## This space for use by IRRC **Regulatory Analysis** 91 J. 23 Mill: 10 **Form** (1) Agency Department of State, Bureau of Professional and Occupational Affairs, State Real Estate Commission Harbison (2) I.D. Number (Governor's Office Use) IRRC Number: 2048 16A-566 (3) Short Title **Application Fees** (4) PA Code Cite (5) Agency Contacts & Telephone Numbers 49 Pa. Code §35.203 Primary Contact: Judith Pachter Schulder, Counsel **State Real Estate Commission** (717)783-7200 Secondary Contact: Joyce McKeever, Deputy Chief Counsel, Department of State (717)783-7200 (6) Type of Rulemaking (check one) (7) Is a 120-Day Emergency Certification Attached? X Proposed Rulemaking Final Order Adopting Regulation X No Final, Proposed Omitted Yes: By the Attorney General Yes: By the Governor (8) Briefly explain the regulation in clear and nontechnical language. The regulation amends the fee schedule for the State Real Estate Commission to revise fees for review of qualifications for candidates for broker or cemetery broker licensing examination,

The regulation amends the fee schedule for the State Real Estate Commission to revise fees for review of qualifications for candidates for broker or cemetery broker licensing examination, application for licensure/registration and initial licensure/registration for broker, cemetery broker or rental listing referral agent, branch office, associate broker, salesperson, cemetery associate broker, builder-owner salesperson, time-share salesperson, campground membership

(Continued on Page 9)

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

The regulatory amendments are adopted under Section 407(a) of the Real Estate Licensing and Registration Act, Act of February 19, 1980, P.L. 15, as amended, 63 P.S. §455.407(a).

(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.

Yes. The Commission is required by statute to adopt regulations setting fees. See Item No. 9 for the specific law.

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

The enabling statute of the Commission requires that the Commission set fees by regulation so that revenues meet or exceed expenditures over a biennial period. The operating expenses of the Commission are generally borne by the licensee population through biennial renewal revenue. Expenses related to services which are provided directly to individual licensees or applicants are excluded from general operating revenues so that only the licensee who uses a particular service pays for a service being provided to him or her. By this regulation, the cost of providing the service will be apportioned to users, rather than burdening the entire licensee population.

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

Nonregulation could potentially adversely impact the fiscal integrity of the Commission. If left unregulated, the costs of providing these services would be borne by the general licensing population, some of whom did not or would not receive a benefit from the service.

(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 licensing population generally will benefit by having costs of services which are utilized by only a portion of the licensees or applicants paid by those actually using the service.

(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 Commission has identified no group of individuals or entities who will be adversely affected by the regulation. Applicants for services or licenses will be required to bear the up-to-date costs of providing the services involved.

(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.)

Applicants for licensure as a broker, cemetery broker, salesperson, real estate school, builder-owner salesperson, rental listing referral agent, branch office, associate broker, cemetery associate broker, time-share salesperson, campground membership salesperson; broker of record partner or officer for a partnership, association or corporation, and registration of cemetery companies and promotional real estate; change of name or location of real estate school broker, cemetery broker or rental listing referral agent; addition of course for real estate schools and certification of history of licensure will be required to pay the applicable fees. The Commission estimates that approximately 11,380 persons will avail themselves of one or more of the enumerated services in a two-year period.

(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.

These regulations do not place requirements on licensees concerning their conduct or compliance with state law regarding the performance of a licensing duty under licensing statutes. The regulation embodies the fees which capture the cost of providing the service an applicant or licensee requests. Therefore, the information requested in this item is not applicable.

(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.

The Commission estimates that 11,380 persons will avail themselves of one or more of the enumerated services within a biennial period. Total aggregate additional cost for the regulated community for a biennial period would be approximately \$397,255.00. However, only those requesting the services will be affected. No legal, accounting or consulting procedures will be implicated in complying with the regulatory amendments.

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.
Local governments would not be affected by the regulation.
(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 Commission will not incur an increase in administrative costs by implementing the regulation. Indeed, the regulatory amendments will permit the Commission to recoup the costs of providing the enumerated services.
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(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:	\$	\$	\$	S	\$	\$
Regulated	\$1306.25	\$1306.25	\$1306.25	\$1306.25	\$1306.25	\$1306.25
Local Government						
State Government						
Total Savings			<u> </u>	<del> </del>	<u> </u>	<b> </b>
COSTS:						
Regulated	\$130,655	\$130.655	\$130,655	\$130,655	\$130,655	\$130,655
Local Government					<u> </u>	
State Government			1	<u> </u>		
Total Costs			1			<u> </u>
REVENUE LOSSES:						<u> </u>
Regulated						l
Local Government						
State Government	<u> </u>					
Total Revenue Losses						

