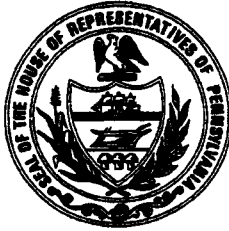


MARIO J. CIVERA, JR., MEMBER  
HOUSE POST OFFICE BOX 202020  
MAIN CAPITOL BUILDING  
HARRISBURG, PENNSYLVANIA 17120-2020

232 LONG LANE  
UPPER DARBY, PENNSYLVANIA 19082



COMMITTEES

PROFESSIONAL LICENSURE,  
MAJORITY CHAIRMAN  
LIQUOR CONTROL  
FIREFIGHTERS' CAUCUS,  
COCHAIRMAN

*House of Representatives*

COMMONWEALTH OF PENNSYLVANIA  
HARRISBURG

February 9, 1999

ORIGINAL: 1943, 1950 & 1998

MIZNER, MCGINLEY & BUSH

COPIES: McGinley

Bush

Cocodrilli

Harbison

Nanorta

Harris

Wilmarth

Sandusky

Legal

Notebook

John R. McGinley, Jr., Chairman  
Independent Regulatory Review Commission  
14th Floor, 333 Market Street  
Harrisburg, PA 17101

Dear Chairman McGinley:

This is to advise you that the House Professional Licensure Committee met on Tuesday, February 9, 1999, and submits the following comments pertaining to the regulations considered by the Committee:

**Regulation 16A-577** is Final Rulemaking of the State Board of Veterinary Medicine. The Committee voted to approve the regulation.

**Regulation 16A-707** is Final Rulemaking of the State Board of Certified Real Estate Appraisers. The Committee voted to approve the regulation.

**Regulation 16A-708** is Final Rulemaking (proposed omitted) of the State Board of Certified Real Estate Appraisers. The Committee voted to approve the regulation. However, the members of the Committee advised the Board in a letter written on February 9, 1999, of their concern over the Board's decision to submit the regulation in this manner, thereby bypassing the public comment period. The Committee believes that the proposed rulemaking process should be utilized in all but the clearest cases in which its omission would be appropriate.

Please feel free to contact my office if any questions should arise.

Sincerely,

A handwritten signature in cursive script that reads "Mario J. Civera".

Mario J. Civera, Chairman  
Professional Licensure Committee

MJC/sms

Enclosures

CC: Jeffrey M. Ott, V.M.D., Chairman  
State Board of Veterinary Medicine  
David J. King, Chairman  
State Board of Certified Real Estate Appraisers  
Kim Hanna Pizzingrilli  
Acting Secretary of the Commonwealth

RECEIVED  
99 FEB 11 PM 2:22  
INDEPENDENT REGULATORY REVIEW COMMISSION

RECEIVED

99 FEB 11 PM 2:22

INDEPENDENT LEGISLATIVE  
REVIEW COMMISSION

ORIGINAL: 1943

MIZNER

COPIES: McGinley

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Cocodrilli

Harbison, Nanorta, Harris, Sandusky, Legal, Notebook

Regulation 16A-707

**State Board of Certified Real Estate Appraisers**

**PROPOSAL:** Regulation 16A-707 amends 49 PA Code, Chapter 36, regulations of the State Board of Certified Real Estate Appraisers. The amendment makes revisions to the fee section to provide fees for Broker/Appraisers.

Regulation 16A-707 is Final Rulemaking which was delivered to the Professional Licensure Committee on January 25, 1999. The Professional Licensure Committee has until February 14, 1999 to approve or disapprove the regulation.

**ANALYSIS:** The regulation sets the fees for Broker/Appraiser as follows:

Application fee	\$40.00
Initial certification for entire Biennial period	\$90.00
Initial certification for one year of the Biennial period	\$45.00

Real Estate Brokers were eligible to apply for this certification to be a Broker/Appraiser pursuant to Act 71 of 1996, so long as they were licensed in good standing as of September 3, 1996, and submitted an application by September 3, 1998. The Board indicates that 4,125 persons were issued broker/appraiser certifications, each of whom will be required to pay the \$40 application fee. Of these certificate holders, 699 will be required to pay the \$90 initial certification fee and 3,426 will be required to pay the \$45 initial certification fee. The fees are consistent with the fees for appraisers.

