

<h1 style="text-align: center;">Regulatory Analysis Form</h1>		<p style="text-align: right;"><b>This space for use by IRRC</b></p> <p style="text-align: center;">2005 APR 13 AM 11:50</p> <p style="text-align: center;">REVIEW COMMISSION</p> <p style="text-align: right;"><b>IRRC Number: 2476</b></p>
<p><b>(2) I.D. Number (Governor's Office Use)</b></p> <p>16A-5612</p>		
<p><b>(3) Short Title</b></p> <p><b>Renewal Fee Increase</b></p>		
<p><b>(4) PA Code Cite</b></p> <p>49 Pa. Code § 35.203</p>	<p><b>(5) Agency Contacts &amp; Telephone Numbers</b></p> <p><b>Primary Contact: Judith Pachter Schulder, State Real Estate Commission 717-783-7200</b></p> <p><b>Secondary Contact: Joyce McKeever, Deputy Chief Counsel 717-783-7200</b></p>	
<p><b>(6) Type of Rulemaking (check one)</b></p> <p><input checked="" type="checkbox"/> <b>Proposed Rulemaking</b></p> <p><input type="checkbox"/> <b>Final Order Adopting Regulation</b></p> <p><input type="checkbox"/> <b>Final Order, Proposed Rulemaking Omitted</b></p>	<p><b>(7) Is a 120-Day Emergency Certification Attached?</b></p> <p><input checked="" type="checkbox"/> <b>No</b></p> <p><input type="checkbox"/> <b>Yes: By the Attorney General</b></p> <p><input type="checkbox"/> <b>Yes: By the Governor</b></p>	
<p><b>(8) Briefly explain the regulation in clear and nontechnical language.</b></p> <p>The regulation increases the biennial renewal fees for all real estate license holders and annual renewal registration for promotional property and real estate education providers, courses and instructors. The new fee is needed because the current fee, established in 1994, no longer covers the cost of sustaining the Commission's operations.</p>		
<p><b>(9) State the statutory authority for the regulation and any relevant state or federal court decisions.</b></p> <p>The amendments are proposed under sections 407(a) and of the Real Estate Licensing and Registration Act (RELRA) (63 P.S. § 455.407(a)).</p>		

## 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.**

Yes. The Commission is required by section 407(a) of the RELRA (63 P.S. § 455.407(a)) to reconcile its expenses and revenue biennially and to increase fees as needed to meet or exceed projected expenditures.

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

The Commission is required by section 407(a) of the RELRA (63 P.S. § 455.407(a)) to set fees to raise sufficient revenue to meet expenditures. It is anticipated that without raising fees the Commission will realize a deficit of \$30,803.97 dollars by fiscal year 2004-2005. By FY 2010-2011, BFO anticipates that the deficit will increase to \$4,670,802.97.

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

Nonregulation would adversely impact the fiscal integrity of the Commission.

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

Recipients of real estate services in the Commonwealth will benefit by having adequate funding for the Commission to regulate the profession to insure that the appropriate standards of professional competence and integrity are maintained.

## 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 licensee population will bear the cost of the increased fee.

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

All real estate brokers, salespersons, cemetery brokers, cemetery salespersons, rental referral agents, campground membership salespersons and builder-owner salespersons seeking to renew their licenses will be required to comply with this regulation. The Commission estimates 52,412 renewals.

**(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.**

The reconciliation of its budget is an administrative function for which public input is not required. However, the Commission receives its budget reports and discusses fee increases in public sessions, which are generally attended by representatives of the Pennsylvania Association of Realtors.

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

The Commission estimates that 52,412 real estate licensees will renew their licenses. Total additional renewal cost for the entire regulated community is approximately \$1,695,952.00. 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 will 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 that 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 its operations.

## 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>	\$	\$	\$	\$	\$	\$
Regulated Community						
Local Government						
State Government						
Total Savings						
<b>COSTS:</b>						
Regulated Community	\$700,000	\$4,070,226	1,0175,556	4,070,226	1,017,556	4,070,226
Local Government						
State Government						
Total Costs						
<b>REVENUE LOSSES:</b>						
Regulated Community						
Local Government						
State Government						
Total Revenue Losses						

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

See attached fee report forms. The cost estimates are based upon the licensee population of 52,412. The fees are charged annually or biennially depending upon the renewal cycle.

