

FISCAL NOTE
 LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates)				
	FY 2019-20		FY 2020-21	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	see below	(see below)	see below	(see below)
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

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

The provisions of LB 384 make the following changes:

- Increases the number of years an applicant for a broker’s license must have served actively as a licensed salesperson or broker (ex. In another state or license has lapsed) from two (2) to five (5). Additionally, an avenue for those individuals who have not served as a licensed salesperson or broker for the five (5) years is provided where they are able to request a hearing before the Real Estate Commission where prior work history in a real estate related industry or hardship of an existing brokerage (i.e. inability to retain services of licensed broker) is considered in order to “waive” the five (5) year requirement.
 - It is unknown what fiscal impact these changes may have, but it is possible that there would be a reduction in the number of application and license fees collected in the next three (3) years due to the new requirement that applicants have served for five (5) instead of two (2) years as a licensed salesperson or broker. It is also possible that there would be an increase in the number of application and license fees for brokers if the provision allowing a hearing before the Commission is exercised and applications approved by the Commission. For these reasons the fiscal impact is indeterminate.
- Prohibits individuals who have been issued a broker’s license from acting as a designated broker for another licensee until they have taken additional courses in post-licensure education in prescribed subjects.
 - No fiscal impact is present as the restriction is placed upon the individual.
- Requires applicants for broker’s or salesperson’s licenses to complete six (6) class hours of study related to professional practice and standards.
- Requires individuals who are issued a broker’s or salesperson’s license to complete 12 class hours of study within 180 days, related to knowledge and skills required for real estate practice and provides the Commission with the authority to place a license in an inactive status if the class hours are not completed. A fee equivalent to that authorized under RRS 81-885.20 (currently \$25) to transfer to an active status is also authorized if placed in an inactive status due to the class hours not being completed.
- In relation to the new educational requirements noted in the two (2) bullets directly above, the requirement that the Commission monitor private proprietary schools and approve instructors at such schools is extended to schools offering such education.

The additional changes listed above that are related specifically to educational requirements, have no discernable impact on Commission expenditures as existing statutory language requires the same oversight of current institutions, educational materials, and instructors providing the current required instruction. Additionally, the potential transfer fee could result in an increase in revenue, however it is unknown how many individuals would actually be subject to the fee.

The Commission has indicated there may be expenditures related to course development, but those costs are able to be completed with current resources (see attached). There is no basis to disagree with their assessment.

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 384	AM:	AGENCY/POLT. SUB: Nebraska Real Estate Commission	
REVIEWED BY:	Ann Linneman	DATE: 1-29-19	PHONE: (402) 471-4180
COMMENTS: The Nebraska Real Estate Commission's assessment of fiscal impact seems reasonable given the assumptions used.			

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

2019

LB⁽¹⁾ 384

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Real Estate Commission

Prepared by: ⁽³⁾ Greg Lemon Date Prepared: ⁽⁴⁾ 1/23/2019 Phone: ⁽⁵⁾ 402 471 2004

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

	<u>FY 2019-20</u>		<u>FY 2020-21</u>	
	<u>EXPENDITURES</u>	<u>REVENUE</u>	<u>EXPENDITURES</u>	<u>REVENUE</u>
GENERAL FUNDS	_____	_____	_____	_____
CASH FUNDS	(see below)	_____	(see below)	_____
FEDERAL FUNDS	_____	_____	_____	_____
OTHER FUNDS	_____	_____	_____	_____
TOTAL FUNDS	=====	=====	=====	=====

Explanation of Estimate: LB384 changes provisions regarding pre-license and post license education for real estate licensees. The bill also changes experience requirements for designated brokers. The Commission may incur some costs for course development, but these costs should be minimal and able to be absorbed within existing resources.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20</u>	<u>2020-21</u>
	<u>19-20</u>	<u>20-21</u>	<u>EXPENDITURES</u>	<u>EXPENDITURES</u>
Benefits.....	_____	_____	_____	_____
Operating.....	_____	_____	_____	_____
Travel.....	_____	_____	_____	_____
Capital outlay.....	_____	_____	_____	_____
Aid.....	_____	_____	_____	_____
Capital improvements.....	_____	_____	_____	_____
TOTAL.....	_____	_____	_____	_____