

MARYLAND REGISTER

Emergency Action on Regulations

Comparison to Federal Standards Submission and Response

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

COMAR Codification: 09.19.05.01

Corresponding Federal Standard:

There is no corresponding federal standard to this emergency action that is more restrictive or stringent than the language proposed.

Discussion/Justification:

The proposed action constitutes the regular, cyclical update of professional real estate appraisal standards.

TO BE COMPLETED BY DBED

- Agree

-Disagree

Comments:

Commerce believes DLLR is the appropriate subject matter expert in this policy area and trusts their assertion the regulation is not more stringent/restrictive than corresponding federal.

Name: Sandy Popp

Date: 11/6/2015

-Submit to Governor's Office

Governor's Office Response

Comments:

TO BE COMPLETED BY AELR COMMITTEE	EMERGENCY Transmittal Sheet	TO BE COMPLETED BY DSD
Date Received by AELR Committee		Date Filed with Division of State Documents
11/09/2015		Document Number
Emergency Status Approved		Date of Publication in MD Register
_Yes _No		
Emergency Status Begins On		
Emergency Status Ends On		
Name of AELR Committee Counsel		

1. COMAR Codification

Title Subtitle Chapter Regulation

09 19 05 01

2. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

3. Name of Regulations Coordinator

Jessica V Carter

Telephone Number

410-230-6112

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4. Name of Person to Call About this Document

Patti Schott

Telephone No.

410-230-6165

Email Address

patricia.schott@maryland.gov

5. Check applicable items:

- New Regulations

- Amendments to Existing Regulations

- Repeal of Existing Regulations

- Incorporation by Reference of Documents Requiring DSD Approval

6. Date Requested for Emergency Status to Begin: 1/1/2016

Date Requested for Emergency Status to Expire: 6/1/2016

7. Agency Will Take the Following Action on These Regulations

- Promulgate them in accordance with State Government Article, §§ 10-101 -- 10-126

- Allow them to expire

8. Is there proposed text which is identical to emergency text:

- Yes - No

If yes, corresponding proposed text published in:

- same issue

- future issue

- previous issue; it appeared in

: _____ Md. R

(vol.) (issue) _____ (page no's) (date)

Under Maryland register docket no.: --E.

9. Check the following item if it is included in the attached document:

- 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.)

10. Reason for Request for Emergency Status

The Commission will not be in compliance with a federal mandate requiring adoption of the 2016-2017 edition of the Uniform Standards of Professional Appraisal Practice by January 1, 2016 if emergency status is not granted.

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 October 19, 2015. A signed 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

October 29, 2015

**Title 09
DEPARTMENT OF LABOR, LICENSING, AND
REGULATION**

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

09.19.05 Code of Ethics

Authority: Authority: Business Occupations and Professions Article, §§
16-208, 16-216, 16-220, 16-302(d) and (g), and 16-503(b) and (f),
Annotated Code of Maryland

Notice of Emergency Action

□

The Joint Committee on Administrative, Executive, and Legislative
Review has granted emergency status to Regulation .01 under COMAR
09.19.05 Code of Ethics.

Emergency status began:

Emergency status expires:

Comparison to Federal Standards

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

Estimate of Economic Impact

The emergency action has no economic impact.

Economic Impact on Small Businesses

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

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:

No funds are needed to implement the regulation.

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

The purpose of the regulation is to update a reference to existing federal standards, Uniform Standards of Professional Appraisal Practice ("USPAP"). USPAP establishes performance standards to which appraisers must comply that include rules concerning ethics, conduct and competency in the development, reporting and review of real property appraisal assignments.

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

There is a biennial update of existing federal regulations affecting the performance standards of appraisers that must be adopted by all States in order to comply with a federal mandate.

G. Response to 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?

The intended beneficiaries of the proposed action are appraisers and any users of real property appraisal services.

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?

A member of a household will only be affected to the extent that he or she will have qualified appraisers provide real property appraisal services under the current standards of professional appraisal practice and conduct.

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? If so, how will these Maryland small businesses be affected?

The lending industry and other users of appraisal service can have confidence that the appraisal services provided by licensed and certified appraisers will be performed in a manner consistent with federal and state requirements.

Are these Maryland establishments disproportionately small businesses?

No

Can you identify or estimate the present number of small businesses affected? No

Can you estimate the present total payroll or total employment of small businesses affected? No

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.)

This action has no adverse impact on businesses.

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 has no impact on businesses.

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 is no long-term economic impact in that the proposed regulation is updated biennially to continually adopt changes, as they occur on a federal level, intended to improve the clarity, understanding and enforcement of appraisal practices and standards.

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.

(1) There is no effect on the cost of providing goods and services.

(2) There is no effect on the work force.

(3) There is no effect on the cost of housing.

(4) There may be a positive effect on efficiency in production and marketing.

(5) There is no effect on capital investment, taxation, competition, and economic development.

(6) There is no effect on consumer choice.

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 05 Code of Ethics

Authority: Business Occupations and Professions Article, §§16-208, 16-216, 16-220, 16-302(d) and (g), and 16-503(b) and (f),
Annotated Code of Maryland

.01 Incorporation by Reference.

A. In this chapter, the following document is incorporated by reference.

B. Document Incorporated. Uniform Standards of Professional Appraisal Practice [2014—2015] *2016-2017* Edition (The Appraisal Foundation), including Preamble, Ethics Rule, Competency Rule, Scope of Work Rule, Jurisdictional

Exception, Supplemental Standards, Definitions and Standards 1, 2, and 3 with all related Standard Rules and Statements on Appraisal Standards, is incorporated by reference.

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