**RECOMMENDATIONS:** It is recommended that the Professional Licensure Committee approve the regulation.

House of Representatives  
Professional Licensure Committee  
February 1, 1999



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

STATE BOARD OF CERTIFIED  
REAL ESTATE APPRAISERS

(717) 783-4866  
Fax: (717) 787-0251

116 PINE STREET  
P.O. BOX 2649  
HARRISBURG, PA  
17105-2649

January 25, 1999

The Honorable Mario J. Civera, Jr.  
Majority Chairman  
Professional Licensure Committee  
Pennsylvania House of Representatives  
315-D Main Capitol Building  
Harrisburg, PA 17120

RE: Final Rulemaking of the State Board of Certified Real Estate Appraisers  
Relating to Broker/Appraiser Fees (16A-707)

Dear Representative Civera:

Enclosed is a copy of a final rulemaking package of the State Board of Certified Real Estate Appraisers that adopts application and initial certification fees for broker/appraisers.

The final-form version of the regulation incorporates changes recommended by the Independent Regulatory Review Commission during proposed rulemaking.

The Board stands ready to provide whatever information or assistance your Committee may require in its review of this final rulemaking.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. King".

David J. King, Chairman  
State Board of Certified Real Estate Appraisers

DJK:SW:apm  
Enclosure

FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU

(Pursuant to Commonwealth Documents Law)

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

Copy below is approved as to form and legality. Executive or Independent Agencies.

BY: \_\_\_\_\_  
(DEPUTY ATTORNEY GENERAL)

State Board of  
Certified Real Estate Appraisers  
(AGENCY)

*Meggy E Dunlop*

DOCUMENT/FISCAL NOTE NO. 16A-707

DATE OF APPROVAL

DATE OF ADOPTION: \_\_\_\_\_

*R. W. / 98*  
DATE OF APPROVAL

BY: *David J. King*  
David J. King

(Deputy General Counsel  
(Chief Counsel,  
Independent Agency  
(Strike inapplicable  
title)

TITLE: Chairman  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

[ ] Check if applicable  
Copy not approved.  
Objections attached.

[ ] Check if  
applicable. No Attorney  
General approval or  
objection within 30 day  
after submission.

ORDER OF FINAL RULEMAKING

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS  
(49 PA. CODE, CHAPTER 36)

BROKER/APPRaiser FEES

By this order, the State Board of Certified Real Estate Appraisers (Board) amends 49 Pa. Code §36.6 (relating to fees) as set forth in Annex A.

Section 36.6 lists a schedule of fees currently charged by the Board. The amendments add to this schedule two fees relating to the new certification class of broker/appraiser: An application fee of \$40 (for the application period of September 3, 1996 to September 3, 1998) and an initial certification fee of \$90 (if certification occurred between July 1, 1997 and June 30, 1998) or \$45 (if certification occurred between September 3, 1996 and June 30, 1997 or if certification occurred on or after July 1, 1998, provided the application for certification was received by September 3, 1998).

### Background and Purpose

Act 71 of 1996 amended Section 6 of the Real Estate Appraisers Certification Act (REACA), 63 P.S. §457.6, to establish the certification class of broker/appraiser. The broker/appraiser certification permits eligible real estate brokers to perform real estate appraisals in nonfederally related transactions after their authority to do so under the Real Estate Licensing and Registration Act expired September 3, 1998. Real estate brokers who were licensed in good standing as of September 3, 1996 and who submitted qualifying applications to the Board between September 3, 1996 and September 3, 1998 were eligible for certification as broker/appraisers.

