

August 12, 2016

To the Honorable Members of
The Illinois House of Representatives,
99th General Assembly:

Today I return House Bill 3333.

Current law requires appraisal management companies – which manage real estate appraisers – to be registered with the Department of Financial and Professional Regulation. The law requires appraisal management companies to pay an initial registration fee and an annual renewal fee. The law also requires those companies to post a \$25,000 surety bond to ensure payment of fines and fees assessed by the Department.

House Bill 3333 would impose a new \$500 fee on appraisal management companies. The fees would be deposited into a new State fund, called the Appraisal Management Company Recovery Fund, administered by the Department of Financial and Professional Regulation. The proceeds of the fund would be used to compensate real estate appraisers for losses they might suffer when an appraisal management company goes bankrupt. The bill would also repeal the current requirement to post a surety bond.

I have several concerns with this bill. First, the bill would add another State-imposed fee to an industry that is already regulated and required to pay annual fees. We must be sensitive to the burdens we are placing on Illinois businesses in this economic climate.

Second, the bill would place the State in the position of managing private-sector risks for a specific industry, while eliminating surety bond protection for the State. Proponents of the bill are seeking to protect real estate appraisers from the potentially adverse consequences of bankruptcy. But that risk is not unique to this industry, and the State should not be in the position of using its regulatory power to effectively insure one part of one industry against this risk.

Therefore, pursuant to Section 9(b) of Article IV of the Illinois Constitution of 1970, I hereby return House Bill 3333 entitled "AN ACT concerning regulation", with the foregoing objections, vetoed in its entirety.

Sincerely,

Bruce Rauner
GOVERNOR