

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2017 REGULAR SESSION**

MEASURE

2017 BR NUMBER **0522**

HOUSE BILL NUMBER **443/HCS1**

RESOLUTION NUMBER _____

AMENDMENT NUMBER _____

SUBJECT/TITLE **An ACT relating to reorganization and making an appropriation therefor.**

SPONSOR **Representative Mills**

NOTE SUMMARY

FISCAL ANALYSIS: IMPACT NO IMPACT INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT: STATE LOCAL FEDERAL

BUDGET UNIT(S) IMPACT: _____

FUND(S) IMPACT: GENERAL ROAD FEDERAL RESTRICTED AGENCY _____ OTHER

FISCAL SUMMARY

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES			
EXPENDITURES			
NET EFFECT			

() indicates a decrease/negative

MEASURE'S PURPOSE: The measure creates the Department of Professional Licensing. The measure contains many of the same provisions of Executive Order (EO) 2016-859, dated December 1, 2016.

PROVISIONS/MECHANICS: Section 1 creates KRS Chapter 324B to define terms. Included in the definitions are "Executive Director," which means the executive director for real estate professions and "real property boards," which means a combination of all of the following: Kentucky Board of Home Inspectors, Kentucky Real Estate Commission, Real Estate Appraisers Board, and Board of Auctioneers.

Section 2 creates a new section of KRS 324B that establishes the Department of Professional Licensing within the Public Protection Cabinet.

Sections 3 and 4 create new sections of KRS Chapter 324B that establish the responsibilities of the executive director.

Sections 5 and 6 repeal, reenact, and amend KRS 224.10-052 to 224.10-053 as new sections of KRS Chapter 324B to conform.

Sections 7 to 16 and 19 to 23 amend various statutes to conform.

Section 17 repeals and reenacts KRS 198B.704 to create the Kentucky Board of Home Inspectors, which will be attached to the Department of Professional Licensing. It establishes the number of board members, board members' qualifications, responsibilities of the board, and board members' compensation.

Sections 18, 24, 28, and 32 amend statutes to authorize the executive director to hear and issue final orders regarding decisions of the real property boards.

Sections 25, 26, 27, and 31 amend statutes regarding filling vacancies of the real property boards and establishes compensation for board members.

Sections 29 to 30 and 33 to 36 amend various statutes to conform.

Section 37 repeals KRS 324.283 regarding compensation for members of the Kentucky Real Estate Commission.

Section 38 establishes term expirations for the real property board members appointed under EO 2016-859.

Section 39 allows any member of the real property boards, as those boards existed on November 30, 2016, to continue to serve the board as a nonvoting ex officio member until that member's term expires and establishes their compensation.

Section 40 allows all active employees of the real property boards as of November 30, 2016 to remain employees of their respective boards.

Section 41 confirms EO 2016-859, dated December 1, 2016, unless superseded by this act.

Section 42 declares an emergency so that the bill takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

FISCAL EXPLANATION: The bill confirms many of the provisions of EO 2016-859 that are already in place. Therefore, there is no fiscal impact.

One of the provisions in the EO that was not confirmed by the bill is the creation of the Kentucky Real Estate Authority (the authority). The EO created the authority that consists of 5 ex officio voting members: the executive director of the authority and the chairs of the following boards, Realtors, Appraisers, Auctioneers, and Home Inspectors. The EO did not authorize

additional compensation for the authority members or additional employees. Therefore, there is no fiscal impact from the bill not confirming this provision. Another difference is the number of board members for the real property boards. The bill sets the number of board members at five while the EO only authorizes three members. The bill keeps the number of board members at the same number as before the EO was issued and both measures cap the annual compensation for board members. The difference in the number of board members is not projected to have a material impact on personnel costs.

DATA SOURCE(S): Executive Order 2016-859

PREPARER: Greg Troutman NOTE NUMBER: 143 REVIEW: JRS DATE: 2/28/2017