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| Regulatory Analysis Form | | This space for use by IRRC RECEIVED 2000 SEP 28 AM 8:25 REGULATORY REVIEW COMMISSION | |
| (1) Agency Department of State, Bureau of Professional and Occupational Affairs, State Real Estate Commission | | IRRC Number: 1996 | |
| (2) I.D. Number (Governor's Office Use) 16A-560 | | | |
| (3) Short Title General Revisions | | | |
| (4) PA Code Cite 49 Pa. Code §§35.201, 35.222, 35.223, 35.245, 35.271, 35.281, 35.287, 35.304, 35.305, 35.308, 35.321, 35.322, 35.327 | | (5) Agency Contacts & Telephone Numbers Primary Contact: Judith Pachter Schulder, Counsel State Real Estate Commission 783-7200 Secondary Contact: Joyce McKeever, Deputy Chief Counsel, Department of State 783-7200 | |
| (6) Type of Rulemaking (check one) <input type="checkbox"/> Proposed Rulemaking <input checked="" type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking Omitted | | (7) Is a 120-Day Emergency Certification Attached? <input type="checkbox"/> No X <input type="checkbox"/> Yes: By the Attorney General <input type="checkbox"/> Yes: By the Governor | |
| (8) Briefly explain the regulation in clear and nontechnical language. The regulation amends existing regulatory language regarding the display of licenses, prelicensure and continuing education and advertisements to better serve and protect the interest of consumers who use the services of a licensee in a real estate transaction. | | | |
| (9) State the statutory authority for the regulation and any relevant state or federal court decisions. The regulation is authorized under Sections 404 and 602 of the Real Estate Licensing and Registration Act, 63 P.S. §455.404 and §455.602. | | | |

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| (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. | |
| No; however, the amendments to sections 35.201, 35.271(b)(2), and 35.287 are responsive to Act 71 of 1996 which, effective September 3, 1998, transfers real estate appraisal activities to the jurisdiction of the State Board of Certified Real Estate Appraisers. | |
| (11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses? | |
| Many of the Commission's regulations have not been updated since 1989. 19 Pa. B. 781 (February 25, 1989). Other regulations which are to be amended were last revised in 1994. 24 Pa. B. 2904 (June 11, 1994). | |
| The regulation updates the existing regulations of the Commission to address issues of current importance to the regulated community and to better serve and protect the interests of consumers who use the services of a licensee in a real estate transaction. Of specific importance to the public interest are the proposed amendments to sections 35.304, 35.305, and 35.321. | |
| (12) State the public health, safety, environmental or general welfare risks associated with nonregulation. | |
| There are no identifiable public health, safety, environmental or general welfare risks associated with nonregulation. | |
| (13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.) | |
| Consumers of real estate services and the regulated community as a whole (including nonresident licensees) will benefit from the guidance to be provided by the proposed regulations. Currently, there are approximately 49,000 licensees of the Commission who will benefit from the regulations. | |

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(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.)

There are no perceived people or groups of people who will be adversely affected by the proposed regulations.

(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.)

All licensees of the Commission will be required to comply with the regulation. Applicants for licensure will also be required to satisfy the requirements of sections 35.222, 35.223 and/or 35.271. Currently, there are approximately 49,000 licensees of the Commission.

(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.

Notice of proposed rulemaking was published at 29 Pa. B. 565 (January 30, 1999). Publication was followed by a 30-day public comment period during which the Board received comments from the Pennsylvania Association of Realtors.

(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.

There are no costs to the regulated community associated with compliance with the regulation. Savings to the regulated community are not specifically quantifiable, but, would include savings associated with lower advertisement costs (section 35.305).

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(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.

N/A

(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.

N/A

(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 |
|------------------------|-----------------|------------|------------|------------|------------|------------|
| SAVINGS: | \$ | \$ | \$ | \$ | \$ | \$ |
| Regulated | N/A | N/A | N/A | N/A | N/A | N/A |
| Local Government | | | | | | |
| State Government | | | | | | |
| Total Savings | | | | | | |
| COSTS: | | | | | | |
| Regulated | | | | | | |
| Local Government | | | | | | |
| State Government | | | | | | |
| Total Costs | | | | | | |
| REVENUE LOSSES: | | | | | | |
| Regulated | | | | | | |
| Local Government | | | | | | |
| State Government | | | | | | |
| Total Revenue Losses | | | | | | |

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

N/A

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

| Program | FY -3 | FY -2 | FY -1 | Current FY |
|---------|-------|-------|-------|------------|
| N/A | | | | |
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(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

There are no adverse effects and costs associated with compliance with the regulation.

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

Nonregulatory alternatives were not considered because policy statements on any of the issues covered by the amendments would not have the force or effect of law.

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

No other regulatory schemes were considered.

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(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.

N/A

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

This regulation does put Pennsylvania at a competitive disadvantage with other states. Most other states regulations concerning the display of licenses, precensure and continuing education and advertisements.

(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 amends and updates existing regulations of the Commission. The regulation should not affect regulations of other state agencies.

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

The Commission reviews its regulatory proposals at regularly scheduled public meetings each month.

(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.

No.

(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 Commission is aware of no special needs of any subset or group which should be excepted.

(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 publication as an Order of Final Rulemaking in the Pennsylvania Bulletin. Compliance will be required as of that date.

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

The rules and regulations committee of the Commission continuously reviews its regulations.



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DEPARTMENT OF STATE
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS REVIEW COMMISSION
HARRISBURG, PENNSYLVANIA 17105-2649

LEGISLATIVE

LEGAL OFFICE, COUNSEL DIVISION

Telephone: (717) 783-7200

FAX No: (717) 787-0251

FAX COVER SHEET

DATE: 9/28/00
TO: Christine
FROM: Judith Pochter Schuller, Esq.
FAX: 3-2664
NO. OF PAGES (Including Cover): 9

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