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

The cost estimates are based upon the following number of persons which the Commission estimates will avail themselves of the specified service over a fiscal year period (one-half biennium) multiplied by the savings or additional cost to the applicant for the service:

a) Review of Qualifications for Examination	\$15(c)	x	210	= :	\$3,150
b) Application for licensure of broker,					
cemetery broker or rental referral agent	\$20(c)	x	242.5	=	4,850.00
c) Application for branch office license	\$15(c)	X	152	=	2,280.00
d) Application for licensure of associate broker,					
salesperson, cemetery associate broker,					
builder-owner salesperson, time-share					
salesperson, campground membership					•
salesperson, or broker of record, partner,					
or officer for a partnership, association or					
corporation	\$5(c)	x	3816.5	=	9.082.50
e) Application for licensure of cemetery salesperson	\$5(c)	x	477	=	2,385.00
f) Application for registration of cemetery company	\$5(c)	X	5	=	25.00
g) Initial licensure during renewal period					
if issued in first half	\$24(c)	x	235	=	5640
if issued in second half	\$12(c)	X	235	=	2820
(Continued on Page 9)					

	Regu	latory Analysis	Form			
(20b) Provide the past three year expenditure history for programs affected by the regulation.						
Program FY-3 FY-2 FY-1 Curre						
N/A						
(21) Using the cost-	benefit information	l provided above, expla	in how the benefits	of the regulation		
outweigh the adverse						
The amendment	e to the exicting rea	ulations will assura	that the costs of nr	oviding the specified		
		sees will be borne by	_	. – –		
` '		ives considered and th	ne costs associated v	with those		
alternatives. Provide	e the reasons for thei	r dismissal.				
No nonregulator	y alternatives were	considered because	the Commission's	enabling statute		
requires the Comm	ission to promulga	te regulations to esta	blish fees or chang	ges thereto.		
(23) Describe altern	ative regulatory sch	emes considered and t	the costs associated	with those schemes.		
Provide the reasons	for their dismissal.					
See No. 22 above	<b>:</b> .					

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.
No federal licensure standards apply.
(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?
This question is not applicable to this regulation. Because the fees established by the regulation represent the Commission's actual costs in providing the services requested, it is not possible to compare the fees with those in 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.
This regulation will have no effect on other regulations of the Commission or 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 changes to reporting, recordkeeping or other paperwork is required by this regulation.

(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 has perceived no special needs of any subset of its applicants or licensees for whom special accommodations should be made.

(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 in the <u>Pennsylvania</u> <u>Bulletin</u> as final rulemaking.

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

The Commission reviews its revenues and costs of its programs on a fiscal year and biennial basis.

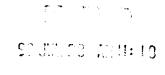
#### (Continued from Page 1)

salesperson or broker of record, partner or officer for a partnership, association or corporations, cemetery salesperson and cemetery company; promotional real estate; approval of real estate school; change of name or office location of broker, cemetery broker or rental listing referral agent; change of ownership or directorship of real estate school; change of name or location of real estate school, addition of real estate course and certification of history of licensure, registration or approval. The fees, established in 1980 and 1992, no longer reflect the cost of providing the enumerated services. New fees are proposed for reinspections of real estate offices and schools.

#### (Continued from Page 5)

h)	Initial licensure during renewal period-asst. broker, etc.					
	if issued in first half	\$24(c)	X	2035	=	48,840
	if issued in second half	\$12(c)	x	2035	=	24,420
i)	Registration of promotional real estate	\$130(s)	x	7.5	=	975
j)	Application for licensure as a real estate school	\$102.50	x	2.5	=	256.25
k)	Reinspection fee-New or relocated real estate school	\$65(c)	x	2.5	=	162.50
l)	Change of name or office location of broker, cemetery					
	broker or rental listing agent	\$20(c)	x	750	=	15,000.00
m)	Reinspection fee for change of name or office location					
	of broker, cemetery broker or rental listing					
	referral agent	\$55(c)	x	5	=	275.00
n)	Change of ownership of Real Estate School	\$35(c)	X	1	=	35.00
o)	Change of name-Real Estate School	\$30(s)	X	1.5	=	45.00
p)	Change of location-Real Estate School	\$20(s)	x	1.5	=	30.00
q)	Addition of course for Real Estate School	\$5(c)	X	113	=	565.00
r)	Certification of Licensure	\$10(c)	X	112.5	=	1,125.00

# FACE SHEET FOR FILING DOCUMENTS WITH THE LEGISLATIVE REFERENCE BUREAU



(Pursuant to Commonwealth Documents Law)

•	TT 2048	DO NOT WRITE IN THIS SPACE
Copy below is hereby approved as to form and legality. Attorney General  (DEPUTY ATTORNEY DENERAL)	Copy below is hereby certified to be a true and cor copy of a document issued, prescribed or promulgate C  State Real Estate Commission (AGENCY)	
DATE OF APPROVAL	DOCUMENT/FISCAL NOTE NO. 16A-566  DATE OF ADOPTION:	6/1/99 DATE OF APPROVAL
	Rita Halverson	(Deputy General Counsel (Chief Counsel, Independent Agency (Strike inapplicable title)
	TITLE: Chairderson (EXECUTIVE OFFICER, CHAIRGAN OR SECRETAR	<del>r)</del>
[ ] Check if applicable Copy not approved. Objections attached.		[ ] Check if applicable. No Attorney General approval or objection within 30 day after submission.

