

**Michigan Office of Administrative Hearings and Rules
Administrative Rules Division (ARD)**

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REQUEST FOR RULEMAKING (RFR)

1. Department:

Licensing and Regulatory Affairs

2. Bureau:

Bureau of Professional Licensing

3. Promulgation type:

Full Process

4. Title of proposed rule set:

Real Estate Appraisers - General Rules

5. Rule numbers or rule set range of numbers:

R 339.23101 - R 339.23405

6. Estimated time frame:

12 months

Name of person filling out RFR:

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7. Describe the general purpose of these rules, including any problems the changes are intended to address.

The rules provide for experience requirements, appraiser prelicensure education, sponsors of appraisal education, continuing education, and standards of conduct. The proposed changes to the rules are intended to: clarify the experience requirements; clarify when a sponsor may advertise an educational course; update the rules for consistency with the Appraiser Qualification Board (AQB) criteria or exceptions to the AQB criteria; and update the rules pursuant to legislation.

8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).

Section 205 of the Occupational Code (Code), MCL 339.205, states that the Department shall promulgate rules which are necessary and appropriate to enable the Department to fulfill its role under the Code. Section 308 of the Code, MCL 339.308, states that the Board of Real Estate Appraisers (Board) shall promulgate rules as required in the Article in which it is created as are necessary and appropriate to fulfill its role. Section 2605 of the Code, MCL 339.2605, requires a licensee who performs an appraisal to utilize the Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time of the appraisal, and requires the Department to utilize the AQB criteria regarding education, examination, and experience for licensure. Both the USPAP and AQB criteria are subject to amendments adopted by the Department. Although there is no federal mandate requiring rules, federal law requires that certain appraisals be handled by a state certified appraiser, and appraisals for federally related transactions not requiring the services of a state certified appraiser be prepared by either a state certified appraiser or a state licensed appraiser.

A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).

MCL 339.202, MCL 339.205, MCL 339.210, MCL 339.308, MCL 339.2601, MCL 339.2605, MCL 330.3101, MCL 445.2001, MCL 445.2011, MCL 445.2025, and MCL 445.2030.

B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.

Yes. Section 205 of the Code, MCL 339.205, states that the Department shall promulgate rules which are necessary and appropriate to enable the Department to fulfill its role under the Code. Section 308 of the Code, MCL 339.308, states that the Board shall promulgate rules as required in the Article in which it is created as are necessary and appropriate to fulfill its role. Section 2605 of the Code, MCL 339.2605, requires a licensee who performs an appraisal to utilize the USPAP in effect at the time of the appraisal, and requires the Department to utilize the AQB criteria regarding education, examination, and experience for licensure. Both the USPAP and AQB criteria are subject to amendments adopted by the Department. Although there is no federal mandate requiring rules, federal law requires that certain appraisals be handled by a state certified appraiser, and appraisals for federally related transactions not requiring the services of a state certified appraiser be prepared by either a state certified appraiser or a state licensed appraiser.

9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

The proposed rules are consistent with the Code; the Appraisal Foundation's Appraisal Standards Board (ASB) USPAP, authorized by the United States Congress; the Appraisal Subcommittee's (ASC) review results; and the AQB criteria. The Department is not aware of any laws, rules, or legal requirements that duplicate, overlap, or conflict with the proposed rules.

10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?

Yes, the supervisory requirements, experience requirements, program to allow a supervisory appraiser to supervise more than 3 trainee appraisers, and requirements for prelicensure education and continuing education courses are all contained in the following publication that is published by the Appraiser Qualifications Board of the Appraisal Foundation, The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria, effective January 1, 2021.

11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?

Yes.

12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?

Full Process

13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

None of the proposed rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.

The Department works with the Board as well as stakeholders who attend public meetings and submit written comments in the development of the proposed rules.

15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.

The rules were last amended on May 18, 2021. There have been no technological factors, economic conditions, or other factors that would necessitate amendment of the rules.

16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?

No.

17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.

Yes