

Multiple Agency Fiscal Note Summary

| | |
|-----------------------------|---|
| Bill Number: 3040 HB | Title: Regarding the licensing of appraisal management companies |
|-----------------------------|---|

Estimated Cash Receipts

| Agency Name | 2009-11 | | 2011-13 | | 2013-15 | |
|----------------------------|-----------|---------------|-----------|---------------|-----------|---------------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Office of Attorney General | 0 | 42,477 | 0 | 84,954 | 0 | 84,954 |
| Total \$ | 0 | 42,477 | 0 | 84,954 | 0 | 84,954 |

| | | | | | | |
|---------------------|--|--|--|--|--|--|
| Local Gov. Courts * | | | | | | |
| Local Gov. Other ** | | | | | | |
| Local Gov. Total | | | | | | |

Estimated Expenditures

| Agency Name | 2009-11 | | | 2011-13 | | | 2013-15 | | |
|----------------------------|---------------------------|------------|-----------------|------------|------------|-----------------|------------|------------|-----------------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Office of Attorney General | .2 | 0 | 42,477 | .3 | 0 | 84,954 | .3 | 0 | 84,954 |
| Department of Licensing | Fiscal note not available | | | | | | | | |
| Total | 0.2 | \$0 | \$42,477 | 0.3 | \$0 | \$84,954 | 0.3 | \$0 | \$84,954 |

| | | | | | | |
|---------------------|--|--|--|--|--|--|
| Local Gov. Courts * | | | | | | |
| Local Gov. Other ** | | | | | | |
| Local Gov. Total | | | | | | |

Estimated Capital Budget Impact

| Agency Name | 2009-11 | | 2011-13 | | 2013-15 | |
|----------------------------|------------|------------|------------|------------|------------|------------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Office of Attorney General | | | | | | |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Total \$ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

This package does not include the DOL fiscal note.

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

| | | |
|--|-------------------------------|---------------------------------------|
| Prepared by: Alyson Cummings, OFM | Phone: 360-902-0576 | Date Published: Preliminary |
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 25469

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

| | | |
|-----------------------------|---|---|
| Bill Number: 3040 HB | Title: Regarding the licensing of appraisal management companies | Agency: 100-Office of Attorney General |
|-----------------------------|---|---|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---------|---------|---------|---------|---------|
| Legal Services Revolving Account-State 405-1 | | 42,477 | 42,477 | 84,954 | 84,954 |
| Total \$ | | 42,477 | 42,477 | 84,954 | 84,954 |

Estimated Expenditures from:

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.0 | 0.3 | 0.2 | 0.3 | 0.3 |
| Account | | | | | |
| Legal Services Revolving Account-State 405-1 | 0 | 42,477 | 42,477 | 84,954 | 84,954 |
| Total \$ | 0 | 42,477 | 42,477 | 84,954 | 84,954 |

Estimated Capital Budget Impact:

| | 2009-11 | | 2011-13 | | 2013-15 | |
|-----------------|------------|------------|------------|------------|------------|------------|
| | FY 2010 | FY 2011 | FY 2012 | FY 2013 | FY 2014 | FY 2015 |
| Acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Construction | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Total \$ | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

| | | | |
|----------------------|-----------------|-----------------------|------------------|
| Legislative Contact: | Alison Hellberg | Phone: 360-786-7152 | Date: 01/20/2010 |
| Agency Preparation: | Tina Kondo | Phone: (206) 464-6293 | Date: 01/22/2010 |
| Agency Approval: | Sarian Scott | Phone: (360) 586-2104 | Date: 01/22/2010 |
| OFM Review: | Chris Stanley | Phone: (360) 902-9810 | Date: 01/22/2010 |

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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 3 defines appraisal management companies as an entity that directly or indirectly performs appraisal management services, regardless of the use of the term appraisal management company, mortgage technology provider, lender processing services, lender services, loan processor, mortgage services, real estate closing services provider, settlement services provider, vendor management company, or any other term.