**Annual renewal**

Instruction, Course and Satellite Location - \$38,460.00 (2,564 renewals x \$15.00)  
 Promotional Property - \$8,362.00 (74 renewals x \$113.00)  
 Real Estate Education Provider - \$12,750.00 (34 renewals x \$375.00)

**Biennial Renewal**

Cemetery company registration, associate broker, salesperson, cemetery associate broker, cemetery salesperson, builder-owner salesperson, time-share salesperson, campground membership salesperson - \$3,964,896.00 (41,301 renewals x 96.00)

Broker, cemetery broker, branch office, rental listing referral agent, broker of record, partner or officer for a partnership, association or corporation - \$1,063,314.00 (8,439 x \$126.00)

Total Estimated Renewable Revenue from above license types: \$5,087,782.00.

### Regulatory Analysis Form

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

Program	FY -3 FY 01-02 Actual	FY -2 FY 02-03 Actual	FY -1 FY 03-04 Projected	Current FY FY 04-05 Budgeted
State Real Estate Commission	1,984,809.47	2,371,710.25	2,634,693.11	2,932,000.00

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

The amendments to the existing regulations are mandated by section 407(a) of the act (63 P.S. § 455.407(a)), so that Commission revenues meet Commission expenses.

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

No nonregulatory alternatives were considered. See Question 21.

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

No alternative regulatory schemes were considered. See Question 21.

## 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 licensure standards.

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

This regulation will not put Pennsylvania licensees at a competitive disadvantage with other states, as the proposed fees for brokers, associate brokers and salespersons are competitive with surrounding states. There are no comparables for real estate education providers or promotional property registration.

	PA	OH	NJ	DL	MD	NY	CN	MA	WVA
<b>Broker/ Cemetery Broker biennial renewal</b>	\$126	\$49	\$200	\$113	\$95	\$150	\$300	\$127	\$100
<b>Salesper- son/assoc iate broker biennial renewal</b>	\$96	\$39	\$100	\$58	\$65/ associate broker \$45/ sales person	\$150/ associate broker \$50/sales person	\$225	\$93	\$50
<b>Educa- tion provider renewal</b>	\$375		\$400/ non- public schools \$0/ public schools \$200/each additional locations			N/A			
<b>Instruct- or Renewal</b>	\$15		\$100			N/A			
<b>Course Renewal</b>	\$15	\$50 for the 1 <sup>st</sup> offering and \$10 foe each				\$300/ pre- licensure \$150/ each			

		successive offering				branch \$25/each CE branch and course			
Promotional Property Registration	\$113	N/A	N/A			N/A			

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

No.

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

The Commission reviews regulatory proposals at regularly scheduled public meetings. However, in light of the statutory mandate, the Commission has not scheduled public hearings or informational meetings regarding this regulation.



## 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.**

No changes to reporting, record keeping, 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 as final rulemaking in the *Pennsylvania Bulletin*.

**(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.

FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU  
(Pursuant to Commonwealth Documents Law)

RECEIVED  
2005 APR 13 AM 11:50  
REVIEW COMMISSION

# 2476

DO NOT WRITE IN THIS SPACE

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

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

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

BY: Amy M. Elliott  
(DEPUTY ATTORNEY GENERAL)

State Real Estate Commission  
(AGENCY)

BY: [Signature]

MAR 28 2005

DATE OF APPROVAL

DOCUMENT/FISCAL NOTE NO. 16A-5612

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

BY: Beverly E. Brookes  
Beverly Brookes

3.8.05

DATE OF APPROVAL

EXECUTIVE  
(Deputy General Counsel  
(Chief Counsel,  
Independent Agency  
TITLE INAPPLICABLE  
TITLE)

TITLE: Chair  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

- Check if applicable Copy not approved. Objections attached.
- Check if applicable: No Attorney General approval or objection within 30 day after submission.

