

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND AND SEVENTEEN

—
H.P. 939 - L.D. 1349

An Act Regarding the Licensure of Appraisal Management Companies

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA c. 124-A is enacted to read:

CHAPTER 124-A

APPRAISAL MANAGEMENT COMPANY LICENSING

§14041. Short title

This chapter may be known and cited as "the Appraisal Management Company Licensing Act."

§14042. Definitions

As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

1. Appraisal. "Appraisal" has the same meaning as in section 14002, subsection 1.

2. Appraisal assignment. "Appraisal assignment" means an agreement between an appraiser and an appraisal management company to provide an appraisal service. "Appraisal assignment" does not include an appraisal review or quality control examination.

3. Appraisal management company. "Appraisal management company" means a person that:

A. Provides appraisal management services to creditors or secondary mortgage market participants with appraisers who are part of an appraiser panel that includes more than 15 appraisers who are independent contractors;

B. Provides appraisal management services in connection with valuing a consumer's principal dwelling as security for a consumer credit transaction or incorporating such transactions into securitizations; and

C. Within a calendar year or a 12-month period established by board rule, oversees an appraiser panel of more than 15 certified or licensed appraisers in one state or 25 or more certified or licensed appraisers in more than one state.

"Appraisal management company" does not include a department or division of an entity that provides appraisal management services only to that entity.

4. Appraisal management service. "Appraisal management service" means:

A. Recruiting, selecting and retaining appraisers;

B. Contracting with appraisers to perform appraisal assignments;

C. Managing the process of having an appraisal performed, including, but not limited to:

(1) Providing administrative services;

(2) Receiving appraisal orders and appraisal reports;

(3) Submitting completed appraisal reports to creditors and secondary market participants;

(4) Collecting fees from creditors and secondary market participants for services provided; and

(5) Paying appraisers for services performed; and

D. Reviewing and verifying the work of appraisers.

5. Appraisal review. "Appraisal review" means the act or process of developing and communicating an opinion about the quality of the work performed by an appraiser as part of an appraisal assignment, which may take into account the appraiser's data collection, analysis, opinions, conclusions, estimate of value or compliance with the Uniform Standards of Professional Appraisal Practice. "Appraisal review" does not include a quality control examination.

6. Appraisal service. "Appraisal service" means an act or process of completing an appraisal assignment.

7. Appraiser. "Appraiser" means a person licensed under chapter 124.

8. Appraiser panel. "Appraiser panel" means a network, list or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company. "Appraiser panel" includes appraisers accepted by an appraisal management company for consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions and appraisers engaged by an appraisal management company to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions.

9. Board. "Board" means the Board of Real Estate Appraisers under section 14011.

10. Client. "Client" means a person that contracts with or otherwise enters into an agreement with an appraisal management company for the performance of appraisal management services.

11. Consumer credit. "Consumer credit" means credit offered or extended to a consumer primarily for personal, family or household purposes.

12. Controlling person. "Controlling person" means:

A. An owner, officer or director of an appraisal management company;

B. An individual employed, appointed or authorized by an appraisal management company who has authority to enter into a contractual relationship with other persons for the performance of appraisal management services and has authority to enter into agreements with appraisers for the performance of appraisal services; or

C. An individual who is authorized to, directly or indirectly, direct or cause the direction of the management or policies of an appraisal management company.

13. Covered transaction. "Covered transaction" means a consumer credit transaction secured by a consumer's principal dwelling.

14. Creditor. "Creditor" means a person who regularly extends consumer credit that is subject to a finance charge or is payable by written agreement in more than 4 installments, not including a down payment, and to whom the obligation is initially payable, either on the face of the note or contract or by agreement when there is no note or contract. For the purpose of this subsection, a person regularly extends consumer credit if the person:

A. Extended credit, other than credit subject to the requirements of 12 Code of Federal Regulations, Section 1026.32 more than 5 times for transactions secured by a dwelling in the preceding calendar year; or

B. In any 12-month period, originates more than one credit extension that is subject to the requirements of 12 Code of Federal Regulations, Section 1026.32 or one or more such credit extensions through a mortgage broker.

