

Legislative Analysis



AMEND THE OCCUPATIONAL CODE: APPRAISERS

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House Bill 5860 (Floor Substitute H-2)

Sponsor: Rep. Margaret E. O'Brien

Committee: Regulatory Reform

Complete to 12-8-14

(Enacted as Public Act 433 of 2014)

A SUMMARY OF HOUSE BILL 5860 AS ADOPTED BY THE HOUSE

House Bill 5860 would amend the Occupational Code by modifying Sections 2601 and 2605 in regards to (1) the process for creating or modifying criteria for licensing real property appraisers and (2) disclaimers on certain market analyses of real estate.

Presently, the law references by name two sets of standards in its definition of Appraiser Qualifications Board (AQB) criteria, one that was in place prior to January 1, 2008, and the current standards. The bill would eliminate the obsolete reference to the old standards while modifying provisions relating to the current standards, in particular the ability of the AQB and/or the director of the Department of Licensing and Regulatory Affairs (LARA) to amend those standards. Under the bill, the director of LARA would have the ability to amend the criteria established by the AQB if an amendment is determined to be necessary. Also, any amendments to the criteria adopted by the AQB may be amended by rule by the director if determined to be necessary.

The bill also would eliminate the current penalty for failing to put a disclaimer, in boldface, on a market analysis performed by a licensed real estate broker or associate broker under certain circumstances, indicating that the analysis is not an appraisal and was not performed by a licensed appraiser. The labeling requirement would remain but the penalty would be removed.

Currently, an individual who fails to provide the proper disclaimer is penalized under Article 6 of the code, which covers penalties for individuals who practice a regulated occupation without proper licensing. A person who violates the code in this way can be charged with a misdemeanor, punishable by up to a \$500 fine and/or up to 90 days imprisonment.

FISCAL IMPACT:

House Bill 5860 would not have a significant fiscal impact on the state or local units of government.

POSITIONS:

The following indicated support for the bill: the Department of Licensing and Regulatory Affairs and the Michigan Realtors (12-2-14)

Legislative Analyst: Josh Roesner

Fiscal Analyst: Paul Holland

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