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House Bill 5860 (Substitute H-2 as passed by the House)
Sponsor: Representative Margaret E. O'Brien
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 12-11-14

CONTENT

The bill would amend Article 26 (Real Estate Appraisers) of the Occupational Code to revise references to and the definitions of "uniform standards of professional appraisal practice" and "AQB criteria".

The bill would take effect on January 1, 2015.

Uniform Standards of Professional Appraisal Practice

A licensee under Article 26 must, at a minimum, use the uniform standards of professional appraisal practice. The bill instead would require a licensee who performed an appraisal, at a minimum, to use the uniform standards of professional appraisal practice that were in effect at the time the licensee was engaged to perform the appraisal.

Article 26 defines "uniform standards of professional appraisal practice" as those standards relating to real property adopted by the Appraisal Foundation on March 31, 1999, or as adopted by rule of the Director of the Department of Licensing and Regulatory Affairs (LARA). Under the bill, the term would mean all of the following, if applicable:

- Standards relating to real property adopted by the Appraisal Foundation and in effect on the bill's effective date.
- Any amendments to those standards adopted by the Appraiser Standards Board of the Appraisal Foundation.

The bill specifies that the LARA Director, by rule, could amend the standards or amendments described in the definition of "uniform standards of professional appraisal practice" if he or she determined that an amendment was required for purposes of Article 26.

AQB Criteria

Article 26 requires LARA to use the AQB criteria regarding education, examination, and experience for licensure under the article.

Article 26 specifies that the AQB criteria are adopted by reference. It also allows LARA, by promulgation of a rule, to supplement or amend the standards by adoption of a stricter standard that is otherwise in compliance with the minimum AQB criteria in effect or by adoption of subsequent amendments to that standard adopted by the Appraiser Qualifications Board of the Appraisal Foundation. The bill would delete those provisions.

Article 26 defines "AQB criteria" as the criteria established by the Appraiser Qualifications Board of the Appraisal Foundation or as adopted by rule of the LARA Director. The definition also includes the criteria entitled "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria", adopted by the Appraiser Qualifications Board on February 20, 2004, effective January 1, 2008. Under the bill, "AQB criteria" instead would mean all of the following, if applicable:

- The criteria established by the Appraiser Qualifications Board of the Appraisal Foundation and in effect on the bill's effective date.
- Any amendments to those criteria adopted by the Appraiser Qualifications Board of the Appraisal Foundation.

The bill specifies that the LARA Director, by rule, could amend the criteria or amendments described in the definition of "AQB criteria" if he or she determined that an amendment was required for purposes of Article 26.

MCL 339.2601 & 339.2605

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.