

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 4043 Real Estate Schools

**SPONSOR(S):** Horner

**TIED BILLS:**           **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Consumer Affairs Subcommittee	12 Y, 0 N	Morton	Creamer
2) Economic Affairs Committee	16 Y, 0 N	Morton	Tinker

### SUMMARY ANALYSIS

The bill repeals the licensure requirements for chief administrators of real estate schools. The bill is anticipated to have an insignificant negative fiscal impact on state funds.

The bill will become effective upon becoming law.

## **FULL ANALYSIS**

### **I. SUBSTANTIVE ANALYSIS**

#### **A. EFFECT OF PROPOSED CHANGES:**

##### Current Situation

Institutions seeking to offer courses of study in real estate, and individuals teaching such courses, must be licensed by the Division of Real Estate within the Department of Business and Professional Regulation.

In addition, the person responsible for the administration of the overall policies and practices of the real estate school must be licensed by the division as a chief administrator. If a chief administrator also teaches courses, he or she must also be licensed as an instructor.

To be licensed as a chief administrator, the applicant must:

- be at least 18 years old;
- possess a high school diploma or its equivalent;
- possess a social security number to apply; and
- must pass a criminal background screening.

Applicants for chief administrator license must provide the division with identifying information, including a social security number, submit to a background check and pay a biennial application fee of \$85. There are no pre, post or continuing education requirements for this type of license.

The DBPR reports:

Currently a real estate school has the option of designating a "Chief Administrator," but the license is not required for the operation of a school. The Chief Administrator does not have continuing education requirements and simply pays a fee for renewal. The actual permit to operate a real estate school is issued to the permit holder of the school. Section 475.451(2)(a), Florida Statutes, defines school permit holder as the individual who is responsible for directing the overall operation of a proprietary real estate school. The language of the definition makes it clear that responsibility for the operation of the school rests with the permit holder, not the Chief Administrator.

##### Proposed Changes

The bill repeals the licensure requirements for chief administrators of real estate schools.

The bill provides that it will become effective upon becoming law.

#### **B. SECTION DIRECTORY:**

Section 1 amends s. 475.02, F.S., to remove a cross reference to 'chief administrator'.

Section 2 amends s. 475.451, F.S., to repeal the licensure requirements for 'chief administrators'.

Section 3 provides that the bill will become effective upon becoming law.

### **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

The Division expects a small reduction in revenues from no longer collecting biennial application fees associated with chief administrators. There are currently 73 Chief Administrators.

REVENUE			
	FY 2012-13	FY 2013-14	FY 2014-15
License Fees:	(400)	(4,400)	(400)
Application Fees:	(100)	(100)	(100)
Taxes:			
Unlicensed Activity Fee:	(25)	(275)	(25)
TOTAL:	(525)	(4,775)	(525)

2. Expenditures:

The Division expects a small reduction in expenditures from no longer processing chief administrator biennial applications.

Non-Operating Expenditures	FY 2012-13	FY 2013-14	FY 2014-15
Service Charge to GR (8% of revenue)	(42)	(382)	(42)
Indirect Costs (DBPR Administrative Overhead)	0	0	0
Other/Transfers	0	0	0
Subtotal	0	0	0
<b>Net Revenue Over/(Under) Expenditures</b>	<b>(483)</b>	<b>(4,393)</b>	<b>(483)</b>

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Chief administrators would no longer be required to pay an \$85 licensure fee.

D. FISCAL COMMENTS:

The bill is not anticipated to have a significant fiscal impact.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.