

(PRE-FILED)

By: **Chairman, Economic Matters Committee (Departmental - Labor,
Licensing and Regulation)**

Requested: November 15, 1999

Introduced and read first time: January 12, 2000

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: February 22, 2000

CHAPTER 571

1 AN ACT concerning

2 **State Commission of Real Estate Appraisers - Real Estate Appraiser**
3 **Trainees - Creation of License**

4 FOR the purpose of creating a real estate appraiser trainee license under the State
5 Commission of Real Estate Appraisers; providing for the qualifications that an
6 individual must satisfy to obtain a real estate appraiser trainee license;
7 requiring an applicant for a real estate appraiser trainee license to satisfy
8 certain requirements; authorizing a licensed real estate trainee to provide real
9 estate appraisal services under the supervision of a supervising appraiser;
10 requiring a supervising appraiser to perform certain duties; requiring a licensed
11 real estate appraiser trainee to perform certain duties; providing for the renewal
12 of a real estate appraiser trainee license; defining certain terms; and generally
13 relating to providing real estate appraisal services.

14 BY repealing and reenacting, with amendments,
15 Article - Business Occupations and Professions
16 Section 16-101
17 Annotated Code of Maryland
18 (1995 Replacement Volume and 1999 Supplement)

19 BY adding to
20 Article - Business Occupations and Professions
21 Section 16-5A-01 through 16-5A-04, inclusive, to be under the new subtitle
22 "Subtitle 5A. Real Estate Appraiser Trainees"
23 Annotated Code of Maryland

1 (1995 Replacement Volume and 1999 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
3 MARYLAND, That the Laws of Maryland read as follows:

4 **Article - Business Occupations and Professions**

5 16-101.

6 (a) In this title the following words have the meanings indicated.

7 (b) (1) "Appraisal" means an analysis, conclusion, or opinion about the
8 nature, quality, utility, or value of interests in or aspects of identified real estate.

9 (2) "Appraisal" includes:

10 (i) a valuation appraisal;

11 (ii) an analysis assignment; and

12 (iii) a review assignment.

13 (3) "Appraisal" does not include an opinion to a potential seller or third
14 party by a person licensed under Title 17 of this article about the recommended
15 listing price or recommended purchase price of real estate, provided that the opinion
16 is not referred to as an appraisal.

17 (c) "Appraisal report" means any communication, oral or written, of an
18 appraisal.

19 (d) (1) "Certificate" means, unless the context requires otherwise, a
20 certificate issued by the Commission that allows an individual to provide certified
21 real estate appraisal services.

22 (2) "Certificate" includes, unless the context requires otherwise, each of
23 the following certificates:

24 (i) a certificate to provide certified real estate appraisal services
25 for general real estate; and

26 (ii) a certificate to provide certified real estate appraisal services
27 for residential real estate.

28 (e) "Certified appraisal report" means an appraisal report prepared and
29 signed by a certified real estate appraiser.

30 (f) (1) "Certified real estate appraiser" means, unless the context requires
31 otherwise, an individual who is certified by the Commission to provide certified real
32 estate appraisal services.

33 (2) "Certified real estate appraiser" includes:

1 (i) a certified real estate appraiser for general real estate; and

2 (ii) a certified real estate appraiser for residential real estate.

3 (g) "Commission" means the State Commission of Real Estate Appraisers.

4 (h) "License" means, unless the context requires otherwise, a license issued by
5 the Commission to provide real estate appraisal services.

6 (i) "Licensed real estate appraiser" means an individual who is licensed by
7 the Commission to provide real estate appraisal services.

8 (j) "Provide certified real estate appraisal services" means to provide real
9 estate appraisal services as a certified real estate appraiser.

10 (k) "Provide real estate appraisal services" means to make for consideration
11 an appraisal of real estate or prepare or sign an appraisal report in connection with a
12 federally related transaction, as defined in the federal Financial Institutions Reform,
13 Recovery, and Enforcement Act of 1989.

14 (l) (1) "Real estate" means any interest in real property that is located in
15 the State or elsewhere.

16 (2) "Real estate" includes:

17 (i) an interest in a condominium; and

18 (ii) a time-share estate or a time-share license, as those terms are
19 defined in § 11A-101 of the Real Property Article.

20 (M) "REAL ESTATE APPRAISER TRAINEE" MEANS AN INDIVIDUAL WHO IS
21 LICENSED BY THE COMMISSION TO PROVIDE REAL ESTATE APPRAISAL SERVICES
22 WHILE:

23 (1) UNDER THE SUPERVISION OF A SUPERVISING APPRAISER; AND

24 (2) IN TRAINING TO BECOME A LICENSED REAL ESTATE APPRAISER OR
25 CERTIFIED REAL ESTATE APPRAISER.