The application fee defrays (1) the identifiable costs incurred by the Board in reviewing and processing an application for broker/appraiser certification and (2) a portion of the Board's administrative overhead. The initial certification fee (a prorated amount depending on when certification occurred during the Board's biennial renewal cycle, which begins July 1 of the odd-numbered years) defrays a portion of the Board's general operating expenses (e.g., legal services, investigative activities, administrative support); these costs are not capable of being apportioned to a specific segment of the persons regulated by the Board and, therefore, must be borne by the entire regulated community. The same two-tiered fee is charged to newly certified persons in the Board's other certification classes (i.e., general appraiser, residential appraiser, Pennsylvania evaluator).

Rather than delay the processing of broker/appraiser applications pending regulatory approval of the fees, the Board has issued certificates to qualified applicants who submitted timely applications and intends to bill certificateholders for the fees upon completion of final rulemaking. Applicants for certification were given notice of the proposed fees and of the Board's intention to deny biennial renewal of certification to those who fail to pay them.

### Summary of Comments and Responses to Proposed Rulemaking

The Board published a notice of proposed rulemaking on May 2, 1998 (28 Pa. B. 2036-2037), following which the Board entertained public comments for a period of 30 days. On June 1, 1998, the Board received comments from the Pennsylvania Association of Realtors (PAR) supporting the fees.

On July 2, 1998, the Board received comments from the Independent Regulatory Review Commission (IRRC) recommending editorial changes pursuant to its review of the fees under the Regulatory Review Act (RRA), 71 P.S. §745.1 *et seq.* The Board did not receive comments from the House Professional Licensure Committee (House Committee) and the Senate Consumer Protection and Professional Licensure Committee (Senate Committee), both of which reviewed the fees during proposed rulemaking.

At the suggestion of the IRRC, the Board has amended the description of the application fee in §36.6 to clarify that the fee applies to applications that were submitted during the two-year application period beginning September 3, 1996 and ending September 3, 1998; the original description of the fee did not reference the two-year application period. Also at the suggestion of the IRRC, the Board has amended the description of the initial certification fee in §36.6 to clarify that the \$45 fee will be charged to certificateholders who obtained their certifications between September 3, 1996 and June 30, 1997 or on or after July 1, 1998, provided their applications were received by September 3, 1998; the original description of the fee did not identify the final cutoff date.

### Fiscal Impact

Each of the approximately 4,125 persons who hold current broker/appraisers certifications will be required to pay the \$40 application fee. Of these certificateholders, 699 will be required to pay the \$90 initial certification fee and approximately 3,426 will be required to pay the \$45 initial certification fee. Accordingly, the fees will generate total revenues for the Board of approximately \$382,080 (4,125 x \$40 plus 3,426 x \$45 plus 699 x \$90).

### Paperwork Requirements

The fees will not create additional paperwork for the Board and the regulated community. Certificateholders will be billed for the fees when they receive their biennial renewal notices in April 1999.

### Statutory Authority

Section 5(6) of the REACA, 63 P.S. §457.5(6), authorizes the Board to establish fees for its operation. Section 9 of the REACA, 63 P.S. §457.9, requires the Board to fix the fees by regulation and to ensure that the revenues derived from the fees are adequate to cover the Board's expenses.

### Compliance with Executive Order 1996-1

In accordance with the requirements of Executive Order 1996-1 (relating to regulatory review and promulgation), the Board, in developing the fees, solicited comments from the major trade organizations that represent various segments of the regulated community.

### Regulatory Review

On April 17, 1998, as required by Section 5(a) of the RRA, 71 P.S. §745.5(a), the Board submitted a copy of the notice of proposed rulemaking, published at 28 Pa.B. 2036-2037 (May 2, 1998), to the IRRC and to the House and Senate Committees for review and comment.

In adopting a final regulation, the Board considered comments from the IRRC and the PAR. The Board did not receive comments from the House and Senate Committees.

On January 25, 1999, the Board submitted a final regulation to the IRRC and the House and Senate Committees. Under authority of Section 5(c) of the RRA, 71 P.S. §745.5(c), the regulation was approved by the House Committee on \_\_\_\_\_, 19\_\_\_\_, approved by the Senate Committee on \_\_\_\_\_, 19\_\_\_\_, and approved by the IRRC on \_\_\_\_\_, 19\_\_\_\_.

