Nevada - Budget Division
 Line Item Detail & Summary
 2023-2025 Biennium (FY24-25)

Item No	Description	Actual 2021-2022	Work Program 2022-2023	W01 Year 1 2023-2024	W01 Year 2 2024-2025
6240	PERSONAL VEHICLE IN-STATE	0	0	84	84
6250	COMM AIR TRANS IN-STATE	0	0	1,000	1,000
	TOTAL FOR CATEGORY 18	0	0	2,858	2,858
26	INFORMATION SERVICES				
7073	SOFTWARE LICENSE/MNT CONTRACTS	0	0	344	344
7547	EITS BUSINESS PRODUCTIVITY SUITE	0	0	641	855
7554	EITS INFRASTRUCTURE ASSESSMENT	0	0	771	771
7556	EITS SECURITY ASSESSMENT	0	0	301	301
8371	COMPUTER HARDWARE <\$5,000 - A	0	0	6,351	0
	TOTAL FOR CATEGORY 26	0	0	8,408	2,271
	TOTAL EXPENDITURES FOR BUDGET ACCOUNT 3823	0	0	179,507	216,789

2023-2025 Biennium (FY24-25)
W01 BDR 54-139 - PROPERTY MANAGEMENT PERMIT

Section A: Position Detail

Budget Account: 3823 B&I - REAL ESTATE ADMINISTRATION

Type	Description	PCN	Class	Gd Step	Add Gd	Anv Mo	St	End	Ret Cd	FTE Actual	FTE WP	FTE Y1	FTE Y2 MI	2023-2024		2024-2025		
														Salary	Benefits	Salary	Benefits	
E230 EFFICIENCY & INNOVATION																		
CMPPC COMPLIANCE CARSON CITY																		
4	COMPLIANCE/AUDIT INVEST 2	000202	11365	33-7	0	10	10-23	6-26	1	0.00	0.00	0.50	0.50	Y SUM	22,902	12,335	31,843	17,135
TOTAL FOR LINE ITEM POSITION GROUP CMPPC										0.00	0.00	0.50	0.50		22,902	12,335	31,843	17,135
CMPLV COMPLIANCE LAS VEGAS																		
4	COMPLIANCE/AUDIT INVEST 2	000201	11365	33-7	0	10	10-23	6-26	1	0.00	0.00	1.00	1.00	Y SUM	45,803	18,099	63,685	24,467
TOTAL FOR LINE ITEM POSITION GROUP CMPLV										0.00	0.00	1.00	1.00		45,803	18,099	63,685	24,467
LICLV LICENSING LAS VEGAS																		
4	ADMIN ASSISTANT 3	000200	02211	27-4	0	10	10-23	6-26	1	0.00	0.00	1.00	1.00	Y SUM	31,209	14,517	43,327	19,950
TOTAL FOR LINE ITEM POSITION GROUP LICLV										0.00	0.00	1.00	1.00		31,209	14,517	43,327	19,950
TOTAL FOR DECISION UNIT E230										0.00	0.00	2.50	2.50		99,914	44,951	138,855	61,552
TOTAL FOR BUDGET ACCOUNT 3823										0.00	0.00	2.50	2.50		99,914	44,951	138,855	61,552

BDR 54-139 Permit Fee

Description	Amount
Total No. of Licensees	2,500
Licensee Renewals Year 1	2,500
Licensee Renewals Year 2	2,500
Property Manager (PM) Permit Fee	\$ 40.00
PM Permit Fee Year 1	100,000
PM Permit Fee Year 2	100,000
Bienium Total:	200,000

Budget Account: BA3823 Real Estate Division
Agency: Department of Business and Industry
Fiscal Year: FY24-FY25
Category: 18 Commission Expenses

Justification: This travel request supports 1 additional Real Estate Commission for the increase of complaints.

Position Title	PCN#	Location	Date	Purpose	QTY	Cost	6200 Per Diem	6210 Motor Pool	6240 Pers Veh	6250 Air	Total
Overnight Trip											
Commissioner		Las Vegas	TBD	Real Estate Commission Meeting							
				Lodging - Resort Fees	3	45.00	135	-	-	-	135
				Lodging (\$120/night) + 15% Tax	3	138.00	414	-	-	-	414
				Motor Pool	3	37.34	-	112	-	-	112
				Mileage	100	0.19	-	19	-	-	19
				Airfare	1	500.00	-	-	-	500	500
				Airport Parking	3	14.00	-	-	42	-	42
				Meals & Incidentals / Full Day	3	69.00	207	-	-	-	207
Total:							756	131	42	500	1,429
Overnight Trip											
Deputy Administrator	0002	Las Vegas	TBD	Real Estate Commission Meeting							
				Lodging - Resort Fees	3	45.00	135	-	-	-	135
				Lodging (\$120/night) + 15% Tax	3	138.00	414	-	-	-	414
				Motor Pool	3	37.34	-	112	-	-	112
				Mileage	100	0.19	-	19	-	-	19
				Airfare	1	500.00	-	-	-	500	500
				Airport Parking	3	14.00	-	-	42	-	42
				Meals & Incidentals / Full Day	3	69.00	207	-	-	-	207
Total:							756	131	42	500	1,429
Decision Unit Total:							\$ 1,512	\$ 262	\$ 84	\$ 1,000	\$ 2,858