#### PROPOSED RULEMAKING

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS

STATE REAL ESTATE COMMISSION

49 Pa. Code, Chapter 35

Application Fees

The State Real Estate Commission (Commission) proposes to amend its regulation at 49 Pa. Code §35.203 by revising certain application fees as set forth in Annex A.

#### A. Effective date

The amendments will be effective upon publication of the final form regulation in the Pennsylvania Bulletin.

#### B. Statutory Authority

The amendments are authorized under Section 407(a) of the Real Estate Licensing and Registration Act (Act), Act of February 19, 1980, P.L. 15, <u>as amended</u>, 63 P.S. §455.407(a).

#### C. Background and Purpose

The Act requires the Commission to set fees by regulation so that revenues meet or exceed expenditures over a biennial period. General operating expenses of the Commission are funded through biennial license renewal fees. Expenses related to applications or services which are provided directly to individual licensees or applicants are excluded from general operating revenues and are funded through fees in which the cost of providing the service forms the basis for the fee.

In a recent systems audit of the operations of the Commission within the Bureau of Professional and Occupational Affairs, the fees for services to licensees and applicants were analyzed to determine if the fees reflected the actual cost of providing the services. Actual cost calculations are based upon the following formula:

number of minutes to perform the function

x

pay rate for the classification of personnel performing the function

+

a proportionate share of administrative overhead.

The analysis determined that the fees for the listed services do not accurately reflect the actual cost of providing those services. The costs for the following services exceeds the fees charged for the services: review of qualifications for licensing examination, applications for licensure and registration, initial licensure and registration, reapplication following a first examination failure; reapplication following subsequent examination failure; certification of examination scores and experience; and, fictitious and corporate name

registration. The application fees for initial approval of a real estate school, change and location of a real estate school, and registration of promotional property exceeded the actual cost of providing the service. Most of the fees have not been revised since August, 1992, while fees for the approval of real estate schools, certification of licensure history and registration of promotional property were adopted in March, 1986. No fee is in place for reinspection of real estate offices and schools after failures of an initial inspection.

In this proposal, fees for the services identified would be adjusted to allocate costs to those who use the service or make application. The Commission would continue to apportion enforcement and operating costs to the general licensing population by means of its license renewal fee through the biennial reconciliation of revenue and expenditures.

#### D. Description of Proposed Amendments

The following table outlines the affected application fees and proposed changes:

<u>Application</u>	on/Service	Current Fee	Proposed Fee
for bro	of qualifications of candidate oker or cemetery broker sing examination	25.00	40.00
Application	on for licensure of:		
(i) (ii) (iii)	Broker, cemetery broker or rental listing referral agent Branch office Associate broker, salesperson, cemetery associate broker, builder-owner salesperson, time-share salesperson, campground membership salesperson, or broker of record, partner or officer	55.00 50.00	75.00 65.00
(iv)	for a partnership, association or corporation Cemetery salesperson	20.00 15.00	25.00 20.00
Application	on for registration of cemetery company	20.00	25.00

Initial licensure for broker, cemetery broker, branch office, rental listing referral agent, or broker of record, partner or officer for a partnership, association or corporation:						
(i)	If issued in first half of biennial period	60.00	100% of biennial renewal fee			
(ii)	If issued in second half of biennial period	30.00	50% of biennial renewal fee			
Initial re licen asso sales mem						
(i)	If issued in first half of biennial period	40.00	100% of biennial renewal fee			
(ii)	If issued in second half of biennial period	20.00	50% of biennial renewal fee			
Registra	ation of promotional real estate	250.00	120.00			
Approva	al of real estate school	325.00	120.00			
	ection of real estate school first failure	0	65.00			
_	of name or office location of broker, etery broker or rental listing referral agent	55.00	75.00			
or of	ection after failure for change of name ffice location of broker, cemetery broker ental listing referral agent	0	55.00			

. . .

Certification of history of licensure, registration or approval	30.00	40.00
•••		
Addition of course for real estate school	20.00	25.00
Change of location of real estate school	90.00	70.00
Change of name of real estate school	90.00	60.00
Change of ownership or directorship of real estate school	40.00	75.00

#### E. Compliance with Executive Order 1996-1

In accordance with the requirements of Executive Order 1996-1 (February 6, 1996), in drafting and promulgating the regulation the Commission considered the least restrictive alternative to regulate costs for services requested by licensees and applicants.

