

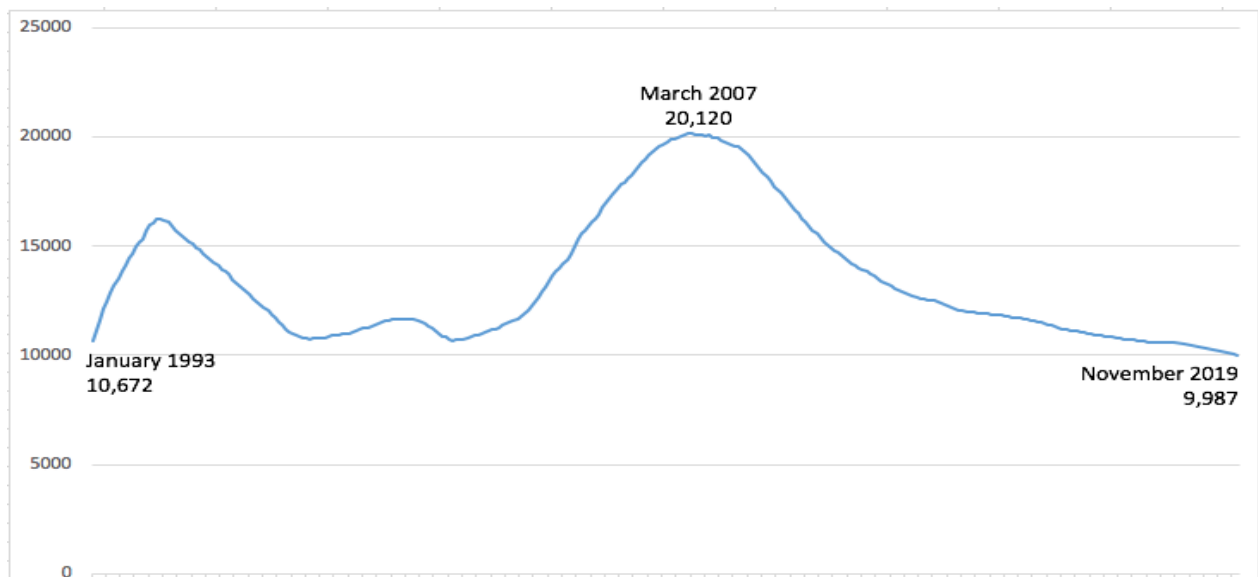
## BUREAU OF REAL ESTATE APPRAISERS FEE INCREASE

The Bureau of Real Estate Appraisers (Bureau) regrets to announce that Appraiser licensing, AMC registration, and course provider fees will increase effective January 1, 2020. The Bureau's budget is funded through fees charged to licensees, registrants, and course providers. Given the increases in the cost of doing business and the declining licensee population over the last decade, the current fee structure no longer supports the Bureau's ability to complete its mission.

In Fiscal Year (FY) 2006-07, the licensed appraiser population peaked at 20,120, generating surplus funds. In 2006 the Bureau temporarily reduced fees to begin returning these excess funds to licensees. The surplus funds were loaned to the State's General Fund. The loan repayment with interest allowed the Bureau to subsidize fees for 12 years, giving back the surplus funds to licensees by extending the temporary fee reduction until 2018.

While the Bureau's revenue was falling due to the continued decline in the licensee population, Bureau operational costs were supplemented by the surplus. At this time the surplus funds have finally been exhausted. The Bureau delayed fee increases as long as possible by cutting costs and maximizing the use of the surplus.

The chart below shows the peak of 20,120 appraisal licensees in FY 2006-07 and a recent population count of 9,987. The licensed appraiser population is now less than half of what it was in 2007.



Over the last four years the Bureau planned and implemented budget cuts. The most significant cost saving measures include eliminating two positions in 2018 for a \$250,000 annual savings and eliminating three more positions in 2019 for additional \$350,000 annual savings. The Bureau also moved the office from downtown Sacramento in 2019 creating a reduction in lease costs for an approximate \$300,000 savings over eight years.

The Bureau is making every effort to do more with less and continues to look for ways to cut costs including policies and technological improvements to create more savings and operational efficiencies.

The table below shows milestones in the Bureau’s renewal fee history.

| <b>Year</b>             | <b>License Level</b>    | <b>Application Fee</b> | <b>Issuance Fee</b> | <b>Total Fee*</b> | <b>Yearly Cost</b> |
|-------------------------|-------------------------|------------------------|---------------------|-------------------|--------------------|
| 2020<br>(Every 2 Years) | Trainee and Residential | \$400                  | \$450               | \$850             | \$425.00           |
|                         | Certified               | \$400                  | \$525               | \$925             | \$462.50           |
| 2018<br>(Every 2 Years) | Trainee and Residential | \$150                  | \$300               | \$450             | \$225.00           |
|                         | Certified               | \$150                  | \$375               | \$525             | \$262.50           |
| 2006<br>(Every 2 Years) | Trainee and Residential | \$150                  | \$150               | \$300             | \$150.00           |
|                         | Certified               | \$150                  | \$200               | \$350             | \$175.50           |
| 2000<br>(Every 2 Years) | Trainee and Residential | \$150                  | \$300               | \$450             | \$225.00           |
|                         | Certified               | \$150                  | \$375               | \$525             | \$262.50           |
| 1994<br>(Every 4 Years) | Trainee and Residential | \$200                  | \$510               | \$710             | \$177.50           |
|                         | Certified               | \$200                  | \$610               | \$810             | \$202.50           |

\* Above renewal fees do not include registry or Department of Child Support Services fees.

The federal mandate and state law require the Bureau to ensure licensed appraisers, registered AMCs, and course providers satisfy the minimum requirements overseen by the Appraisal Subcommittee. The Bureau accomplishes this responsibility through its licensing, enforcement and education programs. The Bureau’s highest priority in exercising its authority is public protection. This fee increase will enable the Bureau to continue to fulfill this mission.