

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	12/10/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 1/23/2015

2. COMAR Codification

Title Subtitle Chapter Regulation

09 19 04 01 and .02

09 19 12 02

3. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

4. Name of Regulations Coordinator

Donnice M Turner

Telephone Number

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

Patti Schott

Telephone No.

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: December 4, 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 December 4, 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

November 25, 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

09.19.04 Provisional Licenses

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

09.19.12 General Regulations

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

Notice of Proposed Action

[]

The Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors proposes to repeal existing Chapter 04 Provisional Licenses; repeal existing Regulation .02 under COMAR 09.19.12 General Regulations; adopt new Chapter 04 Supervising Appraisers and Appraiser Trainees; adopt new Regulations .01 and .02 under new chapter COMAR 09.19.04 Supervising Appraisers and Appraiser Trainees.

This action was considered at a public meeting of the Commission held on December 9, 2014, notice of which was given in 41:23 Md. R 1416 (November 14, 2014), pursuant to General Provisions Article, §3-302, Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to repeal an obsolete chapter pertaining to provisional licenses and substitute provisions pertaining to supervising appraisers and real estate appraiser trainees. The new regulations require a supervising appraiser and an appraiser trainee to notify the Commission of the commencement or termination of a supervisory relationship. They also requires an appraiser trainee to identify his or her assistance on an appraisal report to receive work experience credit required for qualification to sit for a real estate appraiser license or certification examination. The repeal of Regulation .02 under COMAR 09.19.12 General Regulations and adoption as part of Regulation .01 in

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

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 March 16, 2015. A public hearing has not been scheduled.

Open Meeting

Final action on the proposal will be considered by Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors during a public meeting to be held on April 14, 2015 at 10:30 a.m., 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:

There are no funds required to implement this action.

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

This action requires that supervising appraisers and appraiser trainees notify the Commission of the commencement or termination of a supervisory relationship. The action also requires an appraiser trainee to identify his or her assistance on an appraisal report to receive work experience credit required for qualification to sit for a real estate

appraiser license or certification examination. No anticipated costs are associated with this action.

The purpose of these regulations is to increase the existing duties and responsibilities of supervising appraisers and real estate appraiser trainees to allow the Commission to more closely monitor the relationships.

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

These regulations have no economic impact on businesses because the action merely requires notification to the Commission of the when a supervising appraiser/trainee relationship commences or terminates and requires an appraiser trainee to identify his or her contribution to an appraisal report to receive credit toward required work experience.

G. Small Business Worksheet:

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? Individuals who are in training to become appraisers and any user of real property appraisals are the intended beneficiaries.

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? Homeowners will only be affected to the extent that they will have better qualified appraisers provide appraisals services.

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 lending industry and other users of appraisal services can have confidence that the appraisals are performed by experienced and skilled appraisers.

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 expected 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?
None.

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?
None.

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 because this action only serves to inform the Commission of existing or new supervising appraiser and trainee relationships. (3) There is no effect on the cost of housing. (4) There is no effect on the 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 04 [Provisional Licenses] *Supervising Appraisers and Appraiser Trainees.*

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

[.01 Eligibility for a Provisional License.

A. Before January 1, 1994, the Commission may temporarily waive either the education requirement contained in COMAR 09.19.02.01A or the work experience requirement contained in COMAR 09.19.03.01A, and allow an individual to sit for the licensed real estate appraiser's examination. If the individual passes the examination, the Commission may issue the applicant a provisional license entitling the individual to perform all the functions of a licensed real estate appraiser.

B. A provisional license issued under this regulation expires on December 31, 1993, or on the date the individual becomes fully licensed, whichever occurs first.

.02 Continuing Education.

In order to be considered for a license as a licensed real estate appraiser, an individual who has been issued a provisional license shall have completed the following hours of continuing education:

- A. If the individual has been provisionally licensed for 6 months or less, no continuing education is required;
- B. If the individual has been provisionally licensed for more than 6 months but less than 1 year, the individual shall have completed 10 hours of continuing education which meets the requirements of COMAR 09.19.01.04;
- C. If the individual has been provisionally licensed for more than 1 year, the individual shall have completed 20 hours of continuing education which meets the requirements of COMAR 09.19.01.04.]

.01 Supervising Appraisers.

A. *To be eligible to serve as a supervising appraiser, an individual:*

- (1) *Shall be in good standing;*
- (2) *May not have been subject to any disciplinary action within the immediately preceding 3 years; and*
- (3) *Shall have held a certified residential or certified general real estate appraisal license for at least 3 years.*

B. *A supervising appraiser may supervise a maximum of three appraiser trainees at one time.*

C. *A supervising appraiser must complete a Commission-approved course that, at a minimum, complies with the specifications for course content established by the AQB and is oriented toward the requirements, expectations and responsibilities of supervisory appraisers.*

D. A supervising appraiser shall notify the Commission on a form prescribed by the Commission of the commencement or termination of a supervisory relationship with a real estate appraiser trainee no later than ten days after the commencement or termination.

E. A supervising appraiser shall approve, sign and accept responsibility for each appraisal report prepared by a trainee under the supervision of the supervising appraiser.

.02 Appraiser Trainees.

A. A real estate appraiser trainee shall notify the Commission on form prescribed by the Commission of the commencement or termination of a supervisory appraiser relationship with a supervising appraiser no later than ten days after the commencement or termination.

B. To obtain experience credit for appraisals, the real estate appraiser trainee must sign the appraisal report, sign the certification of the appraisal report, or have their name and significant appraisal assistance conspicuously identified in the appraisal report.

Chapter 12 General Regulations

[.02 Supervising Appraisers.

A. To be eligible to serve as a supervising appraiser, an individual:

- (1) Shall be in good standing;
- (2) May not have been subject to any disciplinary action within the immediately preceding 3 years; and
- (3) Shall have held a certified residential or certified general real estate appraisal license for at least 3 years.

B. A supervising appraiser may supervise a maximum of three trainees at one time.

C. A supervising appraiser must complete a Commission-approved course that, at a minimum, complies with the specifications for course content established by the AQB and is oriented toward the requirements, expectations and responsibilities of supervisory appraisers.]

GEORGE FAIR

Chairman

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