



Oregon

John A. Kitzhaber, MD, Governor

Appraiser Certification and Licensure Board

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March 29, 2013

The Honorable Senator Lee Beyer, Committee Chair
Senate Committee on Business and Labor
900 Court Street NE S-419
Salem, OR 97301

Re: SB 618
Agency: Appraiser Certification and Licensure Board (Board)
Agency Position: Neutral

Mr. Chairman and Members of the Committee:

The most critical component of SB 618 pertains to the requirement that the Board pay reasonable fees and costs incurred by Respondent during or for hearing, including reasonable fees for payment of representation.

Expenses incurred as a result of administering SB 618 would vary *greatly* depending on the complexity of the case.

The Board cannot project the magnitude of cases that will be referred for hearing if SB 618 passes. The Board also has no substantiated way to measure the potential number of cases where the Board may not prevail because the Board has a history of consistently prevailing at hearing.

History: From June 1, 2002 through January 8, 2013, the Board referred only 28 cases to the Hearing Officer Panel (HOP)/Office of Administrative Hearings (OAH). Five cases remain open as of March 12, 2013. An Administrative Law Judge issued a Proposed Order in six cases. The 17 cases remaining were settled prior to hearing - 15 resulted in Final Consent Orders and two were dismissed.

During this same period, the Board received 902 complaints. The number of hearing referrals represents 3% of the complaints received (369 cases were dismissed during the same timeframe). The number of cases (six) resulting in a completed contested case hearing represents two-thirds of 1% of all complaints received.

The Board anticipates that the number of hearing requests will increase given the fact that a Respondent has the possibility of being reimbursed for reasonable fees and costs incurred depending on the outcome of the hearing.



Although the Board has no recent history of failing to prevail at hearing, the Board understands that with the possibility of more hearings, there is also a greater risk of financial loss. To develop an estimate of possible Board expenses, the Board contacted an attorney who regularly represents appraisers (Respondent's Attorney) and appraisers who regularly act as expert witnesses, and analyzed Board Assistant Attorney General (AAG)/Hearing Officer Panel/Oregon Administrative Hearing (HOP/OAH) expenses on several cases.

The Board has experienced a decrease in the number of its licensees for 19 consecutive quarters, or an 18% decrease in the number of its licensees over that time period. As a result, agency revenue has decreased sharply.

Passage of SB 618 would have a *significant* fiscal impact. The Board would have no choice but to pass on this impact to its licensees in the form of fee increases since the Board is a self-sustaining agency operating primarily through fees collected for various licenses, certificates and registrations issued. Also, the Board's semi-independent status does not afford the opportunity to draw from the Emergency Board in the event that the Board's expenses exceed income and operating reserves.

If you have any questions I will be happy to visit with you or your staff.

Respectfully,



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