

<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: 2153
(2) I.D. Number (Governor's Office Use) 16A-7011		
(3) Short Title Fees for Board Services		
(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) <input type="checkbox"/> Proposed Rulemaking <input checked="" type="checkbox"/> Final Order Adopting Regulation <input type="checkbox"/> Final Order, Proposed Rulemaking <input type="checkbox"/> Omitted	(7) Is a 120-Day Emergency Certification Attached?  <input checked="" type="checkbox"/> No <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 raises five fees (application for appraiser certification by non-reciprocity, application for appraiser certification by reciprocity, application for temporary practice registration, verification of certification or registration status, certification of examination scores); adds a new fee (application for continuing education provider approval); and relocates and makes editorial changes to the descriptions of certain fees.		
(9) State the statutory authority for the regulation and any relevant state or federal court decisions.  The Board has authority to establish fees for its operation under Sections 5(6) and 9 of the Real Estate Appraisers Certification Act (REACA), 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.

**Section 9 of the REACA requires the Board to establish fees by regulation.**

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

**Section 9 of the REACA requires the Board to ensure that the revenues it generates from fees are sufficient to meet its expenditures over a biennial period. The Board's general operating expenditures are funded by the general population of certificateholders through fees for initial certification and biennial renewal of certification. Expenditures related to services provided to individual certificateholders and applicants are defrayed through user fees based on actual costs of providing the services. By revising the user fees to more accurately reflect actual costs, the regulation ensures that the costs of providing individualized services are properly apportioned to those who use the services, rather than burdening the regulated community at large.**

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

**The principal risk associated with nonregulation is that support for the Board's activities among the general population of certificateholders could erode if they are required to subsidize services that yield no direct benefit to themselves or the appraising profession.**

(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 general population of certificateholders will benefit from having the Board's actual costs of providing individualized services paid for by those who receive the services.**

### 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 Board cannot identify any group that will be adversely affected 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.)

**Applicants for appraiser certification (whether by examination or by reciprocity), applicants for temporary practice registration, applicants for continuing education provider approval, and those seeking certification of examination scores or verification of certification or registration status will be required to pay the fees established by the regulation. The Board estimates that approximately 710 people during each fiscal biennium will pay the fees.**

(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.

**Because the regulation is based solely on the results of a Bureau-wide fiscal audit involving all 27 licensing boards and using a standardized methodology, the Board did not believe that input from the public or the regulated community at the drafting stage of the regulation would have been helpful to the rulemaking process.**

(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 Board estimates that approximately 710 people during each fiscal biennium will pay the fees established by the regulation. The Board estimates that the total additional cost to the regulated community during each fiscal biennium will be approximately \$32,900.**

**The regulation will not impose new legal, accounting or consulting procedures.**

### 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 will 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 will not result in costs or savings to state government. However, the Board estimates that the regulation will generate approximately \$32,900 in additional revenues during each fiscal biennium.**

### Regulatory Analysis Form

(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	FY +1	FY +2	FY +3	FY +4	FY +5
<b>SAVINGS:</b>	None	None	None	None	None	None
Regulated						
Local Government						
State Government						
Total Savings						
<b>COSTS:</b>						
Regulated	16.450	\$16.450	\$16.450	\$16.450	\$16.450	\$16.450
Local Government						
State Government						
Total Costs						
<b>REVENUE LOSSES:</b>	None	None	None	None	None	None
Regulated						
Local Government						
State Government						
Total Revenue Losses						

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

The cost estimates in Item 20 are based on the number of persons the Board projects will avail themselves of the specified services over a fiscal year (one-half of a fiscal biennium) multiplied by the additional cost to the fee-payers:

<u>Service</u>	<u>No. of Fee Payers</u>		<u>Additional Cost</u>		
a) Appraiser application (non-reciprocity)	75	x	\$180	=	\$13,500
b) Appraiser application (reciprocity)	5	x	\$15	=	\$75
c) Temporary practice registration	37.5	x	\$5	=	\$187.50
d) Continuing education provider approval	12.5	x	\$85	=	\$1,062.50
e) Certification of examination scores	100	x	\$10	=	\$1,000
f) Verification of certification or registration status	125	x	\$5	=	\$625
<b>Total:</b>					<b>\$16,450</b>

## 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	\$469,167.14	\$464,690.16	\$503,264.69 (est.)	\$505,000.00 (est.)

