

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 780 Department or Agency Alabama Real Estate Appraisers Board
Rule No. 780-X-17-.03
Rule Title: Registration

 New X Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? Yes

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? No

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer Lisa Brooks

Date July 19, 2019

(DATE FILED)
(STAMP)

ALABAMA REAL ESTATE APPRAISERS BOARD
100 N. Union Street, Suite 370
Montgomery, Alabama 36104

July 19, 2019

Notice of Intended Action

Rule No. & Title: 780-X-17-.03 Registration

Intended Action: Amendment

Substance of Amendment: To require payment of a National Registry fee for Appraisal Management Companies.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit their views regarding the proposed amended rule orally or in writing to the Alabama Real Estate Appraisers Board, P.O. Box 304355, Montgomery, Alabama 36130-4355; 334-242-8747 no later than 9:00 A.M. on September 19, 2019. A public hearing will be held on September 19, 2019 at 9:15 A.M., 100 N. Union St., Third Floor conference room, RSA Union Building, Montgomery, Alabama, 36104.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written or oral comments concerning this change must be received by the Alabama Real Estate Appraisers Board no later than September 10, 2019 at 10:00 A.M., P.O. Box 304355, Montgomery, Alabama, 36130-4355 or 100 North Union Street, Suite 370, Montgomery, AL 36104 or 334-242-8747.

CONTACT PERSON AT AGENCY: Neva C. Conway
Assistant Attorney General


Lisa Brooks

780-X-17-.03 Registration.

(a) An appraisal management company applying for registration in Alabama may not be owned, in whole or in part, directly or indirectly, by any person who has had an appraiser license or certificate refused, denied, cancelled, surrendered in lieu of revocation, or revoked in any state unless the license or registration has been restored or reissued.

(b) An appraisal management company applying for registration in Alabama may not employ for the purposes of appraisal review, analysis, or performance evaluation any person who has ever had a registration, license, or certificate to act as an appraiser in Alabama or any other state refused, denied, canceled, or revoked unless a registration, license, or certificate has subsequently been issued or reinstated by the state in which the appraisal registration, license, or certificate had been refused, denied, canceled, or revoked.

(c) An employee of an appraisal management company, or any contractor working in any capacity on behalf of an appraisal management company, that has any involvement in the actual performance of appraisal services, or the review and analysis or completed appraisals in Alabama shall be an appraiser certified in Alabama. The license classification shall qualify the employee to perform all applicable job functions.

(d) An appraisal management company applying for registration in Alabama shall designate one principal contact for all communication between the Board and the appraisal management company.

(e) The Board shall obtain a criminal background check on all individuals who have more than ten percent (10%) ownership in an appraisal management company applying for registration. For companies owned by a sole proprietor, the individual owner shall furnish a criminal background check. For companies owned by a partnership, each partner shall furnish a background check. For any corporation, limited liability company or other legal entity, each person who has a 10% or greater ownership interest in the entity shall provide a criminal background check. Applicants shall pay all required fees required to perform this check.

(f) In addition to the application fee an applicant for registration shall post with the Board a surety bond in the amount of twenty-five thousand dollars (\$25,000). The bond shall be annually maintained on renewal. The bond shall be in a form as provided in the appendix of these regulations and shall accrue to the state for the benefit of a claimant against the registrant to secure the faithful performance of obligations under this article. The aggregate liability of the surety may not exceed the principal sum of the bond.

(g) An appropriate deposit of cash or security may be accepted by the Board in lieu of the required bond. The face amount of the bond shall annually be restored upon renewal of registration. Annual renewal of registration shall occur before the expiration date of the registration. Failure to timely renew registration shall result in loss of authority to operate an appraisal management company in Alabama. Request for reinstatement after expiration shall be accompanied by the annual registration fee and any late filing fee established by Board regulation.

(h) If the applicant for registration has been in existence for more than one year, it shall submit, in addition to the application fee and bond, a National Registry fee equal to \$25 multiplied by the number of appraisers who have performed an appraisal for the AMC in connection with a covered transaction in the state during the previous year.

(i) If the applicant for registration has been in existence for less than one year, it shall submit, in addition to the application fee and bond, a National Registry fee equal to \$25 multiplied by the number of appraisers who have performed an appraisal for the AMC in connection with a covered transaction in the state since the AMC commenced doing business.

Author: Lisa Brooks, Executive Director, Alabama Real Estate Appraisers Board

Statutory Authority: Code of Ala. 1975, §34-27A-54.

History: **New Rule:** Filed November 18, 2011; effective December 23, 2011. **Amended:** Filed August 29, 2014; effective October 3, 2014.