

OFFICE OF FISCAL ANALYSIS

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HB-5572

AN ACT CONCERNING REAL ESTATE WHOLESALERS AND REAL ESTATE WHOLESALE CONTRACTS.

AMENDMENT

LCO No.: 10036

File Copy No.: 588

House Calendar No.: 362

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Consumer Protection, Dept.	GF - Cost	None	210,000
State Comptroller - Fringe Benefits ¹	GF - Cost	None	70,155
Resources of the General Fund	GF - Potential Revenue Gain	None	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The amendment strikes the underlying bill and its associated fiscal impact resulting in the following impact.

The amendment requires the Department of Consumer Protection (DCP) to license and regulate real estate wholesalers and makes violations an unfair trade practice violation resulting in a cost and potential revenue gain to the state.

¹The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 40.71% of payroll in FY 26.

To meet the requirements of the amendment DCP will have to hire one special investigator and one staff attorney for a cost of \$180,000 in FY 27, along with associated fringe benefits costs of \$70,155 in FY 27². The additional employees are needed to regulate the market, field complaints, perform investigations, and conduct enforcement against wholesalers who violate the provisions of the amendment.

The amendment also creates a real estate wholesaler license that has a \$285 biennial application and renewal fee resulting in a potential revenue gain to the state dependent on the number of license applications.

The preceding Fiscal Impact statement is prepared for the benefit of the members of the General Assembly, solely for the purposes of information, summarization and explanation and does not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

²Costs begin in FY 27 due to the amendments 7/1/26 effective date.