#### F. Fiscal Impact and Paperwork Requirements

The proposed amendments will have no adverse fiscal impact on the Commonwealth or its political subdivisions. The fees will have a modest fiscal impact on those members of the private sector who apply for services from the Commission. The amendments will impose no additional paperwork requirements upon the Commonwealth, political subdivisions or the private sector.

#### G. Sunset Date

The Commission continuously monitors the cost effectiveness of its regulations. Therefore, no sunset date has been assigned.

#### H. Regulatory Review

 to submitting the regulation, the Commission has provided IRRC and the Committees with a copy of a detailed regulatory analysis form prepared by the Commission in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

If IRRC has any objections to any portion of the proposed regulation, it will notify the agency within ten days after the expiration of the Committee review period. Such notification shall specify the regulatory review criteria which have not been met by that portion. The Act specifies detailed procedures for review, prior to final publication of the regulation, by the agency, the General Assembly and the Governor of objections raised.

#### I. Public Comment

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed amendments to Deborah A. Sopko, Administrative Assistant, State Real Estate Commission, P. O. Box 2649, Harrisburg, PA 17105-2649, within 29 days of publication of this proposed rulemaking. Please reference No. 16A-566 (Application Fees), when submitting comments.

#### ANNEX A

# TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS PART I. DEPARTMENT OF STATE SUBPART A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS CHAPTER 35. STATE REAL ESTATE COMMISSION

#### **APPLICATION FEES**

. . .

§35.203. Fees.

The following fees are charged by the Commission:

Review of qualifications of candidate for broker or cemetery broker licensing examination	[25.00]	40.00
Application for licensure of:		
<ul> <li>(i) Broker, cemetery broker or rental listing referral agent</li> <li>(ii) Branch office</li> <li>(iii) Associate broker, salesperson, cemetery associate broker, builder-owner salesperson, time-share salesperson, campground membership salesperson, or broker of record, partner or officer for a partnership, association</li> </ul>	[55.00] [50.00]	75.00 65.00
or corporation (iv) Cemetery salesperson	[20.00] [15.00]	<u>25.00</u> <u>20.00</u>
Application for registration of cemetery company	[20.00]	<u>25.00</u>
Initial licensure for broker, cemetery broker, branch office, rental listing referral agent, or broker of record, partner or officer for a partnership, association or corporation: (i) If issued in first half of biennial period	[60.00]	100% of biennial renewal fee

	(ii)	If issued in second half of biennial period	[30.00]	50% of biennial renewal fee
Initial	licens asso sales	ration for cemetery company or initial sure for associate broker, salesperson, cemeter ciate broker, cemetery salesperson, builder-own sperson, time-share salesperson or campground bership salesperson:	ner	
	(i)	If issued in first half of biennial period	[40.00]	100% of biennial
	(ii)	If issued in second half of biennial period	[20.00]	renewal fee 50% of biennial renewal fee
		•••		
Regis	stration	of promotional real estate	[250.00]	<u>120.00</u>
		•••		
		real estate school	[325.00]	120.00
Reins		n of real estate school first failure		<u>65.00</u>
Chan	_	name or office location of broker, cemetery er or rental listing referral agent	[55.00]	<u>75.00</u>
Reins	or of	on after failure for change of name fice location of broker, cemetery broker ntal listing referral agent		<u>55.00</u>
Char	nge of	ownership or directorship of real estate school	[40.00]	<u>75.00</u>
	_		-	
Char	ige of	name [or location] of real estate school	[90.00]	<u>60.00</u>
Char	nge of	ocation of real estate school		70.00
Addit		satellite location [course] or		
	instr	uctor for real estate school		20.00

April 29, 1999 Application Fees/Anx 16A-566

Addition of course for real estate school

<u>25.00</u>

Certification of history of licensure, registration or approval [30.00]

40.00

Agency:

State - BPOA

Date: February 24, 1999

Contact:

C. Michael Weaver

Phone No. 783-7194

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

#### Initial Certification Fee for All Classes Subject to Biennial Renewal:

100% of the appropriate biennial renewal fee if certified in 1st half of biennial cycle (6/1/even year through 5/31/odd year) or ½ of biennial renewal fee if certified in 2<sup>nd</sup> half of biennial cycle (6/1/odd year through 5/31/even year).

This fee would apply to the following classes of license, all of whom are subject to biennial renewal: Broker/Cemetery Broker/Branch Office/Rental Referral Agent/Broker of Record. Partner or Officer for a Partnership/Associate or Corp. Cemetery Co/Associate Broker/Cemetery Salesperson/Salesperson/Builder-Owner Salesperson/Campground Membership Salesperson/Timeshare Salesperson/Rental Listing Referral Agent.

