

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2017-18</b>		<b>FY 2018-19</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	17,187	3,062	17,187	4,462
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	17,187	3,062	17,187	4,462

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 551 eliminates or decreases the college education requirement for licensed residential and certified residential appraisers and decreases the number of experience hours needed to obtain credentials as a licensed residential real property appraiser, certified residential real property appraiser, and certified general real property appraiser.

The Nebraska Real Property Appraiser Board has estimated that relaxation of the education and experience requirements will have the effect of 8 additional individuals per year submitting applications to obtain credentials as a licensed or certified appraiser. Based on this assumption, they estimate additional annual expenditures of \$16,800 to contract for the required reviews of appraisals submitted by the applicants, \$362 for background checks, and \$25 for miscellaneous costs.

Additional revenue will be received from application fees, background check fees, and new/renewal credential fees. The Board makes the assumption that only 5 of the 8 applicants will be approved for receipt of appraiser credentials. Based on this assumption the additional revenue will equal \$3,062 in FY17-18 and \$4,462 in FY18-19. These numbers are slightly different than what is shown on the Board's fiscal note due to the correction of a calculation error. Other than this, there is no basis to disagree with the Board's estimated fiscal impact since the actual number of new applicants is speculative at this point.

<b>ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY &amp; POLT. SUB. RESPONSES</b>		
LB: 551	AM:	AGENCY/POLT. SUB: Nebraska Real Property Appraiser Board
REVIEWED BY: Lee Will	DATE: 01/23/2017	PHONE: (402) 471-4175
COMMENTS: The Nebraska Real Property Appraiser Board's estimate of fiscal impact appears to be reasonable given the assumptions used.		

Please complete ALL (5) blanks in the first three lines.

2017

LB<sup>(1)</sup> 551

FISCAL NOTE

State Agency OR Political Subdivision Name: <sup>(2)</sup> Nebraska Real Property Appraiser Board

Prepared by: <sup>(3)</sup> Tyler Kohtz Date Prepared: <sup>(4)</sup> 1/20/2017 Phone: <sup>(5)</sup> 402-471-9015

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2017-18</u>		<u>FY 2018-19</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS				
CASH FUNDS	<u>17,186.96</u>	<u>2,866.75</u>	<u>17,186.96</u>	<u>4,266.75</u>
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Explanation of Estimate:

LB551 decreases the college level education requirements for a licensed residential real property appraiser to zero semester credit hours of college level education. In addition, LB551 decreases the college level education requirements for a certified residential real property appraiser to an associate’s degree or higher (in any field) from an accredited college or university, or twenty-one semester hours of college level education, or twenty-one hours of College Level Examination Program exams, or any combination of twenty-one hours of college level education or College Level Examination Program exams. Finally, the number of required experience hours are reduced to 1,000 hours for a licensed residential real property appraiser, 1,500 hours for a certified residential real property appraiser, and 2,000 hours for a certified general real property appraiser. These changes will have a minimal negative effect on the agency’s overall workload (Estimated additional staff time spent on processing new applications = Estimated 8 additional applications (2 licensed, 4 certified residential, 2 certified general) per fiscal year x 8 hours = 64 additional hours per fiscal year) (Estimated additional staff time spent on processing renewal applications (FY18-19 only = Estimated 5 additional applications (1 licensed, 3 certified residential, 1 certified general) per fiscal year x 2 hours = 10 additional hours for FY18-19).

- Postage increase (521100) - \$5.00 per fiscal year
- Data Processing (communications) (521200) - \$10.00 per fiscal year
- Office supplies (531100) - \$10.00 per fiscal year
- Other contractual services (554900) – 2 additional licensed residential real property appraiser applications: 4 residential reviews at \$600.00 per review = \$2,400.00, 2 criminal history background checks at \$45.25 = \$90.50; 4 additional certified residential real property appraiser applications: 8 residential reviews at \$600.00 per review = \$4,800.00, 4 2-4 Family reviews at \$900.00 per review = \$3,600.00, 4 criminal history background checks at \$45.25 = 180.96; 2 additional certified general real property appraiser applications: 4 commercial reviews at \$1,500.00 per review = \$6,000.00, 2 criminal history background checks at \$45.25 = 90.50. Total estimated increase for other contractual services is \$17,161.96

Revenues based on an estimated 2 licensed residential real property appraiser applicants with 1 approval, 4 certified residential real property appraiser applicants with 3 approvals, 2 certified general real property appraiser applicants with 1 approval.

- Application Fees (475234) at \$150.00 per application = \$1,050.00 each fiscal year.
- Fingerprint Fees (475152) at \$45.25 per application = 316.75 each fiscal year.
- Licensed New Fees (475151) at \$300.00 per approved application = \$300.00 each fiscal year.
- Certified Residential New Fees (475153) at \$300.00 per approved application = \$900.00 each fiscal year.
- Certified General New Fees (475150) at \$300.00 per approved application = \$300.00 each fiscal year.
- Licensed Renewal (475155) at \$275.00 per renewal = \$275.00 for FY18-19 only.
- Certified Residential Renewal (475157) at \$275.00 per renewal = \$825.00 for FY18-19 only.
- Certified General Renewal (475154) at \$275.00 per renewal = \$275.00 for FY18-19 only.
- Fingerprint Audit Program Fees (475156) at \$5.00 per renewal = \$25.00

**BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE**

**Personal Services:**

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2017-18 EXPENDITURES</u>	<u>2018-19 EXPENDITURES</u>
	<u>17-18</u>	<u>18-19</u>		
Benefits.....				
Operating.....			17,186.96	17,186.96
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
<b>TOTAL.....</b>			<b>17,186.96</b>	<b>17,186.96</b>