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FISCAL NOTE

Drafting Number: LLS 18-1098
Prime Sponsors: Sen. Tate

Date: March 27, 2018
Bill Status: Senate Business
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Bill Topic: AMEND REGULATION OF APPRAISAL MANAGEMENT COMPANIES

- Summary of Fiscal Impact:
- State Revenue (pass-through)
- State Expenditure (minimal)
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill modifies the definition of appraisal management company to comport with federal law and requires the Board of Real Estate Appraisers to collect a new federal fee on certain appraisers. It will create new state fee revenue on an ongoing basis, passed through to a federal agency, and a minimal one-time state workload impact.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB 18-210

Table with 4 columns: Category, Cash Funds, FY 2018-19, FY 2019-20. Rows include Revenue (\$58,125), Expenditures (-), Transfers (-), and TABOR Refund (-).

Summary of Legislation

This bill modifies the definition of "appraisal management company" to comport with recent federal language changes. It requires the Board of Real Estate Appraisers in the Department of Regulatory Agencies to maintain a list of appraisal management companies that have an appraiser panel larger than specified federal thresholds. The board must also require that an appraisal management company establish processes and controls to ensure compliance with certain federal regulations, including the Truth in Lending Act. Finally, the board must collect an annual registry fee from appraisal management companies that operate as subsidiaries of federally regulated financial institutions, and transmit the fee to the Federal Financial Institutions Examinations Council.

State Revenue

Fee impact on real estate appraisers. Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. While the annual registry fee clarified by this bill was created in statute by a prior sunset bill, Senate Bill 13-155, the federal agency has only recently codified the fee in federal regulations. As such, the Board of Real Estate Appraisers has not yet collected this fee. Table 2 below identifies the annual fee impact of this bill on real estate appraisers, assuming that 2,325 licensees in 155 companies will be subject to the \$25 annual registry fee. This fee will be passed through to a federal agency and is not subject to TABOR.

Table 2
Fee Impact on Real Estate Appraisers

Fiscal Year	Type of Fee	Proposed Fee	Number Affected	Total Fee Impact
FY 2018-19	Annual Registry Fee	\$25	2,325	\$58,125
FY 2019-20		\$25	2,325	\$58,125

State Expenditures

The State Board of Real Estate Appraisers and the Division of Real Estate in the Department of Regulatory Agencies will have an ongoing minimal workload increase to address the changes in the bill and to collect the annual registry fee. No change in appropriations is required.

Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Labor Law Regulatory Agencies