

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	2,175	1,485	6,527	4,457
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	2,175	1,485	6,527	4,457

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

The provisions of LB 77 that have a fiscal impact are:

The reduction in the following;

- Minimum time in which appraisal experience may be obtained for all three appraiser classifications
- Number of hours of experience required for the certified residential and licensed residential classifications
- Post-secondary education requirements for the licensed residential real property appraiser credential

Changes to;

- Require additional post-secondary education to qualify for a credential as a certified residential real property appraiser
- Add a method to allow for a licensed residential credential holder to upgrade to the certified residential credential if certain criteria are met
- Ease the Appraiser Qualifications Board’s degree approval requirements by providing the Board with the authority to determine curriculum equivalency
- Allow for all qualifying education to be completed online

The following table summarizes the anticipated expenses and revenue of this requirement as estimated by the Real Property Appraiser Board. Assumptions made to arrive at these estimates are listed below the table. There is no basis to disagree with this assessment.

	Annual Expenditures		Annual Revenue	
	FY20	FY21	FY20	FY21
Staff Time	\$ 2,040	\$ 6,120	~	~
Criminal History Record Check	\$ 135	\$ 407	\$ 135	\$ 407
Application Fees	~	~	\$ 450	\$ 1,350
Licensed New Credential Fee	~	~	\$ 300	\$ 900
Certified Residential New Credential Fee	~	~	\$ 600	\$ 1,800
Total	\$ 2,175	\$ 6,527	\$ 1,485	\$ 4,457
Net Total	FY20 - \$(690)		FY21 - \$(2,070)	

- (1) Background checks will be completed in FY20 (3) and FY21 (9).
- (2) Application fees will be received in FY20 (3) and FY21 (9)
- (3) Licensed New Credential Fees will be received in FY20(1) and FY21 (3)
- (4) Certified Residential New Credential Fees will be received in FY20 (2) and FY21 (6)

ADMINISTRATIVE SERVICES STATE BUDGET DIVISION: REVIEW OF AGENCY & POLT. SUB. RESPONSE			
LB: 77	AM:	AGENCY/POLT. SUB: Nebraska Real Property Appraiser Board	
REVIEWED BY: Ann Linneman	DATE: 1-16-19	PHONE: (402) 471-4180	
COMMENTS: No basis to disagree with the Nebraska Real Property Appraiser Board's assessment of fiscal impact.			

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

2019

LB⁽¹⁾ 77

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Real Property Appraiser Board

Prepared by: ⁽³⁾ Tyler Kohtz Date Prepared: ⁽⁴⁾ 1/15/2019 Phone: ⁽⁵⁾ 402-471-9015

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	\$2,175.75	\$1,485.75	\$6,527.25	\$4,457.25
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	<u>\$2,175.75</u>	<u>\$1,485.75</u>	<u>\$6,527.25</u>	<u>\$4,457.25</u>

Explanation of Estimate:

LB77 was introduced at the request of the Nebraska Real Property Appraiser Board to update the Nebraska Real Property Appraiser Act (“Act”) to reduce barriers-to-entry into the real property appraiser profession, implement the Real Property Appraiser Qualifications Criteria adopted by The Appraisal Foundation’s Appraiser Qualifications Board on May 1, 2018, and maintain compliance with Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Specifically, LB77 reduces the minimum time in which appraisal experience may be obtained for all three appraiser classifications (p. 11, lines 4-5; p. 16, line 6; p. 19, line 26), reduces the number of hours of experience required for the certified residential (p. 15, line 31) and licensed residential (p. 10, line 30) classifications, reduces the postsecondary education requirements for the licensed residential real property appraiser credential to holding a high school diploma, or a certificate of high school equivalency, or having education acceptable to the Board (p. 9, 12-31-p. 10, lines 1-2), amends to postsecondary education requirements to include an associate’s degree, thirty semester hours of college-level education, or thirty semester hours of college-level exam program in addition to a bachelor’s degree (p. 14, lines 2-24), allows for a licensed residential credential holder to upgrade to the certified residential credential by holding a credential for a minimum of five years and not having been subject to disciplinary action by the Board or any other jurisdiction (p. 12, lines 14-21), eases the Appraiser Qualifications Board’s degree approval requirements (p. 4, lines 15-17; p. 10, lines 23-24; p. 15, lines 25-26; p. 19, lines 13-14), and allows for all qualifying education to be completed online (p. 4, lines 4-5; p. 10, lines 17-18; p. 15, lines 19-20; p. 19, lines 7-8).

It is anticipated that these changes will result in an increase of licensed residential applicants by way of education, experience, and examination of one in FY19-20 and three in FY20-21, and an increase of certified residential applicants by way of education, experience, and examination of two in FY19-20 and six in FY20-21. These changes will have a minimal negative effect on the agency’s overall workload (Estimated additional staff time spent on processing applications = FY19-20: 3 new applications per fiscal year x 5 hours = 15 additional hours; FY20-21: 9 new applications per fiscal year x 5 hours = 45 additional hours). In addition, these changes are anticipated to have little to no impact on the Board’s general resources.

The following expenditure increases result from these changes:

- Other Contractual Services (554900) – FY19-20: three additional Criminal History Record Checks will be required ($45.25 \times 3 = \$135.75$) and three additional Standard 3-4 Single Family Residential Appraisal Reviews ($\$340 \times 3 = \1020.00) and two additional Standard 3-4 2-4 Family Residential Appraisal Reviews ($\$510 \times 2 = \$1,020$) will be required. FY20-21: nine additional Criminal History Record Checks will be required ($45.25 \times 9 = \$407.25$) and nine additional Standard 3-4 Single Family Residential Appraisal Reviews ($\$340 \times 9 = \$3,060.00$) and six additional Standard 3-4 2-4 Family Residential Appraisal Reviews ($\$510 \times 6 = \$3,060.00$) will be required.

Total increase to expenditures related to these changes are \$2,175.75 for FY19-20 and \$6,527.25 for FY20-21.

The following revenue increases result from these changes:

- Application Fees (475234) – FY19-20: three additional applications will be received ($\$150.00 \times 3 = 450.00$). FY20-21: nine additional applications will be received ($\$150.00 \times 9 = \$1,350.00$).
- CHRC Fees (475152) – FY19-20: three additional applications will be received ($\$45.25 \times 3 = \135.75). FY20-21: nine additional applications will be received ($\$45.25 \times 9 = \407.25).
- Licensed New Credential Fees (475151) – FY19-20: 1 additional credential will be awarded ($\$300.00 \times 1 = \300.00). FY20-21: three additional credential will be awarded ($\$300.00 \times 3 = \900.00).
- Certified Residential New Credential Fees (475153) – FY19-20: 2 additional credential will be awarded ($\$300.00 \times 2 = \600.00). FY20-21: six additional credential will be awarded ($\$300.00 \times 6 = \$1,800.00$).

Total increase to revenues related to these changes are \$1,485.75 for FY19-20 and \$4,457.25 for FY20-21.

No other changes included in LB77 has a fiscal impact on revenues or expenditures.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

<u>POSITION TITLE</u>	<u>NUMBER OF POSITIONS</u>		<u>2019-20 EXPENDITURES</u>	<u>2020-21 EXPENDITURES</u>
	<u>19-20</u>	<u>20-21</u>		
Benefits.....				
Operating.....			\$2,175.75	\$6,527.25
Travel.....				
Capital outlay.....				
Aid.....				
Capital improvements.....				
TOTAL.....			\$2,175.75	\$6,527.25