15. Dwelling. "Dwelling" means a residential structure that contains one to 4 units, whether or not the structure is attached to real property. "Dwelling" includes an individual condominium unit, cooperative unit, mobile home and trailer, if it is used as a residence.

16. Federal appraisal subcommittee. "Federal appraisal subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council under 12 United States Code, Chapter 34.

17. Federal financial institutions regulatory agency. "Federal financial institutions regulatory agency" means the federal Office of the Inspector General, Consumer Financial Protection Bureau, Federal Housing Finance Agency or Board of

Governors of the Federal Reserve System; the Federal Deposit Insurance Corporation; the Office of the Comptroller of the Currency; or the National Credit Union Administration.

18. Federally regulated appraisal management company. "Federally regulated appraisal management company" means an appraisal management company that is owned and controlled by an insured depository institution, as defined in 12 United States Code, Section 1813 and regulated by the federal Office of the Comptroller of the Currency; Office of the Inspector General, Board of Governors of the Federal Reserve System; or the Federal Deposit Insurance Corporation.

19. Federally related transaction. "Federally related transaction" has the same meaning as in section 14002, subsection 9.

20. Federally related transaction regulations. "Federally related transaction regulations" means regulations established by a federal financial institutions regulatory agency pursuant to Title XI, Sections 1112, 1113 and 1114 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, 12 United States Code, Sections 3341 to 3343.

21. Person. "Person" means an individual, firm, partnership, association, corporation, limited liability company, sole proprietorship or any other entity.

22. Principal dwelling. "Principal dwelling" means a consumer's principal dwelling. "Principal dwelling" includes a dwelling a consumer buys or builds that will become the consumer's principal dwelling within one year or upon the completion of construction. "Principal dwelling" does not include a vacation or other second home.

23. Quality control examination. "Quality control examination" means an examination of an appraisal report for completeness, including for grammatical, mathematical and typographical errors. "Quality control examination" does not include an appraisal review.

24. Secondary mortgage market participant. "Secondary mortgage market participant" means a guarantor or insurer of mortgage-backed securities, or an underwriter or issuer of mortgage-backed securities. "Secondary mortgage market participant" includes an individual investor in a mortgage-backed security only if that investor is also a guarantor, issuer, underwriter or issuer of the mortgage-backed security.

25. Uniform Standards of Professional Appraisal Practice. "Uniform Standards of Professional Appraisal Practice" has the same meaning as in section 14002, subsection 15.

§14043. License required

1. License. A person shall obtain a license from the board before:

A. Directly or indirectly engaging or to attempting to engage in business as an appraisal management company;

B. Directly or indirectly performing or attempting to perform appraisal management services; or

C. Advertising or holding the person out as engaging in or conducting business as an appraisal management company.

2. Application. An applicant for licensure as an appraisal management company shall submit to the board an application on forms prescribed by the board and pay a fee established by the board. The board shall review and approve or deny an application for an initial license or an application for renewal of a license.

3. Consent to service of process. An applicant for licensure as an appraisal management company shall complete an irrevocable consent to service of process as prescribed by the board.

4. Information required. An appraisal management company licensed or applying to be licensed shall provide to the board all information that the board is required to submit to the federal appraisal subcommittee pursuant to regulations or guidance promulgated by the federal appraisal subcommittee.

5. Federally regulated appraisal management companies. Notwithstanding subsection 1, a federally regulated appraisal management company is not required to obtain a license from the board. A federally regulated appraisal management company shall:

A. Notify the board of its intent to operate in the State; and

B. Provide to the board information required to be submitted by the board to the federal appraisal subcommittee pursuant to regulations and policies of the federal appraisal subcommittee regarding the determination of a national registry fee under section 14045, subsection 2.

§14044. License renewal

A license expires on the date set by the Commissioner of Professional and Financial Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for which the license was issued. A license may be renewed upon receipt of an application for renewal and payment of the renewal fee as set under section 14045. Licenses may be renewed up to 90 days after the date of expiration upon payment of a late fee, as set under section 14045.

The board shall deny a renewal license to any applicant whose license has lapsed for more than 90 days unless the applicant satisfies the provisions governing new applicants under this subchapter.

