

MARYLAND REGISTER

Proposed Action on Regulations

Comparison to Federal Standards Submission and Response

Name: Kimberly S Ward
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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 Proposed Action is not more restrictive or stringent than corresponding federal standards.

COMAR Codification: 09.19.03.01

Corresponding Federal Standard:

The Appraisal Qualifications Board is authorized to establish minimum education and experience requirements for real property appraisal qualification criteria for state licensing.

Discussion/Justification:

Maryland's current work experience requirements are more stringent than those established by the Appraisal Qualification Board, making it more challenging than necessary to obtain a Maryland credential to provide real estate appraisal services in Maryland. Most other states have already adopted work experience requirements in accordance with those established by the Appraisal Qualification Board.

TO BE COMPLETED BY DBED

-Agree

-Disagree

Comments:

Name:

Date:

_ -Submit to Governor's Office
Governor's Office Response

Comments:

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETE D BY DSD
	08/12/2021	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

Title 09
DEPARTMENT OF LABOR, LICENSING, AND REGULATION

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

09.19.03 Work Experience Requirements

Authority: Business Occupations and Professions Article, §§ 16-220, 16-302(d)(1) and (2) and (g), and 16-503(b)(1)(iii), (b)(2), (e), and (f), Annotated Code of Maryland

Notice of Proposed Action

□

The Commission of Real Estate Appraisers, Appraisal Management Companies, Home Inspectors proposes to amend Regulation .01 under COMAR 09.19.03 Work Experience Requirements

This action was considered at a public meeting of the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors held on August

1. Desired date of publication in Maryland Register: 10/8/2021

2. COMAR Codification

Title	Subtitle	Chapter	Regulation
09	19	03	01

3. Name of Promulgating Authority

Department of Labor, Licensing, and Regulation

4. Name of Regulations Coordinator

Kimberly S Ward

Telephone Number

410-230-6123

Mailing Address

500 N. Calvert Street

City	State	Zip Code
Baltimore	MD	21202

Email

kimberlys.ward@maryland.gov

5. Name of Person to Call About this Document

Todd Blackistone

Telephone No.

410-230-6165

Email Address

todd.blackistone@maryland.gov

6. Check applicable items:

New Regulations

Amendments to Existing Regulations

Date when existing text was downloaded from COMAR online: July 15, 2021.

Repeal of Existing Regulations

Recodification

Incorporation by Reference of Documents Requiring DSD Approval

Reproposal of Substantively Different Text:

: Md.
R

(vol.) (issue) (page (date)
nos)

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 General Provisions Article, §3-302(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

10, 2021, notice of which was given by posting on the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors' website, pursuant to General Provisions Article, §3-302(c)(3)(ii), Annotated Code of Maryland.

Statement of Purpose

The purpose of this action is to reduce work experience hours and the time within which such hours may be completed required for certain appraisal license classifications in accordance with the requirements established by the Appraisal Qualifications Board, the federal agency responsible to establish real property appraisal qualification criteria for state licensing.

Comparison to Federal Standards

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

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

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 August 11, 2021. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Anatol L. Polillo

Title

Chair

Telephone No.

410-230-6165

Date

August 11, 2021

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Todd Blackistone, Executive Director, Department of Labor, 500 N. Calvert Street, 3rd Floor, Baltimore, MD 21202, or call 410-230-6165, or email to todd.blackistone@maryland.gov, or fax to 410-333-6314. Comments will be accepted through November 23, 2021. 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 December 14, 2021, at the Department of Labor, 500 North Calvert Street, Third Floor, Baltimore, MD 21202.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2022

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 necessary to reduce the work experience hours required to qualify for appraisal licensure.

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

The proposed amendment merely reduces the work experience requirements necessary to qualify for appraisal licensure.

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

The proposed amendment merely reduces the work experience requirements necessary to qualify for appraisal licensure.

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?

Prospective licensees, mortgage lenders, prospective homebuyers, sellers, and owners of real property 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? Households may realize a reduced cost of contracting for appraisal services from the proposed action because individuals may qualify for licensure more quickly, thereby increasing the number of individuals authorized to provide real estate appraisal services in Maryland.

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? Businesses are not the intended beneficiaries, but businesses may realize a reduced cost of contracting for appraisal services from the proposed action because individuals may qualify for licensure more quickly,

thereby increasing the number of individuals authorized to provide real estate appraisal services in Maryland.

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.)

None.

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?

Maryland businesses such as mortgage lenders, appraisal firms, and appraisal management companies may realize a reduced operation costs from the proposed action because individuals may qualify for licensure more quickly, thereby increasing the number of individuals available to provide real estate appraisal services in Maryland.

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.

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 anticipated effect on the cost of providing goods and services; (2) The proposed regulation may improve the availability of individual in he work force licensed to provide real estate appraisal services; (3) There is no anticipated effect on the cost of housing; (4) There is no anticipated effect on efficiency in production and marketing; (5) There is no anticipated capital investment, taxation, competition, and economic development; and (6) Consumers may have increased choice in the licensed individual with whom they contract for the provision of real estate appraisal services because the licensed population may increase.

Attached Document:

Title 09 DEPARTMENT OF LABOR
Subtitle 19 COMMISSION OF REAL ESTATE APPRAISERS,
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.01 Eligibility to Take Examination.

A. Except as provided in COMAR 09.19.04, to be eligible to sit for the licensed real estate appraisers examination, an applicant shall have [2,000] *1,000* hours of appraisal work experience which complies with this regulation. This experience shall have been acquired over a period of [at least 2 calendar years] *no fewer than 6 months*.

B. To be eligible to sit for the certified residential real estate appraisers examination, an applicant shall have a minimum of [2,500] *1,500* hours of appraisal work experience which complies with this regulation. This experience shall have been acquired over a period of [at least 2 calendar years] *no fewer than 12 months*.

C. To be eligible to sit for the certified general real estate appraisers examination, an applicant shall have a minimum of 3,000 hours of appraisal work experience which complies with this regulation. This experience shall have been acquired over a period of [at least 2-1/2 calendar years] *no fewer than 18 months*. Of the 3,000 required hours, at least 1,500 shall have been in nonresidential real property appraisal work.

ANATOL POLILLO

Chairman

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