

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Department of Labor, Licensing, and Regulation
(DLS Control No. 16-097)**

Overview and Legal and Fiscal Impact

This regulation repeals a fee that the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors charges for specified licensees to submit a change of name or address.

The regulation presents no legal issues of concern.

Special fund revenues decrease by \$300 annually beginning in fiscal 2017. Expenditures are not directly affected.

Regulation of COMAR Affected

Department of Labor, Licensing, and Regulation:

Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors – Real Estate Appraisers: Fees: COMAR 09.19.07.01

Legal Analysis

Background

On September 15, 2015, Governor Larry Hogan announced a plan to reduce or eliminate a number of fees across State government. Governor Hogan announced a second round of fee reductions or eliminations on May 12, 2016. This regulation is part of the second round of reductions or eliminations. Additional information regarding Governor Hogan's fee reduction initiative may be found [here](#).

Summary of Regulation

This regulation repeals a \$15 fee that the commission charges to change the name or address of record for specified licensed or certified real estate appraisers.

Legal Issues

This regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Labor, Licensing, and Regulation cites §§ 16-216, 16-217 and 16-220 of the Business Occupations and Professions Article as statutory authority for the regulation. Specifically, § 16-216(2) broadly authorizes the commission to adopt any regulation to carry out the provisions of Title 16. Section 16-217(a) authorizes the commission to adopt regulations to set reasonable fees for its services and requires that the fees approximate the cost of maintaining the commission, based on specified calculations that the Secretary of Labor, Licensing, and Regulation performs. Section 16-220 is not necessary to justify the action as it specifies that all regulations that the commission adopts relating to real estate appraisal services must comply with the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

Although the department did not cite § 2-106.8 of the Business Regulation Article, the provision requires (1) the secretary, in consultation with the commission, to annually calculate direct and indirect costs attributable to the commission and (2) the commission to establish fees based on those calculations. The provision further specifies that each fee may not increase annually by more than 12.5%. This section is not necessary to justify the action, but further reinforces the legislative intent to delegate fee-setting authority to the commission.

This authority is correct and complete. However, if the fee reductions affect the balance of the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Fund to the extent that the commission would be unable to carry out its responsibilities, the regulation may not reflect the legislative intent of the law.

Fiscal Analysis

Special fund revenues decrease by \$300 annually beginning in fiscal 2017. Expenditures are not directly affected.

Agency Estimate of Projected Fiscal Impact

The department advises that special fund (State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Fund) revenues decrease by \$300 annually due to the elimination of the \$15 name or address change fee, beginning in fiscal 2017. The Department of Legislative Services concurs but notes that the revenue reduction in fiscal 2017 may be slightly less than this estimate due to the effective date of the regulation.

Impact on Budget

The estimated annual revenue reduction associated with the regulation is not anticipated to meaningfully affect the balance of the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Fund, which is \$326,831 as of June 1, 2016. Fiscal 2017 revenues (absent the regulation) are estimated to be \$903,350, while fiscal 2017 expenditures are estimated to be \$481,696. Thus, 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 impact on small businesses. The Department of Legislative Services concurs as elimination of the \$15 fee, which is only charged about 20 times a year, has a negligible impact on small businesses.

Contact Information

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