Estimated Biennial Revenue: \$449,940 (470 applications x \$84 plus 470 applications x \$42 for broker level classes and 4,070 applications x \$64 plus 4,070 applications x \$32 for sales level classes at current biennial fees.)

#### Fee Description:

The fee will be charged to any applicant certified as noted above.

#### Fee Objective:

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

#### Analysis, Comment, and Recommendation:

It is recommended that initial certification fees as noted above be established for the State Real Estate Commission.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No. 783-7194

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

Review Qualifications for Examination-Broker or Cemetery Broker:

\$40.00

Estimated Biennial Revenue:

\$16,800.00 (420 applications x \$40.00)

## Fee Description:

The fee will be charged to every person who applies to take the Broker or Cemetery Broker licensing examination.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review the qualifications and determine eligibility for the examination and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Clerical staff-process application:	(1.00 hr)		23.19
Board Administrator - avg. time	( .02 hr)		.50
Board Member Review- averaged	cost		1.35
Administrative Overhead:			<u>13.56</u>
		Total Estimated Cost:	\$38.60
		Proposed Fee:	\$40.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established for processing an application to sit for the Broker or Cemetery Broker licensing examination.

## Page 2 Review Qualifications for Exam-Broker or Cemetery Broker:

Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. If requirements are met, applicant is authorized to schedule examination with professional testing agency.

Some applications require further review by the board administrator or a board member for technical review of experience and because of responses provided to questions on the application. The cost of this additional review has been averaged over the total number of applications anticipated in a biennial cycle.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Initial License App. - Broker, Cemetery Broker or Rental Referral Agent: \$75.00

Estimated Biennial Revenue:

\$36,375.00

(485 applications x \$75.00)

#### Fee Description:

The fee will be charged to every person who applies for licensure as a Real Estate Broker, Cemetery Broker or Rental Referral Agent.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review the qualifications and determine eligibility for licensure and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-process application:	(1.00 hr)		23.19
Board Administrator - avg. time	( .02 hr)		.50
BEI - Inspection Office	(1.17 hr)		35.33
Board Member Review- averaged	cost		.01
Administrative Overhead:			13.56
		Total Estimated Cost:	\$72.59
		Proposed Fee:	\$75.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$75.00 be established for processing an application for licensure as a Real Estate Broker, Cemetery Broker or Rental Referral Agent.

## Page 2: Date: 02/24/99 Initial License Application-Broker, Cemetery Broker or Rental Referral Agent

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. Prepares and sends inspection request to Bureau of Enforcement and Investigation (BEI) to determine compliance with regulations. BEI conducts inspection, forwards report to board office who issues license through computer if requirements are met or sends discrepancy notice.

Some applications require further review by the board administrator or a board member for technical review of experience and because of responses provided to questions on the application. The cost of this additional review has been averaged over the total number of applications anticipated in a biennial cycle.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

## Fee Title, Rate and Estimated Collections:

Initial License App. - Real Estate Broker Branch Office:

\$65.00

Estimated Biennial Revenue:

\$19,760.00

(304 applications x \$65.00)

## **Fee Description:**

The fee will be charged to every person who applies for a Real Estate Broker Branch Office license.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process an application for a Real Estate Broker Branch Office license and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-process application:	( .66 hr)		15.31
BEI - Inspection Office	(1.17 hr)		35.33
Administrative Overhead:			<u>13.56</u>
		Total Estimated Cost:	\$64.20
		Proposed Fee:	\$65.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$65.00 be established for processing an application for a Real Estate Broker Branch Office license.

Page 2: Application for Real Estate Broker Branch Office license Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. Prepares and sends inspection request to Bureau of Enforcement and Investigation (BEI) to determine compliance with regulations. BEI conducts inspection, forwards report to board office who issues license through computer if requirements are met or sends discrepancy notice.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Initial License App. - Real Estate Salesperson, Associate Broker, Broker of Record or Partner, Campground Membership Salesperson, Timeshare Salesperson, Builder-Owner Salesperson, Rental Listing Referral Agent: \$25.00

Estimated Biennial Revenue:

\$190,825.00

(7,633 applications x \$25.00)

#### Fee Description:

The fee will be charged to every person who applies for licensure as a Real Estate Salesperson, Associate Broker, Broker of Record or Partner, Campground Membership Salesperson, Timeshare Salesperson, Builder-Owner Salesperson, Rental Listing Referral Agent.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review the qualifications and determine eligibility for licensure and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-process application:	( .50 hr)		10.15
Board Administrator - avg. time	( .02 hr)		.50
Board Member Review- averaged	cost		.27
Administrative Overhead:			13.56
		Total Estimated Cost:	\$24.48
		Proposed Fee:	\$25.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established for processing an application for licensure as a Real Estate Salesperson, Associate Broker, Broker of Record or Partner, Campground Membership Salesperson, Timeshare Salesperson, Builder-Owner Salesperson, Rental Listing Referral Agent.

