

# State Board of Appraisal

JLBC: Nick Klingerman

OSPB: Holly Baumann

DESCRIPTION	FY 2004 ACTUAL	FY 2005 ESTIMATE	FY 2006 JLBC	FY 2007 JLBC
<b>OPERATING BUDGET</b>				
<i>Full Time Equivalent Positions</i>	4.0	4.0	4.5	4.5
Personal Services	185,000	224,900	255,000	255,000
Employee Related Expenditures	50,000	53,900	60,900	61,300
Professional and Outside Services	123,600	145,700	145,700	145,700
Travel - In State	6,000	7,600	7,600	7,600
Travel - Out of State	3,000	4,000	4,000	4,000
Other Operating Expenditures	71,900	55,100	55,400	55,400
Equipment	0	0	32,600	0
<b>OPERATING SUBTOTAL</b>	<b>439,500</b>	<b>491,200</b>	<b>561,200</b>	<b>529,000</b>
<b>SPECIAL LINE ITEMS</b>				
Payment of Fiscal Year 2002 Expenses	1,100	0	800	0
<b>AGENCY TOTAL</b>	<b>440,600</b>	<b>491,200</b>	<b>562,000</b>	<b>529,000</b>

## FUND SOURCES

### Other Appropriated Funds

Board of Appraisal Fund	440,600	491,200	562,000	529,000
SUBTOTAL - Other Appropriated Funds	440,600	491,200	562,000	529,000
<b>SUBTOTAL - Appropriated Funds</b>	<b>440,600</b>	<b>491,200</b>	<b>562,000</b>	<b>529,000</b>
<b>TOTAL - ALL SOURCES</b>	<b>440,600</b>	<b>491,200</b>	<b>562,000</b>	<b>529,000</b>

## CHANGE IN FUNDING SUMMARY

	FY 2005 to FY 2006 JLBC		FY 2005 to FY 2007 JLBC	
	\$ Change	% Change	\$ Change	% Change
Other Appropriated Funds	70,800	14.4%	37,800	7.7%
Total Appropriated Funds	70,800	14.4%	37,800	7.7%
Total - All Sources	70,800	14.4%	37,800	7.7%

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

PERFORMANCE MEASURES	FY 2003 Actual	FY 2004 Actual	FY 2005 Estimate	FY 2006 JLBC
• Average calendar days to resolve a complaint	112	184	110	110
• Average calendar days to renew a license	1	1	1	--
• Administration as a % of total cost	1.4	2.2	10.0	--
• Customer satisfaction rating (Scale 1-8)	6.0	7	6.1	7.2

**Comments:** According to the board, the average calendar days to resolve a complaint increased in FY 2004, because complaints against 2 licensees needed extensive investigations. Beginning in FY 2005, the number of days to resolve a complaint is expected to return to the FY 2003 levels.

## RECOMMENDED CHANGES FROM FY 2005

### Operating Budget

The JLBC recommends \$561,200 from the Board of Appraisal Fund for the operating budget in FY 2006 and \$529,000 in FY 2007. These amounts would fund the following adjustments:

	<b>FY 2006</b>	<b>FY 2007</b>
<b>Standard Changes</b>	<b>OF \$300</b>	<b>\$700</b>

The JLBC recommends an increase of \$300 from the Board of Appraisal Fund in FY 2006 and an increase of \$700 in FY 2007 for standard changes.

**Equipment OF 32,600 0**

The JLBC recommends a one-time increase of \$32,600 from the Board of Appraisal Fund in FY 2006 for equipment purchases. The recommendation includes \$12,000 for a copier, \$16,800 for 6 laptop computers for board members, and \$3,800 for 3 desktop computers for staff. The copier was purchased in 1999 and has printed over 1 million copies. The laptop computers were purchased in 2000, and the desktop computers were purchased in 2001, 2002, and 2003.

**Licensing Position OF 19,900 19,900**

The JLBC recommends an increase of \$19,900 and 0.5 FTE Position from the Board of Appraisal Fund in FY 2006 and FY 2007 to improve licensing. The number of licensees increased from 1,938 in FY 2003 to 2,500 in FY 2004. The board expects the number of licensees to further increase in FY 2006 and FY 2007 due to the favorable real estate market. In FY 2004, it took an average of 27 days for the board to process a license application, and will be shortened with the 0.5 FTE Position increase. The recommendation includes \$15,000 for Personal Services and \$4,900 for Employee Related Expenses.

**Board Compensation OF 17,200 17,200**

The JLBC recommends an increase of \$17,200 from the Board of Appraisal Fund in FY 2006 and FY 2007 for increases in board member compensation. The recommendation includes \$15,100 for Personal Services and \$2,100 for Employee Related Expenses. Laws 2004, Chapter 48 increased board member compensation from \$25 per day to \$150 per full day and \$75 per half day. The recommendation provides funding for the statutory increase in board member compensation.

**Special Line Items**

**Payment of Fiscal Year 2002 Expenses**

The JLBC recommends \$800 from the Board of Appraisal Fund for the Payment of Fiscal Year 2002 Expenses in FY 2006 and no funding in FY 2007. These amounts would fund the following changes:

**Unpaid Expenses OF 800 0**

The JLBC recommends a one-time increase of \$800 from the Board of Appraisal Fund in FY 2006 for the payment of unpaid FY 2002 expenditures. In FY 2002, the board failed to completely pay an appraiser for property valuations conducted during an investigation against a licensee.

Monies in this line item fund unpaid expenses incurred by the board during FY 2002.

\* \* \*

**JLBC RECOMMENDED FORMAT** — Operating Lump Sum with Special Line Items 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, 2007.

SUMMARY OF FUNDS	FY 2004 Actual	FY 2005 Estimate
<b>Board of Appraisal (APA2270/A.R.S. § 32-3608)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> 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.		
<b>Purpose of Fund:</b> To examine, license, investigate and regulate real estate appraisers and property tax agents, and for board administration.		
<b>Funds Expended</b>	440,600	491,200
<b>Year-End Fund Balance</b>	558,500	516,900

[Click here to return to the Table of Contents](#)