

MARYLAND REGISTER

Proposed Action on Regulations

Comparison to Federal Standards Submission and Response

Name: Donnice M Turner
Agency: Department of Labor, Licensing, and Regulation
Address: 500 N. Calvert Street, 4th Floor
State: MD
Zip: 21202
Phone: 410-230-6008
Email: donniturner@dllr.state.md.us

In accordance with Executive Order 01.01.1996.03 and memo dated July 26, 1996, the attached document is submitted to the Department of Business and Economic Development for review.

The Proposed Action is not more restrictive or stringent than corresponding federal standards.

COMAR Codification: 09.19.01.01

Corresponding Federal Standard:

Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

Discussion/Justification:

The federal Appraiser Qualifications Board ("AQB") of The Appraisal Foundation, enacts and mandates real property appraiser qualification requirements, including eligibility requirements for supervising appraisers of real property appraiser trainee licensees. Under the provisions of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("Title XI"), the AQB previously mandated that only certified and certified general appraisers were eligible to serve as supervising appraisers. In 2008, applicable statutory provisions were amended to correspond to this requirement. However, this corresponding regulatory provision must also be amended to prohibit a licensed appraiser from serving as a supervising appraiser. States are required to implement appraiser certification requirements that are no less stringent than those issued by the AQB in the Real Property Appraiser Qualifications Criteria. If a state fails to implement corresponding appraiser license and certification requirements, federal auditors will recommend decertification of the State's program.

TO BE COMPLETED BY DBED

Agree

Disagree

Comments:

Name: Sally Kenyon Grant

Date: 5/29/2014

_ -Submit to Governor's Office
Governor's Office Response

Comments:

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	05/30/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 6/27/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

09 19 01 01

3. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

4. Name of Regulations Coordinator Telephone Number

Donnice M Turner 410-230-6008

Mailing Address

500 N. Calvert Street, 4th Floor

City State Zip Code
Baltimore MD 21202

Email

donniturner@dllr.state.md.us

5. Name of Person to Call About this Document Telephone No.

Patti Schott 410-230-6165

Email Address

patricia.schott@maryland.gov

6. Check applicable items:

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: May 12, 2014.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md. R
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Sloane Fried Kinstler, Assistant Attorney General, (telephone #410-230-6119) on May 12, 2014. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Patricia Schott

Title

Executive Director

Telephone No.

410-230-6165

Date

April 23, 2014

Title 09
DEPARTMENT OF LABOR, LICENSING, AND
REGULATION

Subtitle 19 COMMISSION OF REAL ESTATE APPRAISERS,
APPRAISAL MANAGEMENT COMPANIES AND HOME
INSPECTORS - REAL ESTATE APPRAISERS

09.19.01 Appraiser Classifications

Authority: Business Occupations and Professions Article, §§16-101(q) and (r), 16-216, 16-220, 16-509 and 16-5A-03, Annotated Code of Maryland

Notice of Proposed Action

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The Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors proposes to amend Regulation .01 under COMAR 09.19.01 Appraiser Classifications.

This action was considered at a public meeting of the Commission held on April 8, 2014, notice of which was given in 41:6 Md. R 407 (March 21, 2014) pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to amend Regulation .01 under COMAR 09.19.01 Appraiser Classifications to remove a provision that permits a real estate appraiser trainee to be supervised by a licensed real estate appraiser. The existing language is inconsistent with the definition of a supervising appraiser under Business Occupations and Professions Article, §16-101(r), which defines a supervising appraiser as "a certified residential real estate appraiser or a certified general real estate appraiser...." The statutory definition of a supervising appraiser was amended in 2008 to prohibit a licensed real estate appraiser from supervising a trainee appraiser.

Comparison to Federal Standards

There is a corresponding federal standard to this proposed action, but the proposed action is not more restrictive or stringent.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Patricia Schott, Executive Director, Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors, 500 N. Calvert Street #302, Baltimore, MD 21202, or call 410-230-6165, or email to patricia.schott@maryland.gov, or fax to 410-333-6314. Comments will be accepted through August 11, 2014. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by Commission of Real Estate Appraiser, Appraisal Management Companies and Home Inspectors during a public meeting to be held on August 12, 2014, at 500 N. Calvert Street, Baltimore, MD 21202.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 15

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No funds are necessary for implementation of this regulation.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

This regulation amends language in compliance with the corresponding statute that prohibits a licensed real estate appraiser from supervising a trainee appraiser, by changing the definition of a supervising appraiser to include only a certified residential or certified general real estate appraiser. The statute was amended effective January 1, 2008, in compliance with a federal requirement.

