



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 398

PRINTERS NO. 1446

PRIME SPONSOR: Stevenson

COST / (SAVINGS)

FUND	FY 2010/11	FY 2011/12
General Fund	\$0	\$0
Professional and Occupational Affairs Restricted Revenue Account	\$0	\$0

SUMMARY: Requires appraisal management companies to register with the State Board of Certified Real Estate Appraisers and become subject to the Board's regulation and oversight. This legislation would take effect in 60 days.

ANALYSIS: This legislation establishes the Appraisal Management Company Registration Act with the following provisions:

1. Appraisal Management Companies (AMCs) that are not an "exempt company" (owned by federally regulated financial institutions) are required to register with the State Board of Certified Real Estate Appraisers and to renew registration biennially.
 - a. The registration and renewal fee is established at \$1,000 or a rate as set by rule or regulation of the Board.
 - b. Registration also requires the AMC to post a \$20,000 surety bond.
2. Requires all AMCs to have a system in place to ensure that all appraisals on property located in the Commonwealth are performed by certified appraisers in good standing with the Board. Requires AMCs to have a system in place to ensure appraisal reviews are performed to determine compliance with the Uniform Standards of Professional Appraisal Practice, and that the appraisal reviews are conducted by a certified or licensed appraiser.
3. Provides the Board with the authority to impose disciplinary or corrective action, including civil penalty, against any person that violates the provisions of the act, the regulations or the guidelines.

4. Authorizes the Board to promulgate regulations necessary to implement the act, and allows the Board to promulgate guidelines until such time as regulations are published.

FISCAL IMPACT: According to the Department of State, it is unknown as to how many Appraisal Management Companies would fall under the rules of this legislation. Therefore, any additional expense is undeterminable at this time. The biennial fees included in the legislation as well as the Board's ability to adjust those fees would provide the Board the opportunity to cover all new expenses. This legislation will have no adverse impact on the General Fund.

PREPARED BY: Tim Rodrigo
House Appropriations Committee (R)

DATE: April 28, 2011

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.