PROPOSED RULEMAKING  
COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE REAL ESTATE COMMISSION  
49 PA. CODE § 35.203  
BIENNIAL RENEWAL FEE INCREASE

The State Real Estate Commission (Commission) proposes to amend § 35.203 (relating to fees) to read as set forth in Annex A. The proposed regulation would increase the following renewal fees:

- Biennial renewal for brokers, cemetery brokers, branch offices, rental listing referral agents, brokers of record and partners or offices for a partnership association or corporation from \$84 to \$126;
- Biennial renewal for cemetery companies, associate brokers, salespersons, cemetery associate brokers, cemetery salespersons or campground membership salespersons from \$64 to \$96;
- Annual renewal of registration of promotional property from \$75 to \$113; and
- Annual renewal of approval of real estate education providers from \$250 to \$375 plus an increase from \$10 to \$15 for each satellite location, course or instructor.

#### **Effective Date**

The amendment will be effective upon final publication in the Pennsylvania Bulletin. The new fees will take effect for the biennial period commencing June 1, 2006.

#### **Statutory Authority**

The amendment is authorized under section 407 of the Real Estate Licensing and Registration Act (RELRA) (63 P.S. § 455.407). It requires the Commission to increase fees by regulation to meet or exceed projected expenditures if the revenues raised by fees, fines and civil penalties are not sufficient to meet Commission expenditures.

#### **Background and Need for Amendment**

##### **Fees to renew real estate licenses were last increased in 1994.**

The Commission is required by law to support its operations from the revenue it generates from fees, fines and civil penalties. In accordance with section 407(a) of the RELRA (63 P.S. § 455.407(a)), if the revenue raised by fees, fines and civil penalties is not sufficient to meet expenditures over a 2-year period, the Commission must increase its revenue.

The Commission raises virtually all of its operating revenue (exclusive of application and

services fees) through renewal fees. The license renewal fees are the most substantial revenue-generating fee of all the fees charged by the Commission. The Commission's current license renewal fees were established by regulation on May 20, 1994. (See 24 Pa. B. 2613).

At its January 25-26, 2005, Commission meeting, the Bureau of Finance and Operations (BFO) presented a summary of the Commission's revenue and expenses for fiscal years 2001-2002 and 2003-2004 and projected revenue and expenses for fiscal years 2003-2004 through 2010-2011. The summary, presented in table format below, demonstrated that the Commission must raise fees to meet or exceed projected expenditures to comply with section 407(a) of the RELRA, through 2004-2005. The Offices of Revenue and Budget projected a deficit of \$30,802.97 in fiscal year 2004-2005 and continuing thereafter. The BFO recommended that the Commission raise fees 50% to meet or exceed projected expenditures in compliance with section 407(a) of the RELRA (63 P.S. § 455.407(a)).

2001-2002 beginning balance	\$ 95,833.32
FY 01-02 revenue	3,130,883.12
Adjusted for prior year expenses	140,136.82
Prior year returned funds	0.00
FY 01-02 expenses	2,223,000.00
Remaining balance	863,579.62
2002-2003 beginning balance	\$ 863,579.62
FY 02-03 revenue	1,387,457.66
Prior year returned funds	0
FY 02-03 expenses	2,312,000.00
Remaining balance	(60,962.72)
2003-2004 beginning balance	\$ (60,962.72)
FY 03-04 revenue	3,559,203.99
FY 03-04 expenses	2,372,000.00
Remaining balance	1,126,241.27
2004-2005 beginning balance	\$ 1,126,241.27
FY 04-05 projected revenue	1,400,000.00
Prior year returned funds	697,359.12
Adjusted for prior year expenses	322,403.36
FY 04-05 projected expenses	2,932,000.00
Remaining balance	(30,802.97)
2005-2006 beginning balance	(30,802.97)
FY 05-06 projected revenue	3,500,000.00