### Additional Information

Individuals who desire additional information about the fees are invited to submit inquiries to Cheryl B. Lyne, Administrator, State Board of Certified Real Estate Appraisers, P.O. Box 2649, Harrisburg, PA 17105-2649. The Board's telephone number is (717) 783-4866.

### Findings

The Board finds that:

- (1) Public notice of the Board's intention to amend 49 Pa. Code, Chapter 36, by this order has been given under Sections 201 and 202 of the Commonwealth Documents Law, 45 P.S. §§1201 and 1202, and the regulations thereunder, 1 Pa. Code §§7.1 and 7.2.
- (2) The regulation adopted by this order is both necessary and appropriate for the administration of the REACA.

Order

The Board, acting under its authorizing statute, orders that:

- (a) The regulations of the Board, 49 Pa. Code, Chapter 36, are amended by amending §36.6 to read as set forth in Annex A.
- (b) The Board shall submit this order and Annex A to the Office of Attorney General and the Office of General Counsel for approval as required by law.
- (c) The Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (d) The regulation shall take effect upon publication in the Pennsylvania Bulletin.



ANNEX A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARD  
PART I. DEPARTMENT OF STATE  
SUBPART A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
CHAPTER 36. STATE BOARD OF CERTIFIED REAL ESTATE APPRAISER

Subchapter A. GENERAL PROVISIONS

\* \* \* \*

§36.6. Fees.

The following is the schedule of fees charged by the Board:

Certification of scores.....\$15

Verification of certification..... \$10

*Certified Real Estate Appraisers*

Application fee..... \$55

Examination fee.....\$100

Initial certification (if certified on or after  
7/1 of odd-numbered years or on or before  
6/30 of even-numbered years).....\$90

Initial certification (if certified between  
7/1 of even-numbered years and 6/30 of  
odd-numbered years..... \$45

Biennial renewal fee..... \$105

*Certified Broker/Appraisers*

Application fee (FOR APPLICATION PERIOD OF  
SEPTEMBER 3, 1996 TO SEPTEMBER 3, 1998)..... \$40

Initial certification (if certified between July 1, 1997 and June 30, 1998)..... \$ 90

Initial certification (if certified between September 3, 1996 and June 30, 1997 or If CERTIFIED on or after July 1, 1998, PROVIDED THE APPLICATION FOR INITIAL CERTIFICATION WAS SUBMITTED BY SEPTEMBER 3, 1998) ..... \$ 45

*Certified Pennsylvania Evaluators*

Application fee..... \$55

Initial certification (if certified on or after 7/1 of odd-numbered years or on or before 6/30 of even-numbered years)..... \$90

Initial certification (if certified between 7/1 of even-numbered years and 6/30 of odd-numbered years).....\$45

Biennial renewal fee.....\$105

Reciprocity certification fee.....\$25

Temporary practice registration fee..... \$25

Examination fee..... \$200

# PROPOSED RULEMAKING

## STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS

[49 PA. CODE CH. 36]  
Broker/Appraiser Fees

The State Board of Certified Real Estate Appraisers (Board) proposes to amend § 36.6 (relating to fees) to read as set forth in Annex A.

Section 36.6 sets forth a schedule of fees currently charged by the Board. The proposed amendment would add to this schedule two fees relating to the newly created certification class of broker/appraiser: an application fee of \$40 and an initial certification fee of \$90 (if certification occurs between July 1, 1997, and June 30, 1998) or \$45 (if certification occurs between September 3, 1996, and June 30, 1997, or on or after July 1, 1998).

### *Background and Purpose*

The act of July 2, 1996 (P. L. 460, No. 71) (Act 71) amended section 6 of the Real Estate Appraisers Certification Act (REACA) (63 P. S. § 457.6) to establish the certification class of broker/appraiser. The broker/appraiser certification permits eligible real estate brokers to perform real estate appraisals in non-Federally related transactions after their authority to do so under the REACA expires September 3, 1998. Real estate brokers who are licensed in good standing as of September 3, 1996, and who submit qualifying applications to the Board between September 3, 1996, and September 3, 1998, are eligible for certification as broker/appraisers.