Page 2:. Date: 02/24/99

Real Estate Salesperson, Associate Broker, Broker of Record or Partner, Campground Membership Salesperson, Timeshare Salesperson, Builder-Owner Salesperson, Rental Listing Referral Agent.

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information. Issues license through computer if requirements are met or sends discrepancy notice.

Some applications require further review by the board administrator or a board member for additional review due to responses provided to questions on the application. The cost of this additional review has been averaged over the total number of applications anticipated in a biennial cycle.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Initial License App. -Cemetery Salesperson:

\$20,00

Estimated Biennial Revenue:

\$19,080.00

(954 applications x \$20.00)

## Fee Description:

The fee will be charged to every person who applies for licensure as a Cemetery Salesperson

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review the qualifications and determine eligibility for licensure and (2) defray a portion of the Board's administrative overhead.

#### **Fee-Related Activities and Costs:**

Clerical staff-process application:	( .25 hr)		5.08
Board Administrator - avg. time	( .02 hr)		.50
Board Member Review- averaged	cost		.08
Administrative Overhead:			13.56
		Total Estimated Cost:	\$19.22
		Proposed Fee:	\$20.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$20.00 be established for processing an application for licensure as a Cemetery Salesperson.

## Page 2: Initial License App- Cemetery Salesperson Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information. Issues license through computer if requirements are met or sends discrepancy notice.

Some applications require further review by the board administrator or a board member for additional review due to responses provided to questions on the application. The cost of this additional review has been averaged over the total number of applications anticipated in a biennial cycle.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

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

Initial Registration Application - Cemetery:

\$25.00

Estimated Biennial Revenue:

\$250.00

(10 applications x \$25.00)

#### Fee Description:

The fee will be charged to every organization who applies for a Cemetery registration.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process an application for Cemetery registration and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-process application:

( .33 hr)

7.65

Administrative Overhead:

13.56

**Total Estimated Cost:** 

\$21.21

Proposed Fee:

\$25.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established for processing an application for Cemetery registration.

Page 2: Initial Registration Application - Cemetery Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, issues registration through computer if requirements are met or sends discrepancy notice.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Registration of Promotional Property:

\$120.00

Estimated Biennial Revenue:

\$1,800.00

(15 applications x \$120.00)

## **Fee Description:**

The fee will be charged to every application for registration of promotional property.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process an application for registration of promotional property and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Board Administrator -	(.50 hr)		15.10
Board Member Review- averaged	cost		77.20
Average Cost - postage			15.00
Administrative Overhead:			13.56
		Total Estimated Cost:	\$ 120.86
		Proposed Fee:	\$120.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$120.00 be established for processing an application for Registration of Promotional Property.

## Page 2: Registration of Promotional Property Date: 02/24/99

Board Administrator receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, forwards to Commission member for compliance review, Commission member evaluates and returns all documents to administrator. Administrator issues registration if in compliance or letter citing discrepancy. The cost of postage for mailing to and returning from Commission member has been averaged as actual costs vary depending on volume of supporting documentation.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

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

Initial License Application -Private Real Estate School:

\$120.00

Estimated Biennial Revenue:

\$600.00

(5 applications x \$120.00)

## **Fee Description:**

The fee will be charged to every request for licensure as a Private Real Estate School.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request for licensure and (2) defray a portion of the Board's administrative overhead.

#### **Fee-Related Activities and Costs:**

Clerical staff-prepare application:	(1.50 hr)	30.46
Board Administrator - process application	( .25 hr)	7.55
BEI - Inspection Facilities	(1.50 hr)	45.30
Board Review - avg. cost to evaluate		21.87
Administrative Overhead:		13.56
	Total Estimated Cost:	\$118.74
	Proposed Fee:	\$120.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$120.00 be established for processing an application for licensure as a Private Real Estate School.

Page 2: Initial License Application - Private Real Estate School Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, sends inspection request to Bureau of Enforcement and Investigation (BEI) to determine compliance with regulations. BEI conducts inspection, sends report to board administrator for inclusion with submission of application to Education Committee for review of qualifications and recommendation to full board, board discusses and votes to approve or deny request; license is issued if approved or a discrepancy notice is sent to applicant.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

## Fee Title, Rate and Estimated Collections:

Re-inspection Fee-New or Relocated Private Real Estate School: \$65.00

Estimated Biennial Revenue:

\$ 325.00

 $(5 \text{ applications } \times \$65.00)$ 

## Fee Description:

The fee will be charged for each inspection required to determine compliance for new or relocated Private Real Estate School after 1st failure.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to perform a re-inspection of a new or relocated Private Real Estate School and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff- process application	(0.25/hr)	5.08
BEI- inspect facilities	(1.50/hr)	45.30
Administrative Overhead:		<u>13.56</u>

Total Estimated Cost: \$63.94

\$65.00 Proposed Fee:

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$65.00 be established to re-inspect facilities for new or relocated Private Real Estate School after 1st failure.