FY 05-06 projected expenses	2,900,000.00
Remaining balance	479,197.03
2006-2007 beginning balance	479,197.03
FY 06-07 projected revenue	1,400,000.00
FY 06-07 projected expenses	3,080,000.00
Remaining balance	(1,200,802.97)
2007-2008 beginning balance	(1,200,802.97)
FY 07-08 projected revenue	3,500,000.00
FY 07-08 projected expenses	3,172,000.00
Remaining balance	(872,802.97)
2008-2009 beginning balance	(872,802.97)
FY 08-09 projected revenue	1,400,000.00
FY 08-09 projected expenses	3,267,000.00
Remaining balance	(2,739,802.97)
2009-2010 beginning balance	(2,739,802.97)
FY 09-10 projected revenue	3,500,000.00
FY 09-10 projected expenses	3,365,000.00
Remaining balance	(2,604,802.97)
2010-2011 beginning balance	(2,604,802.97)
FY 10-11 projected revenue	1,400,000.00
FY 10-11 projected expenses	3,466,000.00
Remaining balance	(4,670,802.97)

Under the current fee structure, BFO estimates that at the close of FY 2004-2005, the Commission's expenses will exceed its revenues by \$30,522.66. By FY 2010-2011, BFO anticipates that the deficit will increase to \$4,670,802.97.

The increases in the Commission's biennial expenses occurred primarily in the Bureau of Enforcement and Investigation (BEI) and Board Administration. Non-travel BEI expenditures were budgeted at \$799,500 in FY 2003-2004 but will increase to a projected expense of \$1,043,399.34, a difference of \$243,899.34 from budgeted. Board administration was budgeted at \$580,000 in FY 2003-2004 but increased to a projected 664,651.95, a difference of \$84,651.95.

The BEI projected expense increase occurred as a result of the increased number of investigations and inspections in 2003-2004. Based on an average of BEI's expenditures for the

past 3 years, BEI was allocated 1,559.33 investigative and inspection activities with 9,942.31 hours in performance time for 2003-2004. In actuality, 1,761 investigative and inspection activities were performed, totaling about 11,840.50 hours, putting BEI over the projection by 201.67 activities and 1,898.19 hours. In 2002-2003, BEI spent 9,354.92 hours on investigations and inspections. In 2001-2002, BEI spent 10,603.30 hours on investigations and inspections. In 2000-2001, BEI spent 9,868.70 hours on investigations and inspections.

The increase in the Real Estate Commission's administration costs can be attributed to the following:

1. Wages increased by approximately \$27,000.00 due to overtime costs to process renewal applications.
2. FY03-04 health benefits increased \$68.35 per employee. Also, each agency was assessed a one-time charge of \$942.00 per employee to be deposited into the Pennsylvania Employees Benefit Trust Fund (PEBTF). The Commission's share of the increased benefit costs and the one-time PEBTF payment was approximately \$30,000.00.
3. The Commission's share of FY03-04 rent of real estate costs increased approximately \$19,000. This increase is a result of a full year of rent paid at a higher rate for Penn Center that at the Pine Street location. In FY02-03 only 2 months rent was paid at the higher rate.
4. The Commission's FY03-04 share of BPOA's data powerhouse costs (servers for License 2000) increased by approx. \$12,000.00. This is a result of the increase in BPOA's FY03-04 monthly data powerhouse assessment and for a one-time balloon payment of approximately \$50,000.00. The Commission's share of these assessments is based on licensee population.

The Commission reviewed various alternative fee structures to ensure the lowest fee increase possible while at the same time insuring the Commission's solvency. Although the Commission is looking at ways to streamline procedures to cut costs, the fee increases are still necessary to maintain a positive balance in the Commission account. Finally, in developing the proposal, the Commission reviewed fees of other states. It found that the proposed fees are comparable to the renewal fees charged in surrounding states and should cause no competitive disadvantage to the Commonwealth.

### **Description of Proposed Amendments**

Based upon the above expense and revenue estimates provided to the Commission, the Commission proposes to amend § 35. 203 (relating to fees) to increase the fee for biennial renewal of licenses for brokers, cemetery brokers, branch offices, rental listing referral agents, brokers of record

and partners or officers for a partnership association or corporation from \$84 to \$126 and cemetery companies, associate brokers, salespersons, cemetery associate brokers, cemetery salespersons or campground membership salespersons from \$64 to \$96 as well as increase the annual renewal registration of promotional property from \$75 to \$113 and the renewal of approval of real estate education provider from \$250 to \$375 plus \$15 for each satellite location, course and instructor instead of \$10. By this increase, the Commission will recoup the FY 2004-2005 projected deficit and enable the Commission's account to carry a positive balance by FY 2005-2006.