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

**The regulation ensures that the Board's actual costs of providing services to individual certificateholders and applicants are borne by the users of the services, not by the general population of certificateholders.**

(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 establish fees by regulation.**

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

**Because the regulation only amends an existing regulatory scheme, the Board did not consider an alternative regulatory scheme.**

### 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 applicable to fees charged by the Board.**

(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's fees compare favorably with the fees charged by the appraiser regulatory boards of neighboring states for the same or similar services. (None of the appraiser regulatory boards of neighboring states regulates the equivalent of the certified Pennsylvania evaluator.) A list of the fees charged by the appraiser regulatory boards of neighboring states is attached as Exhibit 1.**

**The regulation will not have any adverse 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 will not affect other existing or proposed regulations of the Board or of 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 will require the Board to revise certain application forms to reflect the new schedule of fees. The regulation will not change existing reporting, recordkeeping or other paperwork 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 will apply uniformly to all persons who avail themselves of services covered by the fees. The Board does not have authority to waive payment of a fee.**

(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 take effect upon final publication in the Pennsylvania Bulletin.**

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

**The Board reviews its revenues and program costs on a fiscal year and biennial basis.**



**FEES CHARGED BY APPRAISER REGULATORY BOARDS OF  
NEIGHBORING STATES FOR THE SAME OR SIMILAR SERVICES**

**NEW YORK:**

- Application for Residential or General Appraiser Certification by Examination: \$250
- Application for Residential or General Appraiser Certification by Reciprocity: \$250
- Application for Temporary Practice Registration: \$125
- Application for Approval of Continuing Educating Course: \$25 (plus \$25 for each additional location)
- Preparation of Letter of Good Standing: \$5

**NEW JERSEY:**

- Application for Residential Appraiser Certification by Examination: \$225
- Application for General Appraiser Certification by Examination: \$250
- Application for Residential Appraiser Certification by Reciprocity: \$100
- Application for General Appraiser Certification by Reciprocity: \$125
- Application for Temporary Practice Registration: \$100
- Application for Approval of Continuing Education Provider/Course: \$0
- Preparation of Letter of Good Standing: \$40

**OHIO:**

- Application for Residential or General Certification by Examination: \$75
- Application for Residential or General Certification by Reciprocity: \$200
- Application for Temporary Practice Registration: \$100
- Application for Approval of Continuing Education Course: \$50 (\$10 for each subsequent offering)
- Preparation of Letter of Good Standing: \$20

**MARYLAND:**

- Application for Residential or General Appraiser Certification by Examination: \$100
- Application for Residential or General Appraiser Certification by Reciprocity: \$100
- Application for Temporary Practice Registration: \$0
- Application for Approval of Continuing Education Provider/Course: \$0
- Preparation of Letter of Good Standing \$15

**WEST VIRGINIA:**

- Application for Residential Appraiser Certification by Examination: \$175

**“Exhibit 1”**

- Application for General Appraiser Certification by Examination: \$325
- Application for Residential Appraiser Certification by Reciprocity: \$175
- Application for General Appraiser Certification by Reciprocity: \$325
- Application for Temporary Practice Registration: \$50 for residential, \$100 for commercial
- Application for Approval of Continuing Education Provider/Course: \$0
- Preparation of Letter of Good Standing: \$20

**DELAWARE:**

- Application for Residential or General Certification by Examination: \$10
- Application for Residential or General Certification by Reciprocity: \$10
- Application for Temporary Practice Registration: \$25
- Application for Approval of Continuing Education Provider/Course: \$0
- Preparation of Letter of Good Standing: \$10

NOTE: The above-quoted application fees for residential or general appraiser certification do not include examination fees, National Registry fees required by the federal government, or pro-rated fees like the Pennsylvania Board's initial certification fees.

## FEE REPORT FORM

**Date:** June 1, 2001  
**Agency:** State – Bureau of Finance and Operations  
**Contact:** Peter B. Dalina, Director  
**Phone No.** 783-1775

### Fee Title, Rate and Estimated Collections:

Application for Real Estate Appraiser Certification (Non-Reciprocity): \$235.00  
Estimated Biennial Revenue: \$35,250.00 (150 applications x \$235.00)

### Fee Description:

The fee will be charged to every applicant for certification as a general or residential real estate appraiser on a non-reciprocity basis.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Certified Real Estate Appraisers to review and process an application for real estate appraiser certification on a non-reciprocity basis and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Credentials Evaluator-process application: (10.00 hr)	212.09
Averaged Board Member Review-evaluate credentials:	4.00
Administrative Overhead:	<u>19.45</u>
Total Estimated Cost:	\$235.54
Proposed Fee:	\$235.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$235.00 be established for processing an application for certification as general or residential real estate appraiser on a non-reciprocity basis.