26 (N) "SUPERVISING APPRAISER" MEANS A LICENSED REAL ESTATE APPRAISER
27 OR A CERTIFIED REAL ESTATE APPRAISER WHO HAS THE RESPONSIBILITY OF
28 SUPERVISING ONE OR MORE REAL ESTATE APPRAISER TRAINEES.

29 (O) (1) "SUPERVISION" MEANS THE RESPONSIBILITY OF A SUPERVISING
30 APPRAISER TO PROVIDE ON-SITE DIRECTION OR IMMEDIATELY AVAILABLE
31 DIRECTION, THROUGH WRITTEN INSTRUCTIONS OR BY ELECTRONIC MEANS, TO
32 REAL ESTATE APPRAISER TRAINEES PERFORMING REAL ESTATE APPRAISAL
33 SERVICES.

34 (2) "SUPERVISION" INCLUDES A SUPERVISING APPRAISER ACCEPTING
35 DIRECT RESPONSIBILITY FOR A REAL ESTATE APPRAISAL PREPARED BY THE REAL

1 ESTATE APPRAISER TRAINEE WHILE THE TRAINEE IS UNDER THE SUPERVISING
2 APPRAISER'S DIRECTION ON A SPECIFIC APPRAISAL ASSIGNMENT.

3 SUBTITLE 5A. REAL ESTATE APPRAISER TRAINEES.

4 16-5A-01.

5 (A) TO QUALIFY FOR A REAL ESTATE APPRAISER TRAINEE LICENSE, AN
6 APPLICANT SHALL MEET THE REQUIREMENTS SET BY THE COMMISSION.

7 (B) AN APPLICANT FOR A REAL ESTATE APPRAISER TRAINEE LICENSE SHALL:

8 (1) SUBMIT AN APPLICATION TO THE COMMISSION ON THE FORM THAT
9 THE COMMISSION REQUIRES;

10 (2) BE OF GOOD CHARACTER AND REPUTATION;

11 (3) BE AT LEAST 18 YEARS OLD;

12 (4) PROVIDE EVIDENCE, AS REQUIRED BY THE COMMISSION, THAT THE
13 APPLICANT HAS SUCCESSFULLY COMPLETED 75 TESTED HOURS OF
14 COMMISSION-APPROVED REAL ESTATE APPRAISAL COURSES OF WHICH 15 HOURS
15 SHALL BE CLASSROOM HOURS IN THE SUBJECT OF THE UNIFORM STANDARDS OF
16 PROFESSIONAL APPRAISAL PRACTICE; AND

17 (5) PAY TO THE COMMISSION AN APPLICATION FEE ESTABLISHED BY
18 THE COMMISSION.

19 (C) (1) IF AN APPLICANT IS NOT A RESIDENT OF THE STATE, THE APPLICANT
20 SHALL SUBMIT TO THE COMMISSION AN IRREVOCABLE CONSENT AS PROVIDED
21 UNDER THIS SUBSECTION.

22 (2) THE CONSENT REQUIRED UNDER THIS SUBSECTION SHALL SPECIFY
23 THAT SERVICE OF PROCESS ON THE SECRETARY SHALL BIND THE APPLICANT IN ANY
24 ACTION ABOUT THE PROVISION OF REAL ESTATE APPRAISAL SERVICES BROUGHT
25 AGAINST THE APPLICANT IN ANY COUNTY OF THE STATE.

26 16-5A-02.

27 WHILE A REAL ESTATE APPRAISER TRAINEE LICENSE IS IN EFFECT, IT
28 AUTHORIZES THE LICENSEE, WHILE UNDER THE DIRECTION AND SUPERVISION OF A
29 SUPERVISING APPRAISER, TO PROVIDE REAL ESTATE APPRAISAL SERVICES AS
30 PROVIDED UNDER § 16-307 OF THIS TITLE.

31 16-5A-03.

32 (A) A SUPERVISING APPRAISER SHALL:

1 (1) REVIEW, SIGN, AND CERTIFY THAT THE REAL ESTATE TRAINEE'S
2 APPRAISAL REPORT COMPLIES WITH THE UNIFORM STANDARDS OF PROFESSIONAL
3 APPRAISAL PRACTICE;

4 (2) PHYSICALLY INSPECT EACH APPRAISED PROPERTY WITH THE REAL
5 ESTATE APPRAISER TRAINEE UNTIL THE SUPERVISING APPRAISER DETERMINES
6 THAT THE REAL ESTATE APPRAISER TRAINEE IS COMPETENT IN ACCORDANCE WITH
7 PARAGRAPH (3) OF THIS SUBSECTION;

8 (3) DETERMINE THAT THE REAL ESTATE APPRAISER TRAINEE MEETS
9 THE COMPETENCY REQUIREMENTS OF THE UNIFORM STANDARDS OF
10 PROFESSIONAL APPRAISAL PRACTICE;