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

The requirements of Executive Order 1996-1 (February 6, 1996) for public input are not applicable to regulations relating solely to reconciliation of the Commission's budget through increases in renewal fees as they are required by law and the least restrictive means of covering the costs of services required to be performed by the Commission.

### **Fiscal Impact**

The proposed amendment will increase the renewal fees for brokers, cemetery brokers, branch offices, rental listing referral agents, brokers of record and partners or officers of a partnership association or corporation, cemetery companies, associate brokers, salespersons, cemetery associate brokers, cemetery salespersons, campground membership salespersons, promotional property registration, approval of real estate education providers, satellite locations, courses and instructors. The amendment should have no other fiscal impact on the private sector, the general public or political subdivisions.

### **Paperwork Requirements**

The proposed amendment will require the Commission to alter some of its forms to reflect the new renewal fees; however, the proposed amendment should not create additional paperwork for the private sector.

### **Sunset Date**

The RELRA requires that the Commission monitor its revenue and expenses on a fiscal year and biennial basis. Therefore, no sunset date has been assigned.

### **Regulatory Review**

Under section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on April 13, 2005, the Commission submitted a copy of this proposed rulemaking and a copy of a Regulatory Analysis form to the Independent Regulatory Review Commission (IRRC) and to the Chairpersons of the Senate Consumer Protection and Professional Licensure Committee and the House Professional Licensure Committee. A copy of this material is available to the public upon request.

Under section 5(g) of the Regulatory Review Act, IRRC may convey any comments, recommendations or objections to the proposed rulemaking within 30 days of the close of the public comment period. The comments, recommendations or objections shall specify the regulatory review criteria which have not been met. The Regulatory Review Act specifies detailed procedures for review, prior to final publication of the rulemaking, by the Commission, the General Assembly and the Governor of comments, recommendations or objections raised.

### **Public Comment**

Interested persons are invited to submit written comments, suggestions or objections regarding this proposed rulemaking to Debi Sopko, Administrator, State Real Estate Commission, P.O. Box 2649, Harrisburg, Pennsylvania 17105-2649, within 30 days following publication of this proposed rulemaking in the Pennsylvania Bulletin.



ANNEX

**TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS**

**PART I. DEPARTMENT OF STATE**

**SUBPART A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS**

**CHAPTER 33. STATE REAL ESTATE COMMISSION**

**LICENSURE**

\* \* \*

**§ 35.203. Fees.**

The following fees are charged by the Commission:

\*\*\*

Biennial renewal of license of broker, cemetery broker, branch office, rental listing  
referral agent or broker of record, partner or officer for a partnership, association or  
corporation.....\$[84] 126

**Annex 16A-5612  
Biennial Renewal Fee Increase  
January 27, 2005**

Biennial renewal of cemetery company registration or license of associate broker  
salesperson, cemetery associate broker, cemetery salesperson or campground  
membership salesperson.....\$[64] 96

....

Annual renewal of registration of promotional real estate.....\$[75] 113

....

Annual renewal of approval of real estate education provider.....\$[250] 375

plus \$ [10] 15 for each satellite location, course and instructor

....

# FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 01/26/2005

**Contact:** Basil Merenda  
Commissioner, Bureau of Professional and Occupational Affairs

**Phone No.** 783-7192

## Fee Title, Rate and Estimated Collections:

Instruction, Course and Satellite Location -	Annual Renewal Fee: \$15.00
Promotional Property -	Annual Renewal Fee: \$113.00
Real Estate Education Provider -	Annual Renewal Fee: \$375.00

Cemetery company registration, associate broker, salesperson, cemetery associate broker, cemetery salesperson, builder-owner salesperson, time-share salesperson, campground membership salesperson - Biennial Renewal Fee: \$96.00