**Page 2 Application for Real Estate Appraiser  
Certification (Non-Reciprocity)**

**DATE: 6/1/01**

Credentials Evaluator: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. When application is complete and all requirements are met, the applicant is scheduled for the examination. After passing the examination, the certification is issued through the computer.

Approximately 10% of the applications require further review by a board member for technical review of experience and other credentials. The cost of this additional review has been averaged over the total number of applications anticipated in a biennial cycle.

## FEE REPORT FORM

**Date:** June 1, 2001  
**Agency:** State -- Bureau of Finance and Operations  
**Contact:** Peter B. Dalina, Director  
**Phone No.** 783-1775

### Fee Title, Rate and Estimated Collections:

Application for Real Estate Appraiser Certification (Reciprocity): \$40.00  
Estimated Biennial Revenue: \$400.00 (10 applications x \$40.00)

### Fee Description:

The fee will be charged to every applicant for certification as a general or residential real estate appraiser by reciprocity.

### Fee Objective:

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

### Fee-Related Activities and Costs:

Credentials Evaluator-process application: (1.00 hr)	21.21
Administrative Overhead:	<u>19.45</u>
Total Estimated Cost:	\$ 40.66
Proposed Fee:	\$ 40.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$40.00 be established for processing an application for certification as a general or residential real estate appraiser by reciprocity.

**Page 2 Application for Real Estate Appraiser  
Certification by Reciprocity**

**Date: 6/1/01**

Credentials Evaluator: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents, verifies status of license in state having reciprocal agreement with Pennsylvania. If all requirements are met, the certification is issued through the computer. If not, a rejection notice is issued.

## FEE REPORT FORM

**Date:** June 1, 2001  
**Agency:** State – Bureau of Finance and Operations  
**Contact:** Peter B. Dalina, Director  
**Phone No.** 783-1775

### Fee Title, Rate and Estimated Collections:

Application for Temporary Practice Registration: \$30.00  
Estimated Biennial Revenue: \$2,250.00 (75 applications x \$30.00)

### Fee Description:

The fee will be charged to every applicant who applies for temporary practice registration.

### Fee Objective:

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

### Fee-Related Activities and Costs:

Credentials Evaluator-process application: (.50 hr)	10.60
Administrative Overhead:	<u>19.45</u>
Total Estimated Cost:	\$ 30.05
Proposed Fee:	\$ 30.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$30.00 be established for processing an application for temporary practice registration.

**Page 2 Application for Temporary Practice  
Registration**

**Date: 6/1/01**

Credentials Evaluator: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. When application is complete and all requirements are met, issues letter of approval.



## FEE REPORT FORM

**Date:** June 1, 2001  
**Agency:** State – Bureau of Finance and Operations  
**Contact:** Peter B. Dalina, Director  
**Phone No.** 783-1775

### Fee Title, Rate and Estimated Collections:

Certification of Examination Scores: \$25.00  
Estimated Biennial Revenue: \$5,000.00 (200 certifications x \$25.00)

### Fee Description:

The fee will be charged to every individual who requests certification of examination scores.

### Fee Objective:

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

### Fee-Related Activities and Costs:

Staff time- process request for certification (.75 hr)	15.23
Bureau Average Administrative Overhead:	<u>9.76</u>
Total Estimated Cost:	\$24.99
Proposed Fee:	\$25.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established for certification of examination scores.

Board Staff: Reviews request for certification of examination scores; 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.

## FEE REPORT FORM

**Date:** June 1, 2001  
**Agency:** State – Bureau of Finance and Operations  
**Contact:** Peter B. Dalina, Director  
**Phone No.** 783-1775

### Fee Title, Rate and Estimated Collections:

Verification of Registration or Certification: \$15.00

Estimated Biennial Revenue: \$3,750.00 (250 verifications x \$15.00)

### Fee Description:

The fee will be charged to every individual who requests verification of registration or certification status.

### Fee Objective:

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

### Fee-Related Activities and Costs:

Staff time- process request for verification	(.08 hr)	1.62
Bureau Average Administrative Overhead:		<u>9.76</u>
	Total Estimated Cost:	\$11.38
	Proposed Fee:	\$15.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$15.00 be established for verification of registration or certification status.

