

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication. Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the *Register* before beginning any proceedings for making, amending, or repealing any rule. (A.R.S. §§ 41-1013 and 41-1022)

NOTICE OF PROPOSED RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 46. BOARD OF APPRAISAL

Editor's Note: The following Notice of Proposed Rulemaking was reviewed per Laws 2009, 3rd Special Session, Ch. 7, § 28. (See the text of § 28 at 15 A.A.R. 1942, November 20, 2009.) The Governor's Office authorized the notice to proceed through the rulemaking process on May 25, 2010.

[R10-160]

PREAMBLE

- 1. Sections Affected**

Article 7	<u>Rulemaking Action</u>
R4-46-704	New Article
	New Section
- 2. The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 32-3667(A)
Implementing statute: A.R.S. § 32-3667(A)
- 3. A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 16 A.A.R. 2039, October 15, 2010
- 4. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Daniel Pietropaulo
Address:	1400 W. Washington St., Suite 360 Phoenix, AZ 85007
Telephone:	(602) 542-1593
Fax:	(602) 542-1598
E-mail:	daniel.pietropaulo@appraisal.state.az.us
- 5. An explanation of the rule, including the agency's reasons for initiating the rule:**

On July 29, 2010 the Arizona Legislature passed Senate Bill 1351 mandating the Board of Appraisal to register and regulate all Appraisal Management Companies. This is new legislation for a relatively new industry. The bill sets forth an initial one year registration followed by two year renewals and the fee is to be set in rule. This purpose of this rule is for setting the fee prior to completion of the full rule package with the intent of having the final rule setting the fee prior to the first round of renewals in July 2011. To not have the fee set by that time (July 28, 2011) the Board will have implemented the mandate of Senate Bill 1351 for three consecutive years with little or no income which would create a severe hardship on the Board of Appraisal.
- 6. A reference to any study relevant to the rules that the agency reviewed and either proposes to rely on or not to rely on in its evaluation of or justification for the rules, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**

Fiscal Impact of SB 1351, Appraisal Management Company Regulation, was prepared for the Arizona Board of Appraisal by Reynaldo J. Saenz on April 14, 2010. This impact statement was prepared at a time when there were only 11 states with AMC regulation. All of the states regulations were less than one year old at that time and information was limited. The Board of Appraisal chooses not to rely on the Impact Statement estimation of fees from this

Notices of Proposed Rulemaking

study as some of the original assumptions may have changed. A copy of this study may be obtained from the Board offices at 1400 W. Washington St., Suite 360, Phoenix, AZ 85007.

7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:

Not applicable

8. The preliminary summary of the economic, small business, and consumer impact:

The public at large will benefit from this rule as it will establish sufficient fees from which the Board of Appraisal will be able to effectively administer registration and enforcement of SB 1351. The financial impact to small business will be a cost to the appraisal management companies at registration and renewal but is not anticipated to be significant in relation to the expected gross incomes. The financial impact to the consumer is not anticipated to be significant. Fees less than \$2,500 at initial and renewal applications would not generate enough revenue to effectively operate the program.

9. The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:

Name: Daniel Pietropaulo
Address: 1400 W. Washington St., Suite 360
Phoenix, AZ 85007
Telephone: (602) 542-1593
Fax: (602) 542-1598
E-mail: daniel.pietropaulo@appraisal.state.az.us

10. The time, place, and nature of the proceedings for the making, amendment, or repeal of the rule, or if no proceeding is scheduled, where, when, and how persons may request an oral proceeding on the proposed rule:

Oral and written comments are accepted at the address listed in items 4 and 9 above and between the hours of 8:00 a.m.-5:00 p.m., Monday through Friday, except for state furlough days and Holidays. A rules meeting will be scheduled upon request.

11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:

None

12. Incorporations by reference and their location in the rules:

None

13. The full text of the rules follows:

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CHAPTER 46. BOARD OF APPRAISAL

ARTICLE 7. GENERAL PROVISIONS – FEES

Section
R4-46-704. Fee; Bond

ARTICLE 7. GENERAL PROVISIONS – FEES

R4-46-704. Fee; Bond

- A.** The fee for initial registration shall be \$2,500 regardless of the number of appraisers on the appraiser panel. The two year renewal registration fee shall be \$2,500 regardless of the number of appraisers on the appraiser panel.
- B.** Registration fees shall be deposited into the Board's general fund and pursuant to A.R.S. §§ 35-146 and 35-147, the Board shall deposit 10 percent of the monies in the state general fund and deposit the remaining 90 percent in the Board of Appraisal Fund. All monies deposited in the Board of Appraisal fund are subject to A.R.S. § 35-143.01.