§14045. Fees

1. Fee established by rule. The Director of the Office of Professional and Occupational Regulation within the Department of Professional and Financial Regulation may establish by rule fees for purposes authorized under this chapter in amounts that are reasonable and necessary for their respective purposes, except that the fee for any one purpose may not exceed \$450 annually. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

2. National registry fees. The board may collect from an applicant for licensure under this chapter and from a licensee and remit to the appropriate agency or instrumentality of the Federal Government any additional fees required to provide appraisal management services in connection with federally related transactions.

§14046. Owner requirements

1. License or certification as appraiser. An appraisal management company licensed or applying for or renewing a license under this chapter may not be owned in whole or in part, directly or indirectly, by a person that has had a license or certificate to act as an appraiser refused, denied, cancelled, revoked or surrendered in lieu of a pending revocation in any state for substantive cause. An appraisal management company is not ineligible for a license under this subsection if the person's license or certificate to act as an appraiser was not revoked for substantive cause and the person has subsequently had the license or certificate granted or reinstated.

2. Background. A person that owns more than 10% of an appraisal management company shall:

- A. Be of good moral character, as determined by the board; and
- B. Submit to a background investigation, as required by the board.

§14047. Controlling persons

1. Designation of controlling person. An appraisal management company applying to the board for a license or for renewal of a license shall designate one controlling person that will be the main contact for all communication between the board and the appraisal management company.

2. Requirements. A controlling person must:

- A. Be actively licensed or certified in at least one state as an appraiser at all times that the person is designated as a controlling person;
- B. Have never had a license or certificate to act as an appraiser refused, denied, cancelled, revoked or surrendered in lieu of a pending revocation for substantive cause in any state;
- C. Be of good moral character, as determined by the board; and
- D. Submit to a background investigation, as required by the board.

§14048. Employee requirements

An appraisal management company that is licensed or applies for a license or renewal of a license may not:

1. Ordering and reviewing of appraisal services. Knowingly employ any person in a position in which the person has the responsibility to order appraisal services or to review the results of a completed appraisal service who has had a license or certificate to act as an appraiser in this State or any other state refused, denied, cancelled, revoked or

surrendered in lieu of a pending revocation unless the license or certificate was subsequently granted or reinstated; and

2. **Independent contractor.** Knowingly enter into any independent contractor arrangement for the performance of appraisal services with a person who has had a license or certificate to act as an appraiser in this State or any other state refused, denied, cancelled, revoked or surrendered in lieu of a pending revocation unless the license or certificate was subsequently granted or reinstated.

§14049. Denial of license

In addition to the grounds enumerated in Title 10, section 8003, subsection 5-A, paragraph A, the board may deny a license, refuse to renew a license or impose the disciplinary sanctions authorized by Title 10, section 8003, subsection 5-A for:

1. **Lack of trustworthiness.** Lack of trustworthiness and competence to conduct appraisal management services in a manner that safeguards the interests of the public;

2. **Misconduct.** The commission of an act or omission in the practice of appraisal management services that constitutes dishonesty, fraud or misrepresentation with the intent to benefit the licensee or another person or with the intent to injure another person;

3. **Court judgment.** The entry of a final civil or criminal judgment against the licensee on grounds of fraud, misrepresentation or deceit in the provision of appraisal management services;

4. **Unauthorized payment.** Payment of a finder's fee or a referral fee to a person who does not have an appraiser license under chapter 124 in connection with appraisal management services;

5. **Misrepresentation of professional qualifications.** Permitting an employee of the licensee or a member of the licensee's appraisal panel to make a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications or in any testimony concerning professional qualifications;

6. **Predetermined appraisal result.** Accepting a fee for performing an appraisal service when, in fact, the fee is or was contingent upon the appraiser's reporting a predetermined analysis, opinion or conclusion or is or was contingent upon the analysis, opinion, conclusion or valuation reached or upon the consequences resulting from the appraisal assignment;

7. **Lack of diligence.** Failure or refusal, without good cause, to exercise reasonable diligence in providing appraisal management services;

8. **Negligence or incompetence.** Negligence or incompetence in performing appraisal management services;

9. **Breach of confidentiality.** A violation of the confidential nature of individual, business or governmental records to which a licensee or applicant gained access through employment or engagement as an appraisal management company;

10. Suspension or revocation of license. Having had a professional or occupational license suspended or revoked for disciplinary reasons or an application rejected for reasons related to untrustworthiness within 3 years prior to the date of application; and

11. Failure to meet professional qualifications; failure to submit complete application. Failure to meet the professional qualifications for licensure as provided in this chapter or failure to submit a complete application within 30 days after being notified of the materials needed to complete the application.