**Page 2 Verification of Registration or Certification Status      Date: 6/1/01**

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

## FEE REPORT FORM

**Date:** June 1, 2001  
**Agency:** State – Bureau of Finance and Operations  
**Contact:** Peter B. Dalina, Director  
**Phone No.** 783-1775

### Fee Title, Rate and Estimated Collections:

Application of Approval of Continuing Education Provider: \$85.00  
Estimated Biennial Revenue: \$2,125.00 (25 applications x \$85.00)

### Fee Description:

The fee will be charged to every applicant for approval as a continuing education provider.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Certified Real Estate Appraisers to review and process an application for approval as a continuing education provider and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Credentials Evaluator-process application: (3.00 hr)	63.63
Averaged Board Member Review-evaluate credentials:	.80
Administrative Overhead:	<u>19.45</u>
Total Estimated Cost:	\$83.88
Proposed Fee:	\$85.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$85.00 be established for processing an application for approval as a continuing education provider.

**Page 2 Application for Approval as Continuing  
Education Provider**

**Date: 6/1/01**

Credentials Evaluator: Receives application, reviews for completeness and contacts applicant to obtain any missing information and/or documents. When application is complete and all requirements are met, issues approval through computer or issues letter of rejection.

Approximately 10% of the applications require further evaluation by a Board member for technical review. The cost of this additional review has been averaged over the total number applications anticipated in a biennia cycle.

DATE: June 1, 2001

SUBJECT: Supplement to Fee Report Forms:  
Certification of Examination Scores and  
Verification of Certification or Registration Status

TO: Regulatory Review Bodies

FROM: Steven Wernberg, Counsel  
State Board of Certified Real Estate Appraisers

The Bureau of Professional and Occupational Affairs has provided the following supplemental information regarding occupational licensing boards' certification of examination scores and verification of licensure, certification, registration, etc.:

*The certification of a score is made at the request of a licensee when the licensee is seeking to obtain licensure in another state based upon licensure in Pennsylvania that was issued on the basis of a uniform national or regional examination taken in Pennsylvania. Generally, the state of original licensure is the only source of the score of the licensee, as testing organizations do not maintain this information. The licensure laws of many states include provisions that licensure by reciprocity or endorsement based on licensure in another state will be granted only if the board or agency determines that the qualifications are the same or substantially similar. Many state agencies have interpreted this provision to require that licensees have attained a score equal to or exceeding the passing rate in that jurisdiction at the time of original licensure. For this reason, these states require that the Pennsylvania board certify the examination score the applicant received on the licensure examination.*

*The difference between the verification and certification fees is the amount of time required to produce the document requested by the licensee. As noted above, states request different information when making a determination as to whether to grant licensure based on reciprocity or endorsement from another state. The Bureau has been able to create two documents from its records that will meet all of the requirements of the requesting state. The licensee, when he applies to the other state, receives information as to what documentation and form is acceptable to the requesting state. The Bureau then advises the licensee of the type of document the Bureau can provide and the fee.*

*In the case of a "verification," the staff produces the requested documentation by a letter, usually computer generated, which contains the license number, date of original issuance and current expiration date, and the status of the license. The letters are printed from the Bureau's central*

*computer records and sent to the Board staff responsible for handling the licensee's application. The letters are sealed, folded and mailed in accordance with the directions of the requestor. The Bureau estimates the average time to prepare this document to be five minutes.*

*The Bureau uses the term "certification fee" to describe the fee for a request for a document, again generally to support reciprocity or endorsement applications to other states, territories or countries, or for employment of training in another state. A certification document contains information specific to the individual requestor. It may include dates or locations where the examinations were taken, examination scores achieved, or hours and location of training. This information is entered onto a document that is usually supplied by the requestor. The average time to prepare a certification is 45 minutes. This is because a number of resources, such as files, microfilm and rosters, must be retrieved and consulted to provide the information requested. The Board staff then seals and issues the certification document.*

SW/



**FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

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OCT 24 PM 2:20  
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# 2153

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Agencies.

**State Board of  
Certified Real Estate Appraisers**

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

\_\_\_\_\_  
(AGENCY)

*John V. Turner*

DOCUMENT/FISCAL NOTE NO. 16A-7011

\_\_\_\_\_  
DATE OF APPROVAL

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

10/15/02  
DATE OF APPROVAL

BY: *George B. Sinclair*  
George B. Sinclair

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

**Chairman**

TITLE: \_\_\_\_\_  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

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

[ ] Check if  
applicable. No Attorney  
General approval or  
objection within 30 days  
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)

**FEES FOR BOARD SERVICES**

**PREAMBLE**

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

The amendments raise Board fees for application for certification as a real estate appraiser (whether on the basis of reciprocity or non-reciprocity), application for temporary practice registration, verification of certification or registration status, and certification of examination scores. The amendments also add a new fee for application for approval as a continuing education provider and make changes to the descriptions of certain fees and to the order in which they appear in the fee schedule.