"Appraisal management services" means to, directly or indirectly, perform any or all of certain functions on behalf of a lender, financial institution, mortgage broker, loan originator, or any other person. Those services include administering an appraisal panel or providing appraisals.

Section 4 says the Director of the Department of Licensing (DOL) shall have the powers necessary to administer a licensing program. Note that subsection 4(8) allows the imposition of a fee.

Section 5 provides immunity for DOL personnel for their acts unless intentional or willful misconduct takes place.

Section 6 sets forth the application and registration procedures.

Section 7 says out of state companies must consent to service in order to be licensed.

Section 8 requires licensees to put their number on any contract, request for payment, orders, or letters.

Section 9 requires licensure.

Section 10 says a license applicant may not be owned more than 10% by a person or entity who has had adverse action against their license in another state. Each applicant must be of good moral character as determined by the department, and must submit to a background check.

Section 11 requires that one person be designated the controlling person.

Section 12 restricts who can be employed by an appraisal management company.

Section 13 sets forth exemptions. A person who employs appraisers according to uniform standards of professional appraisal practice, a financial institution regulated by the US government, or agency of this state where an internal request for appraisal is made, agreements between appraisers, and relocation management companies are exempt.

Section 14 requires recordkeeping.

Section 15 sets forth rules covering fees, disclosures and limitations.

Section 16 describes a method for resolving disputes between appraisers and appraisal management companies.

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Section 17 gives the DOL the power to discipline based on certain conditions.

Section 18 makes operating without a license a misdemeanor.

Section 19 gives DOL the authority to investigate.

Section 20 says the Attorney general's Office (AGO) shall advise the Director upon all questions related to this chapter.

Section 21 makes this chapter subject to the uniform regulation of business and professions act.

The AGO estimates a workload impact of 0.2 Assistant Attorney General (AAG) and 0.1 Legal Assistant (LA) at a cost of \$42,477 in Fiscal Year (FY) 2011 and each FY thereafter. The increase in staffing is to provide legal services for advice in setting up the new program and handling any resulting hearings.

This bill is assumed effective July 1, 2010.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Funds are assumed to be Legal Service Revolving Account dollars. Legal services costs incurred by the AGO will be billed through the revolving fund to the client agency.

The client agency is assumed to be DOL.

Please note that these cash receipts represent the AGO authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies fiscal note.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

The AGO estimates a workload impact of 0.2 AAG and 0.1 LA at a cost of \$42,477 in FY2011 and each FY thereafter.

Assumptions

1. We assume program set-up advice requirements.
2. We assume an increase in hearings based on the enactment of this bill.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

| | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|--------------------------------------|---------|----------|----------|----------|----------|
| FTE Staff Years | | 0.3 | 0.2 | 0.3 | 0.3 |
| A-Salaries and Wages | | 21,500 | 21,500 | 43,000 | 43,000 |
| B-Employee Benefits | | 6,020 | 6,020 | 12,040 | 12,040 |
| C-Personal Service Contracts | | | | | |
| E-Goods and Services | | 11,617 | 11,617 | 26,234 | 26,234 |
| G-Travel | | 940 | 940 | 1,880 | 1,880 |
| J-Capital Outlays | | 2,400 | 2,400 | 1,800 | 1,800 |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total: | \$0 | \$42,477 | \$42,477 | \$84,954 | \$84,954 |

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

| Job Classification | Salary | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Assistant Attorney General | 86,208 | | 0.2 | 0.1 | 0.2 | 0.2 |
| Legal Assistant II | 42,588 | | 0.1 | 0.1 | 0.1 | 0.1 |
| Total FTE's | 128,796 | | 0.3 | 0.2 | 0.3 | 0.3 |

III. C - Expenditures By Program (optional)

| Program | FY 2010 | FY 2011 | 2009-11 | 2011-13 | 2013-15 |
|---|---------|---------|---------|---------|---------|
| Licensing & Administrative Law Division (LAL) | | 42,477 | 42,477 | 84,954 | 84,954 |
| Total \$ | | 42,477 | 42,477 | 84,954 | 84,954 |

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.