

HF3341 - 1E - Appraisal Management Company Licensure Modified

Chief Author: **John Huot**
 Committee: **Jobs & Economic Development Finance Division**
 Date Completed: **3/14/2020 12:33:59 PM**
 Agency: **Commerce Dept**

State Fiscal Impact	Yes	No
Expenditures	X	
Fee/Departmental Earnings	X	
Tax Revenue		X
Information Technology		X
Local Fiscal Impact		X

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions shown in the parentheses.

State Cost (Savings)	Biennium			Biennium		
	Dollars in Thousands	FY2019	FY2020	FY2021	FY2022	FY2023
Restrict Misc. Special Revenue	-	-	-	-	-	-
Total	-	-	-	-	-	-
Biennial Total			-			-

Full Time Equivalent Positions (FTE)	Biennium			Biennium	
	FY2019	FY2020	FY2021	FY2022	FY2023
Restrict Misc. Special Revenue	-	-	-	-	-
Total	-	-	-	-	-

LBO Analyst's Comment

I have reviewed this fiscal note for reasonableness of content and consistency with the LBO's Uniform Standards and Procedures.

LBO Signature: Christian Larson **Date:** 3/14/2020 12:33:59 PM
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State Cost (Savings) Calculation Details

This table shows direct impact to state government only. Local government impact, if any, is discussed in the narrative. Reductions are shown in parentheses.

*Transfers In/Out and Absorbed Costs are only displayed when reported.

State Cost (Savings) = 1-2		Biennium			Biennium	
Dollars in Thousands		FY2019	FY2020	FY2021	FY2022	FY2023
Restrict Misc. Special Revenue		-	-	-	-	-
Total		-	-	-	-	-
Biennial Total				-		-
1 - Expenditures, Absorbed Costs*, Transfers Out*						
Restrict Misc. Special Revenue		-	-	25	25	25
Total		-	-	25	25	25
Biennial Total				25		50
2 - Revenues, Transfers In*						
Restrict Misc. Special Revenue		-	-	25	25	25
Total		-	-	25	25	25
Biennial Total				25		50

Bill Description

House File 3341-1E provides statutory authority for the Commerce Department to collect a fee from all Appraisal Management Companies (AMC) and remit it to the Appraisal Subcommittee for the National Registry. The Dodd-Frank Act required that the federal Appraisal Subcommittee collect this fee annually from states that license and regulate AMCs.

Section 2 of the bill clarifies that federally-regulated AMCs are exempt from state licensing and regulatory requirements except that they must provide the fee and any information necessary to transmit the information to the Appraisal Subcommittee for the National Registry.

Assumptions

The national registry fee is calculated by an AMC and the formula for calculating a fee is: \$25 multiplied by the number of appraisers who performed an appraisal for the AMC on a covered transaction in the State during the previous year. A “covered transaction” is a consumer credit transaction secured by the consumer’s principal dwelling. Commerce assumes approximately 1,000 appraisers currently perform appraisals for AMCs on covered transaction in Minnesota each year. Commerce assumes \$25,000 in fee revenue will be collected by the State from AMCs and remitted to the National Registry. Commerce assumes no net General Fund impact on account of this proposal.

Commerce assumes that the national registry fee will be collected during annual license renewal each year (Commerce assumes that any federally-regulated AMC that are not state licensed will also remit the fee once each year). Commerce assumes that collection of the fee amount will be incorporated into the State’s existing electronic licensure system. Commerce assumes no new costs to the agency to collect and remit the fee to the National Registry.

Expenditure and/or Revenue Formula

Revenue:

\$25 x 1,000 appraisers currently performing covered transactions in Minnesota for AMCs = \$25,000 per year.

Long-Term Fiscal Considerations

This requirement is ongoing.

Local Fiscal Impact

References/Sources

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