

Commissioner: Jerry Holt

JLBC Analyst: Pat Mah

	FY 2000 Actual	FY 2001 Estimate	FY 2002 Approved	FY 2003 Approved
<b>PROGRAM BUDGET</b>				
Administration	1,092,400	1,119,800	1,116,700	1,113,000
Education and Licensing	842,900	871,400	927,900	956,100
Regulation	802,000	831,100	852,100	880,000
Land Development	384,600	396,500	400,500	414,100
<b>TOTAL APPROPRIATIONS</b>	<b>3,121,900</b>	<b>3,218,800</b>	<b>3,297,200</b>	<b>3,363,200</b>
<b>OPERATING BUDGET</b>				
Full Time Equivalent Positions	67.0	67.0	67.0	67.0
Personal Services	2,005,500	2,119,100	2,190,100	2,300,600
Employee Related Expenditures	436,800	469,400	519,900	505,700
Professional and Outside Services	6,800	7,700	9,700	16,800
Travel - In State	46,000	58,500	58,500	58,500
Travel - Out of State	2,300	5,000	5,000	5,000
Other Operating Expenditures	478,900	482,100	483,100	443,900
Equipment	145,600	77,000	30,900	32,700
<b>TOTAL APPROPRIATIONS</b>	<b>3,121,900</b>	<b>3,218,800</b>	<b>3,297,200</b> <sup>1/</sup>	<b>3,363,200</b> <sup>1/</sup>
<b>FUND SOURCES</b>				
General Fund	3,121,900	3,218,800	3,297,200	3,363,200
<b>TOTAL APPROPRIATIONS</b>	<b>3,121,900</b>	<b>3,218,800</b>	<b>3,297,200</b>	<b>3,363,200</b>

**AGENCY DESCRIPTION** — *The department issues licenses for real estate, cemetery, and membership campground sales. The department also regulates the real estate industry, including licensees, developers, subdividers, and real estate schools. The department collects various filing and licensing fees, which are deposited to the state General Fund. The revenues derived from these fees are required by law to be between 95% and 110% of the department's state General Fund appropriation.*

<b>PERFORMANCE MEASURES</b>	FY 1999 Est./Actual	FY 2000 Est./Actual	FY 2001 Estimate	FY 2002-03 Estimate
• Average days from receipt to approval of continuing education course	4/4	3/12.2	5	3
• Average days from receipt to issuance of license reports	3/3.9	3/4.9	3	3
• % of surveys from licensees indicating good to excellent service	NA/89	90/98.7	95	95
• Average days from receipt of complaint to resolution	NA/143	120/112	120	120
• Number of working days to issue public reports for improved lot subdivision	35/34	30/34	32	30
• % of licensees with disciplinary action	NA/0.1	0.1/0.3	0.3	0.3
• Administration as a % of total cost	NA	19.9/NA	19.9	19.4/19.7

<sup>1/</sup> General Appropriation Act funds are appropriated as a Lump Sum by Agency.

**Administration Program** — This program is responsible for establishing overall regulatory and fiscal policies that set the agency's strategic direction and allocation of resources.

The FY 2003 appropriation includes an increase of \$4,000 in one-time funding for a Rules Writer who is needed for a FY 2004 rules review.

**Education and Licensing Program** — This program issues real estate, cemetery, and membership campground licenses. It also ensures that licensees meet pre-licensing and continuing education requirements.

**Regulation Program** — This program is responsible for monitoring activities and overseeing enforcement on those who have violated state statute or departmental rules.

**Land Development Program** — This program is responsible for examining and issuing public reports on the development of subdivisions, time-shares, unsubdivided lands and membership camping filings. It also issues certificates of authority for cemeteries. These public reports and certificates of authority must be issued before entities make their sale or lease offers for land in Arizona.

### *Operating Budget Issues*

**Replacement Plan for Computer Equipment** — The lump sum appropriation for this agency includes an increase of \$25,000 in FY 2003 for an ongoing agencywide replacement plan for upgrading and replacing computers and software purchased in a lease-purchase agreement. This lease-purchase agreement was entered into in FY 1997 and will be completed in FY 2003. As a result, the appropriation includes an agencywide reduction from FY 2001 of \$(46,900) in FY 2002 for reduced costs and \$(70,400) in FY 2003 for elimination of the final payment costs.

**Additional Legislation:** Real Estate Regulation; Enforcement (Chapter 67) — Laws 2001, Chapter 67 makes changes to statutes that regulate the department, including increasing amounts covered by the non-appropriated Recovery Fund to compensate persons who have been defrauded in a real estate transaction and subsequently suffered monetary losses. The amounts are increased from \$20,000 to \$30,000 per transaction and from \$40,000 to \$90,000 per licensee. The non-appropriated Recovery Fund gets its revenues from court ordered repayments to the fund by persons convicted of fraud and a fee of \$20 per broker and \$10 per salesperson paid for an original real estate or cemetery license. A surcharge of license renewals is assessed if the fund balance on June 30 of any year falls below \$600,000. The fund's ending balances at the end of FY 2000 was \$1,237,800 after expenditures of \$165,800.

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