The proposed application fee would defray (1) the identifiable costs incurred by the Board in reviewing and processing an application for broker/appraiser certification; and (2) a portion of the Board's administrative overhead.

The proposed initial certification fee (to be prorated depending on when certification occurs during the Board's biennial renewal cycle, which begins July 1 of the odd-numbered years) would defray a portion of the Board's general operating expenses (such as, legal services, investigative activities and administrative support). These costs are not susceptible of being apportioned to a specific segment of the persons regulated by the Board and, therefore, must be borne by the entire regulated community. The same two-tiered fee is charged to newly certified persons in the Board's other certification classes (that is, general appraiser, residential appraiser, Pennsylvania evaluator).

Rather than delay the processing of broker/appraiser applications pending regulatory approval of the proposed fees, the Board has been issuing certificates to qualified applicants throughout the 2-year application period that began September 3, 1996, and intends to bill certificateholders for the fees upon completion of final rulemaking. Prospective applicants have been given notice of the proposed fees and of the Board's intention to

deny biennial renewal of certification to those who fail to pay the fees.

### *Fiscal Impact*

The Board projects that approximately 3,500 real estate brokers will apply for and be issued broker/appraiser certificates. The Board also projects that about 92% of the certificateholders will be assessed the \$45 initial certification fee rather than the \$90 initial certification fee because their certifications will have occurred before July 1, 1997, or after June 30, 1998. Accordingly, the Board estimates that the application fee for broker/appraiser will generate revenues of \$140,000 (3,500 applications × \$40) while the initial certification fee for broker/appraiser will generate revenues of \$170,100 (2,220 certifications × \$45 and 290 certifications × \$90).

### *Paperwork Requirements*

The proposed fees will not create additional paperwork for the Board and the regulated community. The fees will be invoiced as part of the biennial renewal notices sent to certificateholders.

### *Statutory Authority*

Section 5(6) of the REACA (63 P. S. § 457.5(6)) authorizes the Board to establish fees for its operation. Section 9 of the REACA (63 P. S. § 457.9) requires the Board to fix the fees by regulation, and to ensure that the revenues derived from the fees are adequate to cover the Board's expenses.

### *Compliance with Executive Order 1996-1*

In accordance with the requirements of Executive Order 1996-1 (relating to regulatory review and promulgation), the Board, in developing the proposed fees, solicited comments from the major trade organizations that represent the various segments of the regulated community.

### *Regulatory Review*

On April 17, 1998, as required by section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), the Board submitted copies of this notice of proposed rulemaking to the Independent Regulatory Review Commission (IRRC), the Senate Standing Committee on Consumer Protection and Professional Licensure and the House Standing Committee on Professional Licensure. The Board also provided IRRC and the Committees with copies of regulatory analysis and fee report forms prepared in compliance with Executive Order 1996-1. Copies of these forms are available to the public upon request.

Under section 5(g) of the Regulatory Review Act, if IRRC has objections to either or both of the proposed fees, it will notify the Board within 10 days of the close of the Committees' review period, specifying the regulatory review criteria that have not been met. The Regulatory Review Act sets forth procedures that permit IRRC, the General Assembly and the Governor to review objections prior to final adoption of the fees.

### *Public Comment*

The Board invites interested persons to submit written comments, suggestions or objections regarding the proposed fees to Steven Wennberg, Counsel, State Board of

Certified Real Estate Appraisers, P. O. Box 2649, Harrisburg, PA 17105-2649 within 30 days following publication of this notice of proposed rulemaking in the *Pennsylvania Bulletin*.

DAVID J. KING,  
*Chairperson*

Fiscal Note: 16A-707. No fiscal impact; (S) recommends adoption.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS  
PART I. DEPARTMENT OF STATE  
Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
CHAPTER 36. STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS  
Subchapter A. GENERAL PROVISIONS  
GENERAL PROVISIONS

§ 36.6. Fees.