*Summary of Comments and Responses to Proposed Rulemaking*

The Board published a notice of proposed rulemaking at 30 Pa.B. 5290 (October 14, 2000), following which the Board entertained public comments for 30 days. The Board received comments from the Pennsylvania Association of Realtors (PAR).

The Board received comments from the Independent Regulatory Review Commission (IRRC) and the House Professional Licensure Committee (House Committee) as part of their review of the amendments in proposed form under the Regulatory Review Act (RRA) (63 P.S. §745.1 et seq.). The Board did not receive comments from the Senate Committee on Consumer Protection and Professional Licensure (Senate Committee), which also reviewed the amendments in proposed form under the RRA.

The PAR questioned whether the additional revenues generated by the fees (i.e., approximately \$32,900 during each fiscal biennium) would be applied toward providing services to certificate holders and not toward adding further “bureaucratic levels” to the Board’s operations. The fees are intended to recoup the Board’s actual costs of providing specific services to individual certificate holders and applicants; they are not intended to fund new regulatory initiatives or increases in staffing. By increasing fees to reflect the actual costs of providing the services covered by the fees, the Board ensures that the costs of providing individualized services are borne by the individuals who use those services rather than by the entire regulated community.

The PAR also raised concern that the increase in the application fee for appraiser certification by examination – from \$55 to \$235 – could serve as an economic “barrier” to entry into the real estate appraising profession. The Board has no evidence that an increase of \$180 in the application fee is likely to dissuade persons from considering a career in real estate appraising; no appraiser trainee or prospective applicant has raised objections to the fee increase. The Board notes that its application fee is still less than the appraiser application fees in such neighboring states as New York

(\$250), New Jersey (\$225-\$250) and West Virginia (\$175-\$325).

The IRRC asked the Board to provide a more detailed explanation of the reason for the increase in the application fee for appraiser certification by examination. The original fee of \$55 has not been increased since its adoption in 1991. Because the Board had just begun operations at the time the original fee was adopted, the cost calculations underlying the original fee were based on estimates rather than on historical cost data. As stated in the notice of proposed rulemaking, a recent systems audit of the Board's operations conducted by the Revenue Office of the Bureau of Professional and Occupational Affairs (BPOA) determined that the \$55 application fee did not cover the Board's actual cost of processing an application. The actual cost was calculated by multiplying the hourly compensation rate of Board personnel who review an application times the average number of minutes in the review process, plus a proportionate share of the administrative overhead. The actual costs are broken out as follows:

Board staff (10 hours by credentials evaluator)	\$212.09
Averaged Board member review	\$ 4.00
Administrative overhead	<u>\$ 19.45</u>

Total Cost     \$235.54

In order to be admitted to the appraiser certification examination, an applicant must establish compliance with federally mandated education and experience qualifications. The credentials evaluators on the Board's administrative staff review and evaluate the course transcripts submitted by the applicant's education providers and, as necessary, contact the providers for additional information to verify the eligibility of the course offerings for education credit. The credentials evaluators also review a detailed log prepared by the applicant of the applicant's experience as an appraisal assistant. The credentials evaluators select from the applicant's experience log a representative sampling of transactions for further scrutiny; for each transaction selected, the credentials evaluators review the appraisal report that the applicant assisted in preparing as well as an appraisal assistant checklist completed by the applicant's supervising appraiser. The credentials evaluators may seek additional verification of experience by contacting the applicant, the applicant's supervising appraiser, and lenders and other appraisal clients who have had dealings with the applicant.

In a small number of cases, the direct involvement of Board members is required to ascertain whether the applicant has satisfied the education and experience requirements for admittance to the certification examination. Individual Board members may review the application file and interview the applicant; on occasion it may be necessary for the full Board to conduct an evidentiary hearing on the applicant's qualifications.

The IRRC also questioned the rationale for the proposed increase – from \$55 to \$235 – in the application fee for certification as a certified Pennsylvania evaluator under the Assessors Certification Act (63 P.S. §458.1 et seq.) Upon rechecking the results of the BPOA's systems audit of the its operations, the Board has determined that the proposed increase in the application fee for certification as a certified Pennsylvania evaluator was submitted in error. Accordingly, the Board has deleted the proposed increase from the amendments.

The IRRC also noted an error in the text of the proposed regulation regarding the amount of the new fee for approval of a continuing education provider. The preamble of the notice of proposed rulemaking and the fee report form identified the amount of the fee as \$85, while the text of the proposed regulation listed the fee as \$55. The amendments reflect the correct fee of \$85.

