

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis

Original Updated Corrected

2. Administrative Rule Chapter, Title and Number
Ch. REEB 18 Trust Accounts

3. Subject

Modernize the rules to reflect best practices by removing antiquated provisions, and repeal sections deleted by 2001 Act 18.

4. Fund Sources Affected

GPR FED PRO PRS SEG SEG-S

5. Chapter 20, Stats. Appropriations Affected

20.165(1)(g)

6. Fiscal Effect of Implementing the Rule

No Fiscal Effect Increase Existing Revenues Increase Costs
 Indeterminate Decrease Existing Revenues Could Absorb Within Agency's Budget
 Decrease Cost

7. The Rule Will Impact the Following (Check All That Apply)

State's Economy Specific Businesses/Sectors
 Local Government Units Public Utility Rate Payers
 Small Businesses **(if checked, complete Attachment A)**

8. Would Implementation and Compliance Costs Be Greater Than \$20 million?

Yes No

9. Policy Problem Addressed by the Rule

With the exception of renumbering the chapter, this chapter has not been updated since 1983; the board has indicated various practices which are outdated.

10. Summary of the businesses, business sectors, associations representing business, local governmental units, and individuals that may be affected by the proposed rule that were contacted for comments.

Licenses, real estate brokers and salespersons.

11. Identify the local governmental units that participated in the development of this EIA.

None known.

12. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

There are no new or increased costs associated with the promulgation of these rules on any of the business sectors listed.

13. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

For new applicants for licenses, the rules will reflect contemporary practices specific to the real estate industry.

14. Long Range Implications of Implementing the Rule

The rule is not expected to need further revisions in the long-term.

15. Compare With Approaches Being Used by Federal Government

There are no existing or proposed legislation regarding real estate (investment) accounts.

16. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

IA and MN have similar rules and require the interest to be forwarded to the state; MI has similar rules on the establishment and operation of trust accounts; IL has no state-level rules or laws pertaining to real estate trust accounts..

17. Contact Name

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18. Contact Phone Number

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ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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