

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.

These 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:

- Update the exemptions from the Uniform Standards of Professional Appraisal Practice (USPAP).
- Clarify the experience requirements.
- Inform applicants of the limitations on transactions allowed with a temporary permit.
- Provide for a program to allow a supervisory appraiser to supervise more than 3 trainee appraisers and clarify the requirements for a supervisory appraiser.
- Update the requirements pertaining to review of educational courses.
- Clarify when a sponsor may advertise an educational course.
- Inform applicants of updates to the USPAP.

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

The department shall promulgate rules pursuant to MCL 339.205. The board shall promulgate rules pursuant to MCL 339.308. The director may promulgate rules pursuant to MCL 339.2601, MCL 339.2605, and MCL 339.2617. The department may promulgate rules pursuant to MCL 339.210 and MCL 339.411.

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

MCL 339.205, MCL 339.210, MCL 339.308, MCL 339.411, MCL 339.2601, MCL 339.2605, and MCL 339.2617; and Executive Reorganization Order 1996-1, MCL 330.3101; 1996-2, MCL 445.2001; 2003-1, MCL 445.2011; 2008-4, 445.2025; 2011-4, MCL 445.2030.

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

The department shall promulgate rules pursuant to MCL 339.205 and the board shall promulgate rules pursuant to MCL 339.308.

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.

MCL 339.2605(1) requires a licensee who performs an appraisal to utilize the USPAP that are in effect at the time the licensee is engaged to perform the appraisal. The proposed rule seeks to clarify that board members and department investigators, who are licensed real estate appraisers, are not subject to USPAP Standard 3 or 4 when reviewing cases or testifying for the department as the department is not considered to be their client.

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 May 1, 2018.

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

No, the rules are not listed on the department's annual regulatory plan as rules to be processed for the current year.

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.

No, the proposed rules do not 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.

Yes, the proposed rules will incorporate recommendations and comments received from the Michigan Department of Transportation regarding the need for a program to allow a supervisory appraiser to supervise more than 3 trainee appraisers. The proposed rules will also incorporate comments received from the public regarding the requirements pertaining to the department's review of educational courses and the limitations on advertising an educational course.

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 existing rules were filed with the Office of the Great Seal on May 16, 2018. No, changes in technology, economic conditions, nor other factors have changed the regulatory activity covered by the rules since the last evaluation.

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, there are no changes or developments since implementation of the last evaluation of the rules that demonstrates there is no continued need for the rules, or any portion of the rules.

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