F. If these regulations have minimal or no economic impact on small

businesses under Part B, indicate the reason and attach small business worksheet.

No funds are necessary for implementation of this regulation.

G. Small Business Worksheet:

Impact Statement Part C — Legislative Information

Part C requests agencies to provide information required by the Department of Legislative Services in its report to the AELR Committee. Answer the questions in the space provided. Part C is not printed in the Maryland Register.

Small Business Analysis Worksheet

This worksheet is designed to assist the agency in determining if and how the proposal impacts small businesses. Quantify the number of affected small businesses and estimates of costs and benefits to small businesses if possible. State Government Article, §2-1505.2, includes the following definitions which are relevant to the analysis:

“Economic impact analysis” means an estimate of the cost or the economic benefit to small businesses that may be affected by a regulation proposed by an agency pursuant to Title 10, Subtitle 1 of this article.

“Small business” means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that: (i) is independently owned and operated; (ii) is not dominant in its field; and (iii) employs 50 or fewer full-time employees.

1a. Intended Beneficiaries. Who are the intended beneficiaries of the proposed regulation? Are these intended beneficiaries primarily households or businesses?

The regulation is necessary to comply with a corresponding statute and federal requirement.

1b. Intended Beneficiaries: Households. If households are the primary intended beneficiaries, will the proposal affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?

N/A, as the regulation is necessary to comply with a corresponding statute and federal requirement.

1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries, identify the businesses by industry or by types of business activities.

How will businesses be impacted? Are these Maryland establishments' disproportionately small businesses? If so, how will these Maryland small businesses be affected?

Can you identify or estimate the present number of small businesses affected?

Can you estimate the present total payroll or total employment of small businesses affected?

N/A, as the regulation is necessary to comply with a corresponding statute and federal requirement.

2a. Other Direct or Indirect Impacts: Adverse. Businesses may not be the intended beneficiaries of the proposal. Instead, the proposal may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does this proposal require Maryland businesses to respond in such a fashion that they will incur additional work-time costs or monetary costs in order to comply? Describe how Maryland establishments may be adversely affected. Will Maryland small businesses bear a disproportionate financial burden or suffer consequences that affect their ability to compete?

N/A as the regulation is necessary to comply with a corresponding statute and federal requirement.

Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs — usually expressed as payroll, akin to calculations for legislative fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)

N/A, as the regulation is necessary to comply with a corresponding statute and federal requirement.

2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than or in addition to changed consumer spending patterns. How may Maryland businesses be positively impacted by this initiative?

Will Maryland small businesses share proportionately or disproportionately in these gains?

Can you estimate the possible number of Maryland small businesses

positively affected?

N/A, as the regulation is necessary to comply with a corresponding statute and federal requirement.

3. Long-Term Impacts. There are instances where the longer run economic impact effects from regulations differ significantly from immediate impact. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impact described above, or (b) may mitigate or offset the initial economic impact described above?

N/A, as the regulation is necessary to comply with a corresponding statute and federal requirement.

4. Estimates of Economic Impact. State Government Article, §2-1505.2 requires that an agency include estimates, as appropriate, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.

N/A as the regulation is necessary to comply with a corresponding statute and federal requirement.

Attached Document:

Title 09 DEPARTMENT OF LABOR, LICENSING, AND REGULATION

Subtitle 19 COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL MANAGEMENT COMPANIES AND HOME INSPECTORS — REAL ESTATE APPRAISERS

Chapter 01 Appraiser Classifications

Authority: Business Occupations and Professions Article, §§16-101(q) and (r), 16-216, 16-220, 16-509 and 16-5A-03, Annotated Code of Maryland

.01 Appraiser Classifications.

A.—D. (text unchanged)

E. An individual who is a real estate appraiser trainee may provide real estate appraisal services in accordance with Business Occupations and Professions Article, §16-101, Annotated Code of Maryland, and as stated in §§A—D of this regulation, while:

- (1) Under the supervision of a certified *residential* or [licensed] *certified general* real estate appraiser; and
- (2) (text unchanged)

GEORGE FAIR
Chairman
Commission of Real Estate Appraisers, Appraisal Management
Companies and Home Inspectors