

**Maryland General Assembly
Department of Legislative Services**

**Emergency/Proposed Regulations
Department of Labor, Licensing, and Regulation
(DLS Control No. 15-340)**

Overview and Legal and Fiscal Impact

This regulation incorporates by reference the Uniform Standards of Professional Appraisal Practice, 2016-2017 Edition.

The regulation presents no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulation of COMAR Affected

Department of Labor, Licensing, and Regulation:

Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors – Real Estate Appraisers: Code of Ethics: COMAR 09.19.05.01

Legal Analysis

Background

An individual is required to be licensed or certified by the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors as a condition of providing regulated real estate appraisal services. Chapter 594 of 1990 first established the commission (formerly the State Commission of Real Estate Appraisers) to implement and administer a real estate appraiser licensing and certification program that complied with the federal Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). Chapter 470 of 2001 expanded the commission's authority to include the licensing and regulation of home inspectors, and the commission was renamed the State Commission of Real Estate Appraisers and Home Inspectors and tasked with implementing a mandatory licensing program for Maryland home inspectors. The commission was most recently renamed by Chapter 366 of 2012 to reflect its new regulatory authority over appraisal management companies.

At the time the commission was created in 1990, the General Assembly required the commission to adopt appraisal standards of conduct for all real estate appraisers. To fulfill this requirement, State law specifically required, at a minimum, that the commission adopt the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

Summary of Regulation

This regulation incorporates by reference the Uniform Standards of Professional Appraisal Practice, 2016-2017 edition, replacing the prior 2014-2015 edition.

Legal Issues

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The department cites §§ 16-208, 16-216, 16-220, 16-302(d) and (g), and 16-503(b) and (f) of the Business Occupations and Professions Article as authority for the regulation. Specially, the regulation is authorized by §§ 16-208 and 16-216. Section 16-208 requires the commission to adopt by regulation appraisal standards of conduct for all individuals licensed or certified as real estate appraisers, which at a minimum must include the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation. Section 16-216(2) authorizes the commission to adopt any regulation necessary to carry out the provisions of the Maryland Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Act. Section 16-220 generally requires regulations adopted by the commission to comply with FIRREA.

This authority is correct and complete. The regulation complies with the legislative intent of the law.

Emergency Status

The department requests emergency status beginning January 1, 2016 and expiring June 1, 2016. This emergency period is within the normal time frames approved by the Joint Committee on Administrative, Executive, and Legislative Review. The department indicates the emergency status is necessary to have the biennial update of existing federal regulations affecting the performance standards of appraisers adopted by January 1, 2016 in order to comply with a federal mandate.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The department advises that the regulation has minimal or no impact on State or local governments, as it constitutes the regular, cyclical update of real estate appraisal standards required by federal law. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Contact Information

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