§14049-A. Appraiser panel

For the purpose of determining whether within a 12-month period an appraisal management company oversees an appraiser panel of more than 15 state-certified or state-licensed appraisers in a state or 25 or more certified or licensed appraisers in 2 or more states and therefor qualifies as an appraisal management company pursuant to this chapter, the following provisions apply.

1. Begin date. An appraiser is considered part of the appraisal management company's appraiser panel as of the earliest date on which the appraisal management company:

A. Accepts the appraiser for consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions; or

B. Engages the appraiser to perform one or more appraisals on behalf of a creditor for a covered transaction or secondary mortgage market participant in connection with covered transactions.

2. End date. An appraiser who is considered part of the appraisal management company's appraiser panel pursuant to subsection 1 is considered to remain on the panel until the date on which the appraisal management company:

A. Sends written notice to the appraiser removing the appraiser from the appraiser panel;

B. Receives written notice from the appraiser asking to be removed from the appraiser panel; or

C. Receives written notice of the death or incapacity of the appraiser.

3. Subsequent engagement after removal. If an appraiser is removed from an appraisal management company's appraiser panel pursuant to subsection 2, paragraph A or B, and the appraisal management company subsequently accepts the appraiser for consideration for future assignments or engages the appraiser at any time during the 12 months after the removal of the appraiser, the removal must be considered not to have occurred and the appraiser must be considered to have been part of the appraisal management company's appraiser panel without interruption.

4. Twelve-month period. The period for purposes of counting appraisers on an appraisal management company's appraiser panel may be the calendar year or a 12-month period established by rule by the board.

§14049-B. Appraiser engagement

Prior to placing an appraisal assignment with an appraiser on an appraiser panel, an appraisal management company shall verify that the appraiser receiving the appraisal assignment is licensed under chapter 124.

§14049-C. Appraisal review

An employee of or independent contractor to an appraisal management company who performs an appraisal review for real property located in this State must be licensed under chapter 124.

§14049-D. Appraisal management company operational and record-keeping requirements

1. Operational requirements. An appraisal management company shall:

A. Engage only certified or licensed appraisers for federally related transactions in conformity with federally related transaction regulations;

B. Establish and comply with processes and controls reasonably designed to ensure that the appraisal management company in engaging an appraiser selects an appraiser who is independent of the transaction and who has the requisite education, expertise and experience necessary to competently complete the appraisal assignment for the particular market and property type;

C. Direct an appraiser to perform an assignment in accordance with the Uniform Standards of Professional Appraisal Practice; and

D. Establish and comply with processes and controls reasonably designed to ensure that the appraisal management company conducts appraisal management services in accordance with the requirements of the Truth in Lending Act, 15 United States Code Section 1639e(a)-(i) and regulations adopted under that section.

2. Record keeping. An appraisal management company licensed or applying to be license or to renew a licensed in this State shall:

A. Certify to the board on a form prescribed by the board that the appraisal management company maintains a detailed record of each service request that the appraisal management company receives for appraisals of real property located in this State; and

B. Retain for at least 5 years, or at least 2 years after final disposition of any related judicial proceeding, all business records relating to each request for an appraisal service that the appraisal management company has received and the appraiser who performs the appraisal service for the appraisal management company.

An appraisal management company licensed under this chapter shall make all records required to be maintained by the appraisal management company available for inspection by the board upon reasonable notice to the appraisal management company.