The following is the schedule of fees charged by the Board:

*Certified Real Estate Appraisers*

*Certified Broker/Appraisers*

Application fee .....	\$40
Initial certification (if certified between July 1, 1997, and June 30, 1998) .....	\$90
Initial certification (if certified between September 3, 1996, and June 30, 1997, or on or after July 1, 1998) .....	\$45

*Certified Pennsylvania Evaluators*

(Pa.B. Doc. No. 98-569. Filed for public inspection May 1, 1998, 9:00 a.m.)

STATE POLICE

[37 PA. CODE CHS. 31 AND 33]

Uniform Firearms Act; Licensed Retail Dealers; Firearm Record Forms

As a requirement of the act of June 26, 1995 (P. L. 88, No. 17), the act of November 22, 1995 (P. L. 621, No. 66), the act of February 15, 1997 (P. L. 13, No. 5) and the act of July 2, 1996 (P. L. 481, No. 77) (acts) (relating to the Administrative Regulations Regarding the Uniform Firearms Act), these proposed amendments are necessary for the general administration of 18 Pa.C.S. Chapter 61, Subchapter A (relating to Uniform Firearms Act). These proposed amendments are to be implemented immediately upon adoption of the final-form regulations. The proposed amendments set forth the administration, policies and procedures designed to carry out the provisions of these acts.

*Benefits*

These proposed amendments will clearly benefit the citizens of this Commonwealth by establishing procedures to prevent prohibited persons from obtaining firearms.

*Effect*

The proposed amendments will affect various criminal justice agencies, the courts, mental health providers, firearm sellers and firearm purchasers by means of reporting, recordkeeping and confidentiality requirements.

*Paperwork Requirements*

The proposed amendments will require the completion of additional forms, reports or other paperwork as prescribed and provided by the State Police.

*Regulatory Review*

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on April 15, 1998, the State Police submitted a copy of these proposed amendments to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the House Judiciary Committee and the Senate Law and Justice Committee. In addition to submitting the proposed amendments, the State Police has provided IRRC and the Committees with a copy of a detailed Regulatory Analysis Form. A copy of the material is also available to the public upon request.

Under section 5(g) of the Regulatory Review Act, if IRRC has objections to any portion of the proposed amendments, it will notify the State Police within 10 days of the close of the Committees' review period. The notification shall specify the regulatory review criteria which have not been met by that portion. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the amendments, by the State Police, the General Assembly and the Governor of objections raised.

*Sunset Date*

No sunset date has been assigned, however, every facet of these proposed amendments will be continuously reviewed for effectiveness, clarity and whether they are serving the greater interests of citizens of this Commonwealth.

*Public Hearings*

These proposed amendments have been written in consultation with various criminal justice agencies. In addition, representatives from the Department of Treasury—Bureau of Alcohol, Tobacco and Firearms; various county sheriffs; retail firearm dealers; State and county mental health and mental retardation agencies; Attorney General Michael D. Fisher; Senator Vincent J. Fumo; Representative Robert W. Godshall; and the National Rifle Association have also been consulted. Regional meetings to update and inform those affected are ongoing and will continue.

*Public Comment*

Interested parties wishing to comment are invited to submit a written statement within 30 days of the publication of this notice in the *Pennsylvania Bulletin*. Each written statement must include the name, address and telephone number of the interested party and a concise statement with sufficient detail on the subject. Written statements may be directed to the State Police, Attention: Director, Records and Identification Division, 1800 Elmerton Avenue, Harrisburg, PA 17110.

