

Deregulation: Another word for reregulation

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This is the age of deregulation. At least that is what we are led to believe when we read the newspapers.

I would like to focus on three areas of reform.

1. On the federal level the new Model Regulations for Implementation of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act)
2. Possible changes at the State and local level
3. Future reregulation at the federal level

The development of government-wide model regulation

In May 1982 the Office of Management and Budget (OMB) picked the Uniform Relocation Act (URA) for the Reagan Administration's first attempt to reduce federal regulations which are primarily imposed on state and local governments. Twenty-two federal agencies had regulations implementing the URA and while they all were based on the

same law, the similarity ended there. The nonuniformity of regulations often resulted in different levels of entitlements and difficulty in administering numerous regulations, particularly at the local level.

The Office of Management and Budget formed a committee known as the Interagency Working Group composed of the five federal agencies which had the greatest utilization of the URA law. The federal agencies included: HUD, the Departments of Transportation and Interior, Corps of Engineers and the Environmental Protection Agency. The objective was to develop a single government-wide regulation implementing the existing Uniform Relocation Act. The regulations also needed to be flexible to match the proposed amendments to the Uniform Relocation Act which were being addressed concurrently by the U.S. Senate and House of Representatives.

After nearly one year of "cutting and pasting," a consensus was reached and a draft of the Model Regulations was published in the Federal Register on April 14, 1983. One hundred thirty-one submissions were received from various federal, state and local agencies as well as private citizens suggesting changes and improvements.

The interagency working group spent another two years "cutting and pasting" the comments of the draft model regulations in an attempt to arrive at a consensus regulation which all agencies could use.

The OMB has estimated that the model government-wide regulations will save the state annually \$14 million.

Implementation

In March 1985 the U.S. Department of Transportation became the first agency to implement the new regulations. By Executive Order of President Reagan, all other federal agencies had until February 27, 1986 to adopt and implement the new regulations. Once fully adopted, the government-wide regulations will be implemented on all federal or federally funded projects. The new regulations must be complied with by state and local governments in the appraisal and acquisition of real property and in the displacement of individuals, families and businesses on all projects which involve federal funds.

The OMB has estimated that the model government-wide regulations will save the state annually \$14 million. The model regulations also will save substantial federal administrative costs. Most importantly, the model regulations call for substantial administrative discretion and allow state and local governments flexibility in the implementation of these programs — a true business-like approach.

Perhaps it would be possible for the definition of appraisal, which for the first time appears in regulation, to become a model for other regulation writers. The definition of appraisal as it appears in 49CFR25.103 is:

a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of definite value of an ade-

quately described property as of a specified date supported by the presentation and analysis of relevant market information.

Legislative update

As if all these changes weren't enough. New legislation relating to government land acquisition programs is being considered in the U.S. Congress.

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 901-646) has not been amended since its passage. Over the years, there has been considerable effort to adopt various amendments which would expand benefits, increase coverage, and provide greater control to state and local governments and streamline regulatory requirements.

Passage of these amendments has been a slow process. The U.S. Senate has unanimously approved the bill on three occasions, the latest being in July 1985 with the passage of SB 249. The House of Representatives (HR 3129) is expected to pass their version of the amendments soon, with the adoption of a compromise by both the House and Senate very likely before adjournment this session.

In addition to increasing economic benefits to displaced persons in businesses, some of the changes proposed in that legislation were intended to increase flexibility of state and local agencies in their administration of the relocation assistance program. The changes that provided flexibility include:

1. Establishment of a single lead agency at the federal level to promulgate regulations which all other federal agencies will adhere to. (The model government-wide regulations now being implemented will be significantly utilized by the lead agency.)
2. Certification process whereby a state agency can certify compliance with the federal law and regulations adopted by the lead agency through its own state law and regulations. Federal monitoring of compliance is still provided, but it does provide for uniformity based on state and local needs.

The goal of these new deregulations "is to expedite acquisition by agree-

ment, minimize litigation, promote public confidence in public agency land acquisition programs and lastly to provide fair, consistent and equitable treatment of displaced persons." As far as specific changes to the regulations go, they are far too extensive to be discussed in a brief article. However, I would like to relate a few significant changes that are occurring in other segments of government.

One important change relates to appraisal format and content. The requirements are spelled out in a more general way, allowing state and local agencies additional leeway in establishing standards so long as they are consistent with nationally recognized standards.

At the same time proposed regulation of appraisers are being discussed in several states across the country.

For example in California several bills have been introduced to regulate the

appraiser profession. None of these bills to date have passed. Recently publicized financial problems in the mortgage lending industry have focused attention on the accuracy of real estate appraisals. Recognizing some concern in appraisal practice it can be anticipated that in California as well as in other states the time to require more specific appraisal content has arrived. At a recent committee hearing in California several appraisers, mortgage lenders and public officials testified as to the need for a specific appraisal content to be established in law or regulation.

Conclusion

Where is all this leading — deregulation, more regulation, increased delegation or more oversight. The answer is all of the above. And, hopefully, in the end the public good will be served.

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