Noting that the Board's fee schedule lists both "examination fees" and "application fees," the House Committee and the IRRC commented that the nomenclature of the application fees for certified appraisers – "application by examination" and "application by reciprocity" – is confusing because it gives the false impression that there are actually two examination fees. The House Committee and the IRRC recommended that the application fees for certified appraisers be renamed "licensure application fee" and "licensure by reciprocity." The Board does not favor the term "licensure" because the appraiser credential issued by the Board under the Real Estate Appraisers Certification Act (REACA) (63 P.S. §457.1 et seq.) is a certificate rather than a license. To avoid the confusion cited by the House Committee and the IRRC, the Board has renamed the application fees for certified appraisers as "application (non-reciprocity)" and "application (reciprocity)."

At the suggestion of the IRRC, the Board has made the category of "continuing education provider" in the fee schedule plural in order to be consistent with the other fee categories.

#### *Statutory Authority*

Section 5(6) of the REACA (63 P.S. §457.5(6)) authorizes the Board to establish fees for its operations. Section 9 of the REACA (63 P.S. §457.9) requires the Board to establish fees by regulation and to ensure that revenues derived from fees are adequate to cover the Board's expenditures over a biennial period.

#### *Fiscal Impact*

The Board projects that the amendments will generate additional fee revenues totaling approximately \$32,900 during each fiscal biennium. The additional biennial revenues are broken down as follows:

**Fees for Board Services (#16A-7011)**  
**Final Rulemaking**  
**Submitted October 24, 2002**

<u>Service</u>	<u>Estimated Fee-Payers</u>		<u>Additional Cost</u>		<u>Additional Revenues</u>
Application for Certification as Appraiser (Non-Reciprocity)	150	x	\$180	=	\$27,000
Application for Certification as Appraiser (Reciprocity)	10	x	\$15	=	\$150
Application for Temporary Practice Registration	75	x	\$5	=	\$375
Application for Approval as Continuing Education Provider	25	x	\$85	=	\$2,125
Certification of Examination Scores	200	x	\$10	=	\$2,000
Verification of Certification or Registration Status	250	x	\$5	=	<u>\$1,250</u>
				Total	\$32,900

*Paperwork Requirements*

The amendments will require the Board to change certain forms to reflect the revised schedule of user fees. The amendments will not create additional paperwork requirements for the regulated community.

*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 drafting and promulgating the amendments, considered the least restrictive alternative to regulatory costs for services requested by individual certificate holders and applicants.

*Regulatory Review*

On October 4, 2000, as required by Section 5(a) of the RRA (71 P.S. §745.5(a)), the Board submitted copies of the notice of proposed rulemaking published at 30 Pa.B. 5290 to the IRRC and the House and Senate Committees for review and comment.

In adopting final amendments, the Board considered comments from the IRRC, the House Committee and the general public. The Board did not receive comments from the Senate Committee.

On \_\_\_\_\_, 2002, the Board submitted final amendments to the IRRC and the House and Senate Committees. Under authority of Section 5.1(d) and (e) of the RRA (71 P.S. §745.5a(d) and (e)), the amendments were approved by the House Committee on \_\_\_\_\_, 2002, deemed approved by the Senate Committee on \_\_\_\_\_, 2002, and approved by the IRRC on \_\_\_\_\_, 2002.

#### *Additional Information*

Persons who desire additional information about the amendments are invited to submit inquiries to Michelle T. DeMerice, 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 and its e-mail address is [appraise@pados.dos.state.pa.us](mailto:appraise@pados.dos.state.pa.us).

#### *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 amendments adopted by this order are necessary and appropriate for the administration of the REACA.

#### *Order*

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

- (1) The regulations of the Board, 49 Pa. Code, Chapter 36, are amended by amending §36.6 to read as set forth in Annex A.
- (2) 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.

**Fees for Board Services (#16A-7011)**  
**Final Rulemaking**  
**Submitted October 24, 2002**

- (3) The Board shall certify this order and Annex A and deposit them with the Legislative Reference Bureau as required by law.
- (4) The amendments shall take effect upon publication in the Pennsylvania Bulletin.

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**

\* \* \* \*

**§36.6. Fees.**

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

Certification of scores.....	\$[15] <u>25</u>
Verification of certification <u>or registration</u> .....	\$[10] <u>15</u>
<i>Certified Real Estate Appraisers</i>	
Application [fee] <u>by examination</u> (NON-RECIPROCITY).....	\$[55] <u>235</u>
<u>Application by reciprocity</u> (RECIPROCITY).....	<u>\$40</u>
<u>Temporary practice registration</u> .....	<u>\$30</u>
Examination [fee].....	\$100
...	
<i>Certified Broker/Appraisers</i>	
Application [fee] (for application period of 9/3/96 to 9/3/98).....	\$40
...	
<i>Certified Pennsylvania Evaluators</i>	
Application [fee] .....	<del>\$[55]</del> <u>235</u>



**Fees for Board Services (#16A-7011)**  
**Final Rulemaking**  
**Submitted October 24, 2002**

...