<b>Regulatory Analysis Form</b>		This space for use by IRRC
(1) Agency Department of State, Bureau of Professional and Occupational Affairs, State Board of Certified Real Estate Appraisers		IRRC Number:
(2) I.D. Number (Governor's Office Use) 16A-707		
(3) Short Title Broker/Appraiser Fees		
(4) PA Code Cite 49 Pa. Code §36.6	(5) Agency Contacts & Telephone Numbers  Primary Contact: Steven Wennberg, Board Counsel 783-7200  Secondary Contact: Joyce McKeever, Deputy Chief Counsel - 783-7200	
(6) Type of Rulemaking (check one)  Proposed Rulemaking Final Order Adopting Regulation X Final Order, Proposed Rulemaking Omitted	(7) Is a 120-Day Emergency Certification Attached?  No X Yes: By the Attorney General Yes: By the Governor	
(8) Briefly explain the regulation in clear and nontechnical language. The regulation establishes two fees for the new certification class of broker/appraiser: an application fee of \$40 and an initial certification fee of \$90 (if certification occurred between July 1, 1997 and June 30, 1998) or \$45 (if certification occurred between September 3, 1996 and June 30, 1997 or on or after July 1, 1998, provided the application for certification was submitted by September 3, 1998).		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions.  The Board has the authority to establish fees for its operation under Sections 5(6) and 9 of the Real Estate Appraisers Certification Act (REACA), Act of July 10, 1990, P.L. 404, 63 P.S. §§457.5(6) and 457.9.		

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

The regulation is not mandated by federal or state law, regulation or court order. However, Section 9 of the REACA requires the Board to generate sufficient revenues from fees and other sources to defray its expenses.

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

The regulation ensures that broker/appraisers — a new segment of the regulated community — contribute their fair share to defraying the expenses incurred by the Board in regulating the activities of broker/appraisers and others in the regulated community.

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

The long-term risk associated with nonregulation is that the Board will have fewer financial resources with which to discharge its obligations under the REACA.

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

The public benefits from the Board having sufficient financial resources to discharge its statutory obligations, which include enforcement of the regulated community's compliance with ethical and practice standards.

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

**The approximately 4,125 persons who hold current broker/appraiser certificates will be required to pay the fees established by the regulation.**

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

**See Item No. 14.**

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

**In drafting the regulation, the Board solicited input from the Council of Pennsylvania Real Estate Appraisers, Inc., the Pennsylvania Association of Realtors, the Assessors Association of Pennsylvania, and the Pennsylvania Bankers Association. None of these organizations submitted comments during the drafting stage of the regulation.**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

**Each of the approximately 4,125 persons with current broker/appraiser certificates will pay a \$40 application fee and an initial certification fee of either \$90 or \$45, depending on when certification occurred during the Board's biennial renewal cycle. Approximately 3,426 broker/appraisers will pay the \$45 initial certification fee and 699 broker/appraisers will pay the \$90 initial certification fee. The total cost to the regulated community from the fees is approximately \$382,080 (4,125 times \$40 plus 3,426 times \$45 plus 699 times \$90).**

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

**The regulation does not result in costs or savings to local government.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

**The regulation does not result in costs or savings to state government. However, the Board is expected to receive revenues of approximately \$382,080 from the regulation.**



(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated						
Local Government						
State Government						
Total Savings						
<b>COSTS:</b>						
Regulated	191,040	191,040				
Local Government						
State Government						
Total Costs	191,040	191,040				
<b>REVENUE LOSSES:</b>						
Regulated						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

As noted in Item No. 17, the total cost to the regulated community is approximately \$382,080. Broker/appraisers will be billed for the fees at the time they are sent biennial renewal notices in April 1999; the Department of State's Budget Office expects that about one-half of the revenues will be received during FY 1998-99 (i.e., before July 1, 1999) and one-half of the revenues will be received during FY 1999-2000 (i.e., on or after July 1, 1999).

## Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
Appraiser Board	\$ 192,223.83	\$ 209,758.47	\$253,979.00 (est.)	\$239,000.00(est.)

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

The costs, or fees, imposed by the regulation are necessary so that the Board may generate sufficient revenues to discharge its statutory obligations. Although the Board currently enjoys a revenue surplus, it is likely that the new broker/appraiser certification class (which has increased the number of persons regulated by the Board from approximately 3,500 to approximately 7,650) will cause the Board to incur, in coming years, substantially higher expenditures in the areas of investigative and legal activities and administrative support.

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

The Board did not consider a nonregulatory alternative. The REACA requires the Board to assess fees by regulation.