Broker, cemetery broker, branch office, rental listing referral agent, broker of record, partner or officer for a partnership, association or corporation - Biennial Renewal Fee: \$126.00

### Estimated Annual and Biennial Revenue:

Instruction, Course and Satellite Location -	\$38,460.00 (2,564 renewals x \$15.00)
Promotional Property -	\$8,362.00 (74 renewals x \$113.00)
Real Estate Education Provider -	\$12,750.00 (34 renewals x \$375.00)

Cemetery company registration, associate broker, salesperson, cemetery associate broker, cemetery salesperson, builder-owner salesperson, time-share salesperson, campground membership salesperson - \$3,964,896.00 (41,301 renewals x 96.00)

Broker, cemetery broker, branch office, rental listing referral agent, broker of record, partner or officer for a partnership, association or corporation - \$1,063,314.00 (8,439 x \$126.00)

Total Estimated Renewable Revenue from above license types: \$5,087,782.00.

## Fee Description:

The fee will be charged annually or biennially depending upon renewal cycle to every applicant for license renewal.

## Fee Objective:

The fee should defray a substantial portion of the Real Estate Commission's administrative overhead, specifically the difference between the Commission's total biennial expenditures and its total biennial revenues from non-renewal sources.

## Fee-Related Activities and Costs:

Estimated balance at end of 04/05 cycle:	(30,802.97)
<b>FOR BIENNIAL CYCLE 7/01/05-6/30/06</b>	
Estimated non-renewal revenue:	700,000.00
Estimated renewal revenue @ above rates:	4,070,225.60
Total revenue available:	4,739,422.63
Estimated expenditures:	2,900,000.00
Estimated ending balance on 6/30/06:	<b>1,839,422.63</b>
<b>FOR BIENNIAL CYCLE 7/01/06-6/30/07</b>	
Estimated non-renewal revenue:	700,000.00
Estimated renewal revenue @ above rates:	1,017,556.40
Estimated expenditures:	2,987,000.00
Estimated ending balance on 6/30/07:	<b>569,979.03</b>

## Analysis, Comment, and Recommendation:

It is recommended that the above renewal fee's be established to cover shortfalls in the Real Estate Commission's total biennial expenditures and its total biennial revenues from non-renewal sources.



COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE REAL ESTATE COMMISSION  
Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-3658

April 13, 2005

The Honorable John R. McGinley, Jr., Chairman  
INDEPENDENT REGULATORY REVIEW COMMISSION  
14<sup>th</sup> Floor, Harristown 2, 333 Market Street  
Harrisburg, Pennsylvania 17101

Re: Proposed Regulation  
State Real Estate Commission  
16A-5612: Biennial Renewal Fee Increase

Dear Chairman McGinley:

Enclosed is a copy of a proposed rulemaking package of the State Real Estate Commission pertaining to Biennial Renewal Fee Increase.

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

Sincerely,

A handwritten signature in cursive script that reads "Beverly R. Brookes".

Beverly R. Brookes, Chair  
State Real Estate Commission

BRB:JPS:apm

Enclosure

cc: Albert Masland, Chief Counsel  
Department of State  
Basil L. Merenda, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Cynthia Montgomery, Regulatory Counsel  
Department of State  
Gerald S. Smith, Senior Counsel in Charge  
Department of State  
Judith Pachter Schulder, Counsel  
State Real Estate Commission  
State Real Estate Commission

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

I.D. NUMBER: 16A-5612

SUBJECT: State Real Estate Commission - Biennial Renewal Fee Increase

AGENCY: DEPARTMENT OF STATE

# 2476

**TYPE OF REGULATION**

- X 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

DEPARTMENT OF STATE  
 REGULATORY REVIEW COMMISSION  
 2005 APR 13 AM 11:50

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
4/13/05	<i>Sandra J. Harper</i>	HOUSE COMMITTEE ON PROFESSIONAL LICENSURE
4/13/05	<i>Mary Walmer</i>	SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE
4/13/05	<i>Steph. F. Harper</i>	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL (for Final Omitted only)
4/13/05	<i>Maryna Garcia</i>	LEGISLATIVE REFERENCE BUREAU (for Proposed only)

March 30, 2005