

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 81ST LEGISLATIVE REGULAR SESSION**

**April 20, 2009**

**TO:** Honorable Edmund Kuempel, Chair, House Committee on Licensing & Administrative Procedures

**FROM:** John S. O'Brien, Director, Legislative Budget Board

**IN RE: HB3738** by Isett ( Relating to requirements for correspondence courses for licensing as a real estate broker, salesperson, or inspector.), **Committee Report 1st House, Substituted**

**Estimated Two-year Net Impact to General Revenue Related Funds** for HB3738, Committee Report 1st House, Substituted: an impact of \$0 through the biennium ending August 31, 2011.

The bill would make no appropriation but could provide the legal basis for an appropriation of funds to implement the provisions of the bill.

**General Revenue-Related Funds, Five-Year Impact:**

Fiscal Year	Probable Net Positive/(Negative) Impact to General Revenue Related Funds
2010	\$0
2011	\$0
2012	\$0
2013	\$0
2014	\$0

**All Funds, Five-Year Impact:**

Fiscal Year	Probable (Cost) from <i>General Revenue Fund</i> 1	Probable Revenue Gain from <i>General Revenue Fund</i> 1	Change in Number of State Employees from FY 2009
2010	(\$164,243)	\$164,243	1.0
2011	(\$41,928)	\$41,928	1.0
2012	(\$41,928)	\$41,928	1.0
2013	(\$41,928)	\$41,928	1.0
2014	(\$41,928)	\$41,928	1.0

**Fiscal Analysis**

The bill would amend the Occupations Code relating to requirements for correspondence courses for licensing as a real estate broker, salesperson, or inspector. The bill would require registration of all educational institutions offering correspondence courses for Texas Real Estate Commission (TREC) credit through "third-party marketing firms." These provisions would apply to both real estate sales/broker licenses and inspector licenses. The bill would also require the Commission to adopt rules requiring educational institutions subject to the bill to establish their examination passage rates.

This bill would take effect September 1, 2009.

## **Methodology**

For the purposes of this analysis, TREC estimates it could receive 84 applications for original registration and renewal. This estimate is based on an average of 7 correspondence courses offered by each of the 12 schools currently offering courses through colleges and universities in the State of Texas. Based on information provided by TREC, it is assumed that information technology costs of \$117,405 in fiscal year 2010 and 1 additional FTE (an Administrative Assistant IV at a cost of \$32,611 each fiscal year) would be needed to implement the provisions of the bill.

Based on the analysis of the agency, it is assumed that TREC would adjust license fees to cover any additional costs associated with the implementation of the bill.

## **Technology**

TREC estimates technology costs would total \$117,405 in FY 2010. This estimate includes a contract programmer for 36 weeks to program the computer system for the registration program, as well as computer hardware and software for the new FTE.

## **Local Government Impact**

No fiscal implication to units of local government is anticipated.

**Source Agencies:** 329 Real Estate Commission

**LBB Staff:** JOB, JRO, MW, NV