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

The Board had also considered establishing a biennial renewal fee of \$105 for broker/appraisers. After further study, the Board determined that its revenue requirements did not merit proposing such a fee at this time.

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

**There are no federal standards relating to fees charged by state appraiser certification agencies.**

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

**The Board does not have information about application and certification fees charged by other states. However, the Board has no reason to believe that the fees established by the regulation will have even the slightest impact on Pennsylvania's competitiveness with other states.**

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

**The regulation does not affect proposed or existing regulations of the Board or any other state agency.**

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

**The Board has not scheduled public hearings or informational meetings in connection with final rulemaking.**

## Regulatory Analysis Form

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

**The regulation does not increase paperwork, legal, accounting or reporting requirements.**

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

**The regulation applies to all persons who applied for and received certificates as broker/appraisers. The Board perceives no reason why any group of such persons should be exempted from the regulation.**

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

**The regulation will be effective upon final publication in the Pennsylvania Bulletin. The Board's target date for billing broker/appraisers for the fees established by the regulation is April 1999, when biennial renewal notices are mailed to all current certificateholders.**

(31) Provide the schedule for continual review of the regulation.

**The Board, in conjunction with the Department of State's Budget Office, annually reviews its revenue requirements.**

## FEE REPORT FORM

Agency: State - BPOA

Date: October 1, 1998

Contact: C. Michael Weaver

Phone No. 783-7194

### Fee Title, Rate and Estimated Collections:

Broker/Appraiser Application Fee: \$40.00

Estimated Biennial Revenue: \$165,000.00 (4,125 applications x \$40.00)

### Fee Description:

The fee will be charged to any person applying for certification as a broker/appraiser.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Certified Real Estate Appraiser Board to review and process an application for certification as a broker/appraiser and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Staff time- review and process examination application (.33 hr)	11.09
Administrative Overhead:	24.53
Avg. Time/Attorney Review:	1.79
Avg. Time/Board Meeting Review:	2.14
Total Estimated Cost:	\$39.55
Proposed Fee:	\$40.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established to review and evaluate an application for certification as a broker/appraiser.

**Board Staff:** Reviews application for completeness, contacts applicant to request any missing information, verifies status of Real Estate Broker license issued by State Real Estate Commission to confirm compliance with requirements. If requirements are met, issues certification through computer, prepares documents for microfilm. If requirements are not met, notifies applicant through discrepancy notice. If decision cannot be made by board staff, the application is forwarded to Legal Office and/or placed on Board agenda for review/decision by full Board.

**Legal Office/Board Meeting Review:** If application is forwarded due to legal questions (i.e. - criminal conviction), attorney reviews file, makes determination and returns to Board office for issuance of certification or to be placed on agenda for action by full board.

It is estimated that 60 applications will require additional review. The additional cost for this service has been averaged over the total number of applications anticipated and adds a cost of \$1.79 per application for legal and \$2.14 per application for board meeting review. These estimates include two (2) hours for each application requiring legal review and one (1) hour for each application requiring review by the board.

## FEE REPORT FORM

**Agency:** State - BPOA

**Date:** October 1, 1998

**Contact:** C. Michael Weaver

**Phone No.** 783-7194

### **Fee Title, Rate and Estimated Collections:**

Broker/Appraiser Initial Certification Fee: \$90.00 if certified in 1<sup>st</sup> half of biennial cycle; \$45.00 if certified in 2<sup>nd</sup> half of biennial cycle.

Estimated Biennial Revenue: \$217,080 (3,426 applications x \$45.00 and 699 applications x \$90.00).

### **Fee Description:**

The fee will be charged to any person certified as a broker/appraiser.

### **Fee Objective:**

The fee should defray a portion of the operational costs incurred by the State Board of Certified Real Estate Appraisers for the time period between the issuance of the initial certification and the first renewal cycle, thereby causing newly-certified individuals to contribute to the operating costs of the Board.

### **Analysis, Comment, and Recommendation:**

It is recommended that initial certification fees as noted above be established for the State Board of Certified Real Estate Appraisers.