§14049-E. Compensation of appraisers

An appraisal management company shall compensate appraisers in accordance with the appraisal independence standards established under the federal Truth in Lending Act, 15 United States Code, Section 1639e (2016) and its implementing regulations, 12 Code of Federal Regulations, Section 1026.42 (2016). Except in cases of breach of contract or substandard performance of an appraisal service, an appraisal management company shall make payment to an appraiser for the completion of an appraisal service within 45 days of the date on which the appraiser transmits or otherwise provides the results of the completed appraisal service to the appraisal management company.

§14049-F. Statement of fees

When reporting fees to a client, an appraisal management company shall separately indicate the fees paid to an appraiser for the completion of an appraisal service and the fees charged by the appraisal management company to the client for appraisal management services.

§14049-G. Prohibited practices

1. Prohibitions. An appraisal management company licensed under this chapter or an employee, director, officer or agent of an appraisal management company licensed under this chapter may not:

A. Cause or attempt to cause the results of an appraisal service to be based on any factor other than the independent judgment of the appraiser;

B. Seek to influence an appraiser or to otherwise encourage a targeted value in order to facilitate the making or pricing of a consumer credit transaction;

C. Modify or otherwise change the results of a completed appraisal service that have been submitted by an appraiser to the appraisal management company by:

(1) Altering or removing the signature or seal of the appraiser; or

(2) Adding information to, removing information from or changing information contained in the results of the completed appraisal service, including any disclosure authorized by this chapter submitted by an appraiser in or with the appraisal report;

D. Condition a request for the performance of an appraisal service or the payment of an appraisal fee, salary or bonus on the opinion, conclusion or valuation to be reached or on a preliminary estimate or opinion requested from an appraiser;

E. Request that an appraiser provide an estimated, predetermined or desired valuation in an appraisal report or provide estimated values or comparable sales at any time before the completion of an appraisal by an appraiser;

F. Provide to an appraiser an anticipated, estimated, encouraged or desired value for a subject property or a proposed or target amount to be loaned to a borrower, except that a copy of the sales contract for a purchase transaction may be provided;

G. Make any part of a fee paid to the appraiser or a fee paid by the appraisal management company contingent on a favorable outcome, including a loan closing or a specific valuation being achieved by the appraiser in the appraisal report;

H. Withhold or threaten to withhold timely payment for the completion of an appraisal assignment when the appraisal services that are the subject of the appraisal assignment are provided in accordance with a contract or other agreement between the parties;

I. Seek to influence an appraiser by withholding or threatening to withhold future business from an appraiser;

J. Seek to influence an appraiser by demoting or terminating or threatening to demote or terminate an appraiser;

K. Seek to influence an appraiser by expressly or impliedly promising future business, promotions or increased compensation for an appraiser;

L. Provide to an appraiser, or any person related to an appraiser, stock or other financial or nonfinancial benefits;

M. Allow the removal of an appraiser from an appraiser panel without prior written notice to the appraiser;

N. Obtain, use or pay for a second or subsequent appraisal or order an automated valuation model in connection with a mortgage financing transaction unless:

(1) There is a reasonable basis to believe that the initial appraisal was flawed or tainted and that basis is clearly and appropriately noted in the loan file;

(2) The subsequent appraisal or automated valuation model is done under a bona fide prefunding or postfunding appraisal review or quality control process; or

(3) The subsequent appraisal or automated valuation model is otherwise required or permitted by federal or state law;

O. Prohibit legal communication between an appraiser and a lender, real estate license holder or any other person from whom the appraiser believes information would be relevant;

P. Refuse to accept the results of a completed appraisal service by more than one appraiser if an appraiser provides substantial assistance to another appraiser in the preparation of the report, unless the appraisal assignment names an individual appraiser or the statement of work requires an unassisted report; or

Q. Require an appraiser to:

(1) Complete an appraisal service if the appraiser determines the appraiser does not have the necessary expertise for the specific geographic area, the appraiser has notified the company of that determination and the appraiser has declined the assignment;

(2) Prepare an appraisal report under a schedule that the appraiser believes does not afford the appraiser the ability to meet all the relevant legal and professional

obligations if the appraiser has notified the company of that belief and has declined the assignment;