In circumstances where facility requirements are not met at initial inspection for new or relocated school as noted above, Bur. of Enforcement & Investigation advises board staff of reason(s) for failure at on-site inspection. Staff sends discrepancy letter to applicant informing them of deficiencies to be corrected. Applicant notifies board office when deficiencies have been corrected; board office prepares re-inspection report form and passes on to BEI for follow up inspection. After inspection is completed the results are sent to board office who issues license through computer if in compliance. If requirements are not met another discrepancy notice is mailed to applicant and the process begins again.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Business Change - Inspection Required:

\$75.00

Estimated Biennial Revenue:

\$112,500.00

 $(1,500 \text{ applications } \times $75.00)$ 

#### **Fee Description:**

The fee will be charged to each applicant who requests a change to an existing license due to relocation, remodeling, name or some other change that requires an inspection to determine compliance.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review and process a business change application when an inspection is required and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Board Staff - prepare and process application:	(1.00 hr)	23.19
BEI - inspect facilities	(1.17 hr)	35.33
Administrative Overhead:		13.56

Total Estimated Cost: \$72.08 Proposed Fee: \$75.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$75.00 be established to process a business change application when an inspection is required.

Staff receives application, reviews for completeness, contacts applicant to request any missing information, prepares inspection report form and passes to BEI to confirm compliance. BEI verifies that regulations are met, sends inspection results to board office, staff updates computer information and issues license with new address or issues discrepancy notice.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Re-inspection Fee-Broker/Cemetery Broker or Rental Referral Agent:

\$55.00

Estimated Biennial Revenue:

\$ 550.00

(10 applications x \$55.00)

#### **Fee Description:**

The fee will be charged for each inspection required to determine compliance for new or relocated Broker/Cemetery Broker/Rental Referral Agent offices after 1st failure.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to perform a re-inspection of a new or relocated Broker/Cemetery Broker or Rental Referral Agent office and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Board Staff - process paperwork:	(0.25 hr)	5.80
BEI-Inspection - inspect facilities	(1.17/hr)	35.33
Administrative Overhead:		13.56

Total Estimated Cost:

\$54.69

Proposed Fee:

\$55.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$55.00 be established to re-inspect facilities for new or relocated Broker/Cemetery Broker or Rental Referral Agent offices after 1<sup>st</sup> failure.

In circumstances where facility requirements are not met at initial inspection for new or relocated businesses as noted above, Bur. of Enforcement & Investigation advises board staff of reason(s) for failure at on-site inspection. Staff sends discrepancy letter to applicant informing them of deficiencies to be corrected. Applicant notifies board office when deficiencies have been corrected; board office prepares re-inspection report form and passes on to BEI for follow up inspection. After inspection is completed the results are sent to board office who issues license through computer if in compliance. If requirements are not met another discrepancy notice is mailed to applicant and the process begins again.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

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

Ownership Change-Private Real Estate School:

\$75.00

Estimated Biennial Revenue:

\$150.00

 $(2 \text{ applications } \times \$75.00)$ 

#### **Fee Description:**

The fee will be charged to every request for a change of ownership for a licensed Private Real Estate School.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request for change of ownership and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-prepare application:	(1.50 hr)	30.46
Board Administrator - process application	( .25 hr)	7.55
Board Meeting - avg. cost		19.87
Administrative Overhead:		<u>3.56</u>
	Total Estimated Cost:	\$ 71.44
	Proposed Fee:	\$ 75.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$75.00 be established for processing an ownership change application for a Private Real Estate School.

### Page 2: Ownership Change Application -Private Real Estate School Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, board administrator prepares for board agenda, board discusses and votes to approve or deny request; change document issued if approved or a discrepancy notice is sent to applicant.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

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

Name Change-Private Real Estate School:

\$60.00

Estimated Biennial Revenue:

\$180.00

(3 applications x \$60.00)

#### **Fee Description:**

The fee will be charged to every request for name change of a Private Real Estate School.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request for name change and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-prepare application:	( .25 hr)	5.08
Board Administrator - process application	( .08 hr)	2.52
Board Meeting Average Cost		39.67
Administrative Overhead:		13.56
	Total Estimated Cost:	\$60.83
	Proposed Fee:	\$60.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$60.00 be established for processing a name change application for a Private Real Estate School.

#### Page 2: Name Change Application - Private Real Estate School Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, board administrator prepares for board agenda, board discusses and votes to approve or deny request; change document issued if approved or a discrepancy notice is sent to applicant.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

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

Location Change Application -Private Real Estate School:

\$70.00

Estimated Biennial Revenue:

\$210.00

(3 applications x \$70.00)

#### **Fee Description:**

The fee will be charged to every request for approval of a change of location of a licensed Private Real Estate School.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request for change of location approval and (2) defray a portion of the Board's administrative overhead.