[Reciprocity certification fee.....\$25]

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

Examination {fee}.....\$200

*Continuing Education ProviderS*

Application for continuing education provider approval.....~~\$55~~ 85

# PROPOSED RULEMAKING

## DEPARTMENT OF EDUCATION

[22 PA. CODE. CH. 711]

### Charter School Services and Programs for Children With Disabilities

The Department of Education is providing additional opportunities for public input (including hearings) on proposed Chapter 711 as published in the *Pennsylvania Bulletin* on July 8, 2000, to meet Federal requirements.

The hearing schedule is as follows:

November 17, 2000—2 p.m. until 7 p.m.

Duquesne University, Rockwell Hall, Level G-1,  
Pittsburgh, PA

November 20, 2000—12 noon until 6 p.m.

Drexel University, Matheson Hall  
31st and Chestnut Streets  
Philadelphia, PA

Persons interested in presenting testimony may contact Tracy Willard at (717) 772-3260 or TDD (717) 787-7367.

Written comments should be sent to Dr. Dale Baker, Office of Educational Initiatives, 333 Market Street, Harrisburg, PA 17126-0333 by 4 p.m., December 15, 2000. Comments in alternative formats, such as Braille or taped comments and telephone comments from persons with disabilities are welcome. Persons needing additional information regarding this notice or persons with disabilities needing an alternative means of providing comment or testimony may contact Dr. Baker by calling (717) 705-0930 or TDD at (717) 783-8445.

The purposes of proposed Chapter 711 are to develop procedures for special education in charter schools and adopt by reference applicable Federal regulations. The proposed regulations will assist charter schools in compliance with Federal laws, regulations and court decrees as they apply to children with disabilities. In part, the rulemaking on Chapter 711 will become part of the Individuals with Disabilities Education Act, Part B grant application to the United States Department of Education (USOE) ensuring that provision of a free appropriate public education to students with disabilities in public charter schools. Public access to the IDEA-B grant award will be made available upon the USOE's approval.

EUGENE W. HICKOK,  
Secretary

[Pa.B. Doc. No. 00-1759. Filed for public inspection October 13, 2000, 9:00 a.m.]

## STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS

[49 PA. CODE CH. 36]

### Fees for Board Services

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.

#### Effective Date

The proposed fees would become effective upon publication of the final-form regulation in the *Pennsylvania Bulletin*.

#### Statutory Authority

Section 5(6) of the Real Estate Appraisers Certification Act (REACA) (63 P.S. § 457.5(6)), authorizes the Board to establish fees for its operations. Section 9 of the REACA (63 P.S. § 457.9) requires the Board to establish fees by regulation and to ensure that revenues derived from fees are adequate to cover the Board's expenditures over a biennial period.

#### Background and Purpose

The Board's general operating expenditures are funded through fees for initial certification and biennial renewal of certification. Expenditures related to services that the Board provides to individual certificate holders and applicants are defrayed through user fees based on the actual costs of providing the services.

In a recent systems audit of the Board's operations conducted by the Revenue Office of the Bureau of Professional and Occupational Affairs, the fees for services provided to individual certificate holders and applicants were analyzed to determine if they accurately reflected the actual costs of providing the services. Actual cost calculations were based upon the following formula:

number of minutes to perform the service  
×  
pay rate for the classification of personnel performing the service  
+  
a proportionate share of administrative overhead.

The audit revealed that the fees for application for certification as a general or residential appraiser (by examination or by reciprocity), application for certification as a certified Pennsylvania evaluator, application for temporary practice registration, verification of certification or registration status and certification of examination scores were less than the actual costs of providing the services.

# PROPOSED RULEMAKING

5291

The Revenue Office recommended that the fees for those services be raised to reflect the Board's actual costs. The Revenue Office also recommended that a new fee be established to defray the Board's actual costs of processing an application for approval as a continuing education provider.

The Board's proposal would implement the Revenue Office's recommendations regarding user fees for Board services. The Board would continue to apportion its general operating costs to the general population of certificate holders when the Board makes its statutorily

required biennial reconciliation of revenue and expenditures.

The Board also proposes to relocate and make editorial changes to the descriptions of certain fees.

