

State Board of Appraisal

JLBC: Bethany Nicholas
 OSPB: Bonny Walter

Subcommittee: Health & Welfare

DESCRIPTION	FY 2002 ACTUAL	FY 2003 ESTIMATE	FY 2004		FY 2005	
			OSPB	JLBC	OSPB	JLBC
PROGRAM BUDGET						
State Board of Appraisal	449,500	462,500	477,700	474,900	477,700	474,900
AGENCY TOTAL	449,500	462,500	477,700	474,900	477,700	474,900

OPERATING BUDGET

<i>Full Time Equivalent Positions</i>	4.0	4.0	4.0	4.0	4.0	4.0
Personal Services	160,300	190,700	190,700	190,700	190,700	190,700
Employee Related Expenditures	29,300	42,200	40,000	40,200	40,000	40,200
Professional and Outside Services	166,700	148,000	163,400	163,400	163,400	163,400
Travel - In State	7,400	14,000	14,000	14,000	14,000	14,000
Travel - Out of State	3,700	3,000	3,000	3,000	3,000	3,000
Other Operating Expenditures	79,100	53,200	63,600	63,600	63,600	63,600
Equipment	3,000	11,400	3,000	0	3,000	0
AGENCY TOTAL	449,500	462,500	477,700	474,900	477,700	474,900

FUND SOURCES

Other Appropriated Funds

Board of Appraisal Fund	449,500	462,500	477,700	474,900	477,700	474,900
SUBTOTAL - Other Appropriated Funds	449,500	462,500	477,700	474,900	477,700	474,900
SUBTOTAL - Appropriated Funds	449,500	462,500	477,700	474,900	477,700	474,900
TOTAL - ALL SOURCES	449,500	462,500	477,700	474,900	477,700	474,900

CHANGE IN FUNDING SUMMARY

	FY 2003 to FY 2004 JLBC		FY 2003 to FY 2005 JLBC		Biennial
	\$ Change	% Change	\$ Change	% Change	\$ Change
Other Appropriated Funds	12,400	2.7%	12,400	2.7%	24,800

AGENCY DESCRIPTION — *The board licenses, certifies and regulates real estate appraisers. The board also registers property tax agents.*

PERFORMANCE MEASURES	FY 2002	FY 2002	FY 2003	FY 2004
	Appropriation	Actual	Appropriation	Recommend.
• Number of licensees (new and existing)	2,070	2,135	2,090	--
• Number of complaints received about licensees	150	216	150	--
• Average calendar days to resolve a complaint	120	125	115	110
• Number of investigations of licensees	72	63	72	--
• Average calendar days to renew a license (from receipt of application to issuance)	1	1	1	1
• Administration as a % of total cost	1.4	10.1	1.4	10.0
• Customer satisfaction rating (Scale 1-8)	6.0	NA	6.0	6.1

Comments: The agency did not submit information for any measure labeled as "NA."

RECOMMENDED CHANGES FROM FY 2003

Standard Changes	OF	FY 2004 \$(1,600)	FY 2005 \$(1,600)
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Increased

Investigation Costs OF 15,000 15,000
 The JLBC recommends a Board of Appraisal Fund increase for additional one-time contract investigation services. The increase is due to an upward trend in the number and complexity of complaints received. Complaints have increased at an average annual rate of

23% over the past 3 fiscal years. The board received one-time monies in FY 2002 for investigation expenses, but has not otherwise received additional monies since FY 2000. The complexity of investigations is expected to increase due to a new federal requirement implemented in October 2002 for better supervision of appraisers on probation. The board expects the workload to decrease slightly over FY 2004 and FY 2005 due to higher standards for admission and increased oversight, but to still remain above FY 2002 levels.

Increased

Administrative Costs OF 10,000 10,000
 The JLBC recommends a Board of Appraisal Fund increase for additional administrative support. Every complaint requires administrative support and complaints have increased 42% since the board last received additional monies for administrative costs in FY 2000. The amount of administrative support required per complaint has also increased. Federal requirements for additional informal hearings and an Attorney General recommendation for increased communications with the regulated community will require increased notices, use of certified mail, copies of investigations, and extended board meeting minutes and transcripts.

Legal Services

Cost Allocation OF 400 400
 The JLBC recommends a Board of Appraisal Fund increase to cover higher Attorney General legal services due to the cost allocation of the Attorney General’s Risk Management charge to client agencies.

Equipment OF (11,400) (11,400)
 The JLBC recommends a Board of Appraisal Fund decrease for elimination of one-time equipment funding for replacing outdated computer equipment in FY 2001. The one-time equipment appropriation was not eliminated as part of the FY 2002 and FY 2003 appropriations.

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JLBC RECOMMENDED FORMAT — Lump Sum by Agency

JLBC RECOMMENDED FOOTNOTES

Standard Footnotes

This appropriation is available for use pursuant to the provisions of A.R.S. § 35-143.01C and is exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations until June 30, 2005.

OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

Ongoing Revenues vs. Expenditures

The board’s expenditures currently exceed revenues by an average of 40% per year. The board plans to evaluate their fee structure within the next 2 years as part of a plan to bring agency expenditures in line with revenues.

SUMMARY OF FUNDS	FY 2002 Actual	FY 2003 Estimate
Board of Appraisal (APA2270/A.R.S. § 32-3608)		Appropriated
Source of Revenue: Monies collected by the board from the examination and licensing of real estate appraisers and tax agents. The board retains 90% of these monies and deposits 10% in the General Fund.		
Purpose of Fund: To examine, license, investigate and regulate real estate appraisers and property tax agents, and for board administration.		
Funds Expended	558,100	445,200
Year-End Fund Balance	442,700	487,500

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