## TRANSMITTAL SHEET FOR NOTICE OF INTENDED ACTION

| Control 780 Department or Agency A  | labama Real Esta                      | te Appraiser Board   |
|---|---------------------------------------|--|
| Rule No. 780-X-1703 Rule Title: Registration  |                                       | - Constitution of the Cons |
| New X Amend   | Donasi                                | A days by D. C.  |
| AIIIelid  | Kepeai                                | Adopt by Reference   |
| Would the absence of the proposed rule significantly harm or endanger the publ 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?  |                                       | <u>Yes</u>   |
| Is there another, less restrictive method of Regulation available that could adequately Protect the public?   |                                       | <u>No</u>  |
| Does the proposed rule have the effect<br>Of directly or indirectly increasing the costs<br>Of any goods or services involved and, if so,<br>to what degree?  |                                       |  |
|   |                                       | No.  |
| Is the increase in cost, if any, more harm. To the public than the harm that might from the absence of the proposed rule?   |                                       | N/A  |
| Are all facets of the rulemaking process<br>Designed solely for the purpose of, and<br>they have, as their primary effect, the<br>protection of the public?<br>************************************ | so                                    | Yes  |
| Does the proposed rule have an econom   |                                       | No   |
| If the proposed rule has an economic imby a fiscal note prepared in accordance Alabama 1975.  | npact, the propose with subsection (t | d rule is required to be accompanie<br>f) of Section 41-22-23, <u>Code of</u>  |
| Certification of Authorized Official  |                                       |  |
| I certify that the attached proposed rule requirements of Chapter 22, Title 41, Capplicable filing requirements of the Adapter 22.  | ode of Alabama 1                      | 975, and that it conforms to all   |
| Signature of certifying officer   | isa Psuc                              | sdr.   |
| Date May 20, 2014   | ,                                     |  |

## Alabama Real Estate Appraisers Board

## NOTICE OF INTENDED ACTION

AGENCY NAME: Alabama Real Estate Appraisers Board

RULE NO. & TITLE: 780-X-17-.03
Registration

**INTENDED ACTION:** Amendment

<u>SUBSTANCE OF PROPOSED ACTION:</u> To make a revision recommended by the Examiners of Public Accounts to make the background check requirement for Appraisal Management Companies more understandable.

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 4:30 P.M, July 10, 2014.

<u>FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE:</u> Written or oral comments concerning this change must be received by the Alabama Real Estate Appraisers Board no later than July 10, 2014, 4:30 p.m., 100 North Union Street, Suite 370, Montgomery, AL 36104 or 334-242-8747.

CONTACT PERSON AT AGENCY: Neva C. Conway

Assistant Attorney General

## 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 applicants individuals who have more than ten per cent (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.

- 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.
- 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.