## Fiscal Impact

The Board projects that the revised schedule of user fees would generate additional revenues totaling approximately \$40,100 during each fiscal biennium. The additional biennial revenues are broken down as follows:

Service	Estimated Fee-Payers		Fee Increase		Additional Revenues
Application for Certification as Appraiser or Certified Pennsylvania Evaluator by Examination	190	x	\$180	=	\$34,200
Application for Certification as Appraiser by Reciprocity	10	x	\$15	=	\$150
Application for Temporary Practice Registration	75	x	\$5	=	\$375
Application for Approval as Continuing Education Provider	25	x	\$85	=	\$2,125
Certification of Examination Scores	200	x	\$10	=	\$2,000
Verification of Certification or Registration Status	250	x	\$5	=	\$1,250
			Total		\$40,100

## Paperwork Requirements

The Board's proposal would require the Board to change certain forms to reflect the revised schedule of user fees. The Board's proposal would not create additional paperwork requirements for the regulated community.

## Compliance with Executive Order 1996-1

In accordance with Executive Order 1996-1 (relating to regulatory review and promulgation), the Board, in drafting and promulgating the proposed fees, considered the least restrictive alternative to regulatory costs for services requested by individual certificate holders and applicants.

## Regulatory Review

On October 4, 2000, as required by section 5(a) of the Regulatory Review Act (71 P.S. § 745.4(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), if IRRC has objections to the proposed fees, it will notify the Board within 10 days of the close of the Committees' review period. The notification shall specify 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 any objections prior to final adoption of the fees.

## Public Comment

The Board invites interested persons to submit written comments, suggestions or objections regarding the pro-

posed 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-7011. No fiscal impact; (8) 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

#### § 36.6. Fees.

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

Certification of scores	[\$ 15 ] 25
Verification of certification or registration	[\$ 10 ] 15

#### Certified Real Estate Appraisers

Application [ fee ] by examination	[\$ 55 ] 235
Application by reciprocity	\$40
Temporary practice registration	\$30
Examination [ fee ]	\$100

**Certified Broker/Appraisers**

Application [ fee ] (for application period of 9/3/96 to 9/3/98) ..... \$40

**Certified Pennsylvania Evaluators**

Application [ fee ] ..... \$[ 55 ] 235

[ Reciprocity certification fee .....\$25 ]

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

Examination [ fee ] ..... \$200

Continuing Education Provider

Application for continuing education provider approval ..... \$55

[Pa.B. Doc. No. 00-1760. Filed for public inspection October 13, 2000, 9:00 a.m.]

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



**STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS**

P.O. BOX 2649  
HARRISBURG, PENNSYLVANIA 17105-2649

Telephone: (717)783-4866  
Fax: (717)705-5540  
[www.dos.state.pa.us](http://www.dos.state.pa.us)

October 24, 2002

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

RE: Final Rulemaking of the State Board of Certified Real Estate  
Appraisers Relating to Fees for Board Services (16A-7011)

Dear Chairman McGinley:

Enclosed is a copy of a final rulemaking package of the State Board of Certified Real Estate Appraisers relating to fees for Board services.

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

Sincerely,

A handwritten signature in black ink, reading "George D. Sinclair".

George D. Sinclair, Chairman  
State Board of Certified Real Estate Appraisers

GDS:SW  
Enclosure

cc: John T. Henderson, Jr., Chief Counsel  
Department of State

Joyce McKeever, Deputy Chief Counsel  
Department of State

Cynthia Montgomery, Regulatory Counsel  
Department of State

David M. Williams, Acting Commissioner  
Bureau of Professional and Occupational Affairs

Gerald S. Smith, Senior Counsel in Charge  
Department of State

Steven Wennberg, Counsel  
State Board of Certified Real Estate Appraisers

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

**I.D. NUMBER:** 16A-7011  
**SUBJECT:** Fees for Board Services  
**AGENCY:** DEPARTMENT OF STATE

**TYPE OF REGULATION**

Proposed Regulation  
☒ Final Regulation  
Final Regulation with Notice of Proposed Rulemaking Omitted  
120-day Emergency Certification of the Attorney General  
120-day Emergency Certification of the Governor  
Delivery of Tolled Regulation  
a. With Revisions      b. Without Revisions

RECEIVED  
OCT 24 11 28 AM '02  
REGULATORY REVIEW COMMISSION

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
10-24-02	Lori G. Clark	HOUSE COMMITTEE ON PROFESSIONAL LICENSURE
<hr/>		
10-24-02	Tami Tarasi	SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE
<hr/>		
10/24/02	Elena Pagan	INDEPENDENT REGULATORY REVIEW COMMISSION
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		ATTORNEY GENERAL
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		LEGISLATIVE REFERENCE BUREAU
<hr/>		

October 15, 2002