(3) Provide the appraisal management company with the digital signature or seal of the appraiser;

(4) Modify any aspect of an appraisal report without the agreement of the appraiser that the modification is appropriate;

(5) Engage in any act or practice that does not comply with the Uniform Standards of Professional Appraisal Practice;

(6) Engage in any act or practice that does not comply with any assignment conditions and certifications required by a client;

(7) Engage in any act or practice that impairs or attempts to impair the independence, objectivity or impartiality of an appraiser;

(8) Enter into an agreement to not serve on the appraiser panel of another appraisal management company;

(9) Indemnify or hold harmless the appraisal management company against liability except liability for errors and omissions by the appraiser; or

(10) Pay a fee imposed on the appraisal management company by the federal appraisal subcommittee.

2. Construction. Nothing in subsection 1 may be construed to prohibit:

A. An appraiser from reimbursing an appraisal management company for the actual cost of discretionary services provided to the appraiser;

B. An appraiser from voluntarily providing the appraiser's digital signature or seal to an appraisal management company;

C. An appraisal management company from asking an appraiser, after an appraisal report is delivered, to:

(1) Consider additional appropriate property information, including the consideration of additional comparable properties to make or support an appraisal;

(2) Provide further detail, substantiation or explanation of the appraiser's conclusion regarding values; or

(3) Correct errors in the appraisal report;

D. An appraisal management company from requiring an appraiser to provide advance notice of and an opportunity for the appraisal management company to participate in any legal communications between the appraiser and a lender; or

E. An appraisal management company from providing to an appraiser a copy of an executed contract for a purchase transaction.

§14049-H. Mandatory reporting

An appraisal management company that has a reasonable basis to believe an appraiser is failing to comply with the Uniform Standards of Professional Appraisal Practice in a manner that materially affects the conclusion of value contained in an appraisal report, is violating applicable laws or is otherwise engaging in unethical or unprofessional conduct shall refer the matter to the board.

§14049-I. Appraiser panel management

Except within the first 30 days after an appraiser is added to an appraiser panel, an appraisal management company may not remove an appraiser from its appraiser panel or otherwise refuse to assign requests for real estate appraisal services to an appraiser without notifying the appraiser in writing and identifying the reasons why the appraiser is being removed from the appraiser panel and providing an opportunity for the appraiser to respond to the notification.

§14049-J. Board powers

The board may:

1. Rule making. Adopt rules necessary to implement, administer and enforce the provisions of this chapter. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A;

2. Applications. Review and approve or deny an appraisal management company's application for initial licensure pursuant to Title 10, section 8003;

3. Renewals. Review and renew or refuse to renew an appraisal management company's license pursuant to Title 10, section 8003;

4. Books and records. Examine the books and records of an appraisal management company operating in the State and require the appraisal management company to submit reports, information and documents to the board;

5. Valid certifications. Verify that an appraiser on an appraiser panel holds a valid state certification or license, as applicable;

6. Investigations. Conduct investigations pursuant to Title 10, chapter 901 of appraisal management companies to assess potential violations of this chapter, rules adopted pursuant to this chapter or orders issued pursuant to this chapter;

7. Discipline. Discipline an appraisal management company or suspend, terminate or refuse to renew the license of an appraisal management company that violates this chapter, a rule adopted pursuant to this chapter or an order issued pursuant to this chapter pursuant to Title 10, section 8003, except that the board may impose a civil penalty of up to \$5,000 for each violation of applicable laws, rules or conditions of licensure or for each instance of actionable conduct or activity; and

8. Report to federal appraisal subcommittee. Report to the federal appraisal subcommittee an appraisal management company's violation of this chapter, a rule adopted pursuant to this chapter or an order issued pursuant to this chapter, as well as disciplinary and enforcement actions and other relevant information about an appraisal management company's operations.

§14049-K. Repeal; board report

1. Repeal. This chapter is repealed on March 15, 2018.

2. Report. The board shall submit a report to the joint standing committee of the Legislature having jurisdiction over business matters by January 1, 2018 indicating whether Section 1124 of the federal Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) has been repealed or substantially amended by federal legislation. The committee may report out a bill to the Legislature related to the report.