#### **Fee-Related Activities and Costs:**

Clerical staff-prepare application:	( .25 hr)	5.08
Board Administrator - process application	( .08 hr)	2.52
BEI - Inspection Facilities	(1.50 hr)	45.30
Administrative Overhead:	, ,	13.56
•	Total Estimated Cost:	\$66.46
	Proposed Fee:	\$70.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$70.00 be established for processing an application for change of location of a licensed Private Real Estate School.

Page 2: Location Change-Private Real Estate School Date: 02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, sends inspection request to Bureau of Enforcement and Investigation (BEI) to determine compliance with regulations. BEI conducts inspection, sends report to board administrator for evaluation; license is issued for new location if approved or a discrepancy notice is sent.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

**Phone No.** 783-7194

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

Application to Approve Course of Instruction:

\$25.00

Estimated Biennial Revenue:

\$5,650.00

(226 applications x \$25.00)

#### **Fee Description:**

The fee will be charged to every request to approve a Real Estate Course.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to process a request to approve a Real Estate Course and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Clerical staff-prepare application:	( .17 hr)	3.87
Board Committee - average cost		4.83
Administrative Overhead:		<u>13.56</u>
	Total Estimated Cost:	\$ 22.26
	Proposed Fee:	\$ 25.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established to process a request for approval of a Real Estate Course.

02/24/99

Board Staff: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, sends to Committee for review of content, issues authorization if requirements are met or letter of discrepancy if unmet.

Agency:

State - BPOA

Date: 02/24/99

Contact:

C. Michael Weaver

Phone No.

783-7194

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

Certification of License History:

\$40.00

Estimated Biennial Revenue:

\$9,000.00

(225 certifications x \$40.00)

#### **Fee Description:**

The fee will be charged to every applicant who requests certification of license history.

#### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Real Estate Commission to review and process a request for certification and (2) defray a portion of the Board's administrative overhead.

#### Fee-Related Activities and Costs:

Staff time- process request for certification (1.25 hr)
Bureau Average Administrative Overhead:

28.99 9.76

Total Estimated Cost:

\$38.75

Proposed Fee:

\$40.00

#### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established for certification of license history.

#### Page 2 Certification of License History February 24, 1999

Board Staff: Reviews request for certification; researches computer and microfilm files to retrieve pertinent information, transfers that information onto document submitted by requester, affixes Bureau seal onto documents, forwards as instructed by applicant.



# COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF STATE BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS STATE REAL ESTATE COMMISSION

(717) 783-3658

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

July 28, 1999

The Honorable John R. McGinley, Chairman Independent Regulatory Review Commission 14<sup>th</sup> Floor, Harristown 2 333 Market Street Harrisburg, PA 17101

RE: Proposed Regulation

State Real Estate Commission Application Fees: 16A-566

Dear Chairman McGinley:

Enclosed is a copy of a proposed rulemaking package of the State Real Estate Commission pertaining to application fees.

The Commission will be pleased to provide whatever information your Committee may require during the course of its review of the rulemaking.

Sincerely,

Rita Halverson, Chairperson State Real Estate Commission

RH:JPS:apm Enclosures cc: Hon. Kim Pizzingrilli, Secretary of the Commonwealth Department of State

C. Michael Weaver, Deputy Secretary of Regulatory Programs
Department of State

Steven V. Turner, Chief Counsel

Department of State

Joyce McKeever, Deputy Chief Counsel

Department of State

Dorothy Childress, Commissioner

Bureau of Professional and Occupational Affairs

Ruth D. Dunnewold, Senior Counsel in Charge

Bureau of Professional and Occupational Affairs

Judith Pachter Schulder, Counsel

State Real Estate Commission

State Real Estate Commission

## TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE REGULATORY REVIEW ACT

I.D. NUMBE	R: 16A-566		99 JUL 28 AM II: 10
SUBJECT:	State Real Estate Con	nmission	
AGENCY:	DEPARTMENT OF	STATE	Rama of the same o
х	TY Proposed Regulation	PE OF REGULATION	
	Final Regulation		
	-	of Proposed Rulemaking Omitted	
	120-day Emergency Certifica	-	
		·	
120-day Emergency Certification of the Governor  Delivery of Tolled Regulation  a. With Revisions b. Without Revisions			
FILING OF REGULATION			
DATE	SIGNATURE	DESIGNATION	
7-284	Styren M. Sitem	HOUSE COMMITTEE ON PRO	FESSIONAL LICENSUSRE
JUL 28 1999 MM E July SENATE COMMITTEE ON CONSUMER PROTECTION AND PROFESSIONAL LICENSURE			
7/28/99	Kin C Harner	INDEPENDENT REGULATORY	review commission
ATTORNEY GENERAL			
June	I Cate	LEGISLATIVE REFERENCE B	UREAU