

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	09/14/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 10/16/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

09 39 01 01

3. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

4. Name of Regulations Coordinator Telephone Number

Jessica V Carter 410-230-6112

Mailing Address

500 N. Calvert Street, Suite 406

City State Zip Code
Baltimore MD 21202

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jessica.carter1@maryland.gov

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: September 10, 2015.

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 Jessica Carter, Assistant Attorney General, (telephone #410-230-6112) on September 11, 2015. 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

September 11, 2015

Title 09
DEPARTMENT OF LABOR, LICENSING, AND
REGULATION

Subtitle 39 COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL
MANAGEMENT COMPANIES AND HOME INSPECTORS - APPRAISAL
MANAGEMENT COMPANIES

09.39.01 Fees

Authority: Business Occupations and Professions Article, §§16-217, 16-5B-04 and 16-5B-18, 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 Schedule of Fees under COMAR 09.39.01 Fees by reducing the fees charged to appraisal management companies.

This action was considered at a public meeting of the Commission held on September 11, 2015, notice of which was published on Commission website as well as published in the Daily Record on September 10 and September 11, 2015 pursuant to State Government Article, §10-506(c) Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to reduce fees charged to appraisal management company registrants to enable the Commission to generate sufficient funds to cover its direct and indirect costs incurred in its regulatory oversight of appraisal management companies and to lower its surplus funds to a more prudent level.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

This action will reduce the fee charged for an original appraisal management company registration fee from \$2,250 to \$1,750, and reduce the annual appraisal management company registration fee from \$2,500 to \$2,000.

II. Types of Economic Impact.

Revenue (R+/R-)

Expenditure (E+/E-) Magnitude

A. On issuing agency:

Commission of REAAMCHI	(R-)	\$79,000 annually
B. On other State agencies:	NONE	
C. On local governments:	NONE	

Benefit (+)	Magnitude
Cost (-)	

D. On regulated industries or trade groups:		
(1) Original AMC Registration Fee (+)		\$500
(2) Annual AMC Registration Fee (+)		\$500
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	(+)	indeterminable

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. The fee reduction is not anticipated to have a material fiscal impact on the operation of the Commission or its ability to generate sufficient annual revenue to offset the direct and indirect costs attributable to the regulation of appraisal management companies.

D(1). AMCs and AMC registrants will benefit from the reduction of fees charged to them for doing business in Maryland.

D(2). AMCs and AMC registrants will benefit from the reduction of fees charged to them for doing business in Maryland

F. The general public will benefit from an effective program to regulate appraisal management companies pursuant to the legislative intent of the General Assembly and federal financial regulatory reform.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

The overall cost for a small appraisal management company to apply for and obtain its registration with the Commission will be reduced from \$2,500 to \$2,000. Most appraisal management companies operating in Maryland are large, national entities and this action may not have a material economic impact on the business. However, the fee reduction will benefit existing small appraisal management companies and may encourage other small appraisal management companies to register as an appraisal management company in Maryland.

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 November 16, 2015. 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 December 8, 2015, at 500 N. Calvert Street, Baltimore, MD 21202.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 16

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:

There are no funds required to implement the proposed action.

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

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

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?

Existing and prospective appraisal management company registrants are the intended beneficiaries of this action. To the extent that AMC costs are reduced, the savings could be passed on to consumers.

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?

There is no anticipated impact on households. However, to the extent that AMC costs are reduced, the savings could be passed on to consumers.

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?

The proposed fee reduction is anticipated to benefit small businesses because it will be less costly to register as an appraisal company.

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? 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.)

There is no anticipated adverse impact from the proposed fee reduction.

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?

This action will have a positive impact on small appraisal management companies doing business in Maryland or wishing to do business in Maryland. However, the overwhelming number of existing appraisal management companies is generally large, national organizations, which will not be greatly impacted by this action.

3. Long-Term Impacts. There are instances where the longer run economic impact effect 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?

There are no anticipated long-term impacts.

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.

There is no anticipated impact on the listed factors.

Attached Document:

Title 09 DEPARTMENT OF LABOR, LICENSING, AND REGULATION

Subtitle 39 COMMISSION OF REAL ESTATE APPRAISERS, APPRAISAL MANAGEMENT COMPANIES AND HOME INSPECTORS — APPRAISAL MANAGEMENT COMPANIES

Chapter 01 Fees

Authority: Business Occupations and Professions Article, §§16-217, 16-5B-04 and 16-5B-18, Annotated Code of Maryland

.01 Schedule of Fees.

Pursuant to Business Occupations and Professions Article, Title 16, Annotated Code of Maryland, the Commission shall set fees to produce funds to approximate the cost of maintaining the Commission. Fees charged by the Commission are as follows:

- A. Appraisal management company application review fee (nonrefundable) — \$250;
- B. Original appraisal management company registration fee — [~~\$2,250~~] *\$1,750*;
- C. Annual appraisal management company registration fee — [~~\$2,500~~] *\$2,000*.

STEVEN O'FARRELL
Chairman
Commission of Real Estate Appraisers, Appraisal Management
Companies and Home Inspectors