11 (4) AT LEAST ONCE A MONTH, SIGN AND AFFIX THE SUPERVISING
12 APPRAISER'S LICENSE OR CERTIFICATION NUMBER TO THE REAL ESTATE APPRAISER
13 TRAINEE'S EXPERIENCE LOG;

14 (5) ENSURE THAT THE TASKS ASSIGNED A REAL ESTATE APPRAISER
15 TRAINEE WILL, OVER TIME, PROVIDE THE FULL RANGE OF EXPERIENCE REQUIRED
16 BY THE COMMISSION;

17 (6) PROVIDE THE REAL ESTATE APPRAISER TRAINEE WITH A COPY OF
18 ALL APPRAISAL REPORTS PREPARED BY THE REAL ESTATE APPRAISER TRAINEE
19 THAT THE COMMISSION REQUESTS FOR REVIEW; AND

20 (7) KEEP COPIES OF APPRAISAL REPORTS PREPARED BY THE REAL
21 ESTATE APPRAISER TRAINEE FOR THE LATER OF:

22 (I) 5 YEARS; OR

23 (II) 5 YEARS AFTER FINAL DISPOSITION OF ANY JUDICIAL
24 PROCEEDING IN WHICH TESTIMONY WAS GIVEN.

25 (B) A REAL ESTATE APPRAISER TRAINEE SHALL:

26 (1) KEEP SEPARATE EXPERIENCE LOGS FOR EACH SUPERVISING
27 APPRAISER;

28 (2) SIGN APPRAISAL REPORTS THAT THE REAL ESTATE APPRAISER
29 TRAINEE PREPARES; AND

30 (3) UPON REQUEST, PROVIDE EXPERIENCE LOGS TO THE COMMISSION.

31 (C) A REAL ESTATE APPRAISER TRAINEE MAY HAVE MORE THAN ONE
32 SUPERVISING APPRAISER.

33 (D) A REAL ESTATE APPRAISER TRAINEE MAY OBTAIN COPIES OF APPRAISAL
34 REPORTS WHICH WERE PREPARED BY THAT TRAINEE FROM THE SUPERVISING
35 APPRAISER.

1 (E) AN APPRAISER TRAINEE IS SUBJECT TO THE UNIFORM STANDARDS OF
2 PROFESSIONAL APPRAISAL PRACTICE.

3 16-5A-04.

4 (A) UNLESS A REAL ESTATE APPRAISER TRAINEE LICENSE IS RENEWED
5 UNDER THIS SECTION, THE LICENSE EXPIRES 3 YEARS AFTER THE EFFECTIVE DATE
6 OF THE LICENSE.

7 (B) (1) BEFORE A REAL ESTATE APPRAISER TRAINEE LICENSE EXPIRES, THE
8 LICENSEE MAY RENEW THE LICENSE FOR ONE ADDITIONAL 3-YEAR TERM IF THE
9 LICENSEE:

10 (I) IS OTHERWISE ENTITLED TO BE LICENSED;

11 (II) PAYS TO THE COMMISSION A RENEWAL FEE OF \$75; AND

12 (III) SUBMITS TO THE COMMISSION:

13 1. A RENEWAL APPLICATION ON THE FORM THAT THE
14 COMMISSION REQUIRES; AND

15 2. ADEQUATE EVIDENCE THAT THE LICENSEE MEETS THE
16 MINIMUM CONTINUING EDUCATION REQUIREMENTS ESTABLISHED UNDER THE
17 FEDERAL FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT
18 OF 1989.

19 (2) AT LEAST 1 MONTH BEFORE A REAL ESTATE APPRAISER TRAINEE
20 LICENSE EXPIRES, THE COMMISSION SHALL MAIL TO THE LICENSEE, AT THE LAST
21 KNOWN ADDRESS OF THE LICENSEE:

22 (I) A RENEWAL APPLICATION FORM; AND

23 (II) A NOTICE THAT STATES:

24 1. THE DATE ON WHICH THE CURRENT LICENSE EXPIRES;

25 2. THE DATE BY WHICH THE COMMISSION MUST RECEIVE
26 THE RENEWAL APPLICATION FOR THE RENEWAL TO BE ISSUED AND MAILED BEFORE
27 THE LICENSE EXPIRES; AND

28 3. THE AMOUNT OF THE RENEWAL FEE.

29 (3) THE FAILURE OF A LICENSEE TO RECEIVE THE NOTICE UNDER THIS
30 SUBSECTION DOES NOT PREVENT THE LICENSE FROM EXPIRING AS SPECIFIED
31 UNDER SUBSECTION (A) OF THIS SECTION.

32 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
33 October 1, 2000.

