

SENATE BILL 187

C2

2lr0571
CF HB 341

By: **Chair, Finance Committee**

Introduced and read first time: January 20, 2012

Assigned to: Finance

Committee Report: Favorable

Senate action: Adopted

Read second time: February 7, 2012

CHAPTER _____

1 AN ACT concerning

2 **State Commission of Real Estate Appraisers and Home Inspectors – Sunset**
3 **Extension and Program Evaluation**

4 FOR the purpose of continuing the State Commission of Real Estate Appraisers and
5 Home Inspectors in accordance with the provisions of the Maryland Program
6 Evaluation Act (sunset law) by extending to a certain date the termination
7 provisions relating to the statutory and regulatory authority of the Commission;
8 requiring that an evaluation of the Commission be performed on or before a
9 certain date; requiring the Commission to submit a certain report to certain
10 committees of the General Assembly on or before a certain date; repealing a
11 requirement for the Commission to submit a certain report to certain
12 committees of the General Assembly on or before a certain date; renaming the
13 Commission; making conforming changes; and generally relating to the State
14 Commission of Real Estate Appraisers and Home Inspectors.

15 BY repealing and reenacting, with amendments,
16 Article – Business Occupations and Professions
17 Section 16–101(g) to be under the amended title “Title 16. Real Estate
18 Appraisers, Appraisal Management Companies, and Home Inspectors”;
19 16–201 and 16–217(c)(2) to be under the amended subtitle “Subtitle 2.
20 State Commission of Real Estate Appraisers, Appraisal Management
21 Companies, and Home Inspectors”; and 16–801 and 16–802
22 Annotated Code of Maryland
23 (2010 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 BY repealing and reenacting, with amendments,
2 Article – Business Regulation
3 Section 2–106.7(a) and (b)(1), 2–106.8(a), and 2–108(a)(25)
4 Annotated Code of Maryland
5 (2010 Replacement Volume and 2011 Supplement)

6 BY repealing and reenacting, without amendments,
7 Article – State Government
8 Section 8–403(a)
9 Annotated Code of Maryland
10 (2009 Replacement Volume and 2011 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – State Government
13 Section 8–403(b)(59)
14 Annotated Code of Maryland
15 (2009 Replacement Volume and 2011 Supplement)

16 BY repealing
17 Chapter 470 of the Acts of the General Assembly of 2001
18 Section 3

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

21 **Article – Business Occupations and Professions**

22 Title 16. Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and
23 Home Inspectors.

24 16–101.

25 (g) “Commission” means the State Commission of Real Estate Appraisers,
26 **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors.

27 Subtitle 2. State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT**
28 **COMPANIES**, and Home Inspectors.

29 16–201.

30 There is a State Commission of Real Estate Appraisers, **APPRAISAL**
31 **MANAGEMENT COMPANIES**, and Home Inspectors in the Department.

32 16–217.

1 (c) (2) The Comptroller shall distribute the fees to the State Commission
2 of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home
3 Inspectors Fund established in § 2–106.7 of the Business Regulation Article.

4 16–801.

5 This title may be cited as the “Maryland Real Estate Appraisers, **APPRAISAL**
6 **MANAGEMENT COMPANIES**, and Home Inspectors Act”.

7 16–802.

8 Subject to the evaluation and reestablishment provisions of the Maryland
9 Program Evaluation Act, this title and all regulations adopted under this title shall
10 terminate and be of no effect after July 1, [2013] **2023**.

11 **Article – Business Regulation**

12 2–106.7.

13 (a) (1) In this section the following words have the meanings indicated.

14 (2) “Commission” means the State Commission of Real Estate
15 Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors.

16 (3) “Fund” means the State Commission of Real Estate Appraisers,
17 **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors Fund.

18 (b) (1) There is a State Commission of Real Estate Appraisers,
19 **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors Fund in the
20 Department.

21 2–106.8.

22 (a) In this section, “Commission” means the State Commission of Real Estate
23 Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors.

24 2–108.

25 (a) The following units are in the Department:

26 (25) the State Commission of Real Estate Appraisers, **APPRAISAL**
27 **MANAGEMENT COMPANIES**, and Home Inspectors.

28 **Article – State Government**

29 8–403.

1 (a) On or before December 15 of the 2nd year before the evaluation date of a
 2 governmental activity or unit, the Legislative Policy Committee, based on a
 3 preliminary evaluation, may waive as unnecessary the evaluation required under this
 4 section.

5 (b) Except as otherwise provided in subsection (a) of this section, on or before
 6 the evaluation date for the following governmental activities or units, an evaluation
 7 shall be made of the following governmental activities or units and the statutes and
 8 regulations that relate to the governmental activities or units:

9 (59) Real Estate Appraisers, **APPRAISAL MANAGEMENT**
 10 **COMPANIES**, and Home Inspectors, State Commission of (§ 16–201 of the Business
 11 Occupations and Professions Article: July 1, [2012] **2022**);

12 **Chapter 470 of the Acts of 2001**

13 [SECTION 3. AND BE IT FURTHER ENACTED, That the Department of
 14 Labor, Licensing, and Regulation shall report to the Senate Finance Committee and
 15 the House Economic Matters Committee on or before December 1, 2002, in accordance
 16 with § 2–1246 of the State Government Article, on the impact of incorporating a
 17 licensing authority for home inspectors into the State Commission of Real Estate
 18 Appraisers. The report shall include:

19 (1) an evaluation of the ability of the Commission to operate separate
 20 regulatory schemes and hearing boards for home inspectors and real estate appraisers;

21 (2) a summary of the number of home inspector licenses issued and
 22 the number of complaints received against home inspectors; and

23 (3) the appropriateness of the current licensing fee for home
 24 inspectors.]

25 SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1,
 26 2013, the State Commission of Real Estate Appraisers, Appraisal Management
 27 Companies, and Home Inspectors shall report to the Senate Finance Committee and
 28 the House Economic Matters Committee, in accordance with § 2–1246 of the State
 29 Government Article, on the following:

30 (1) the extent to which the creation of an appraisal technical review
 31 panel has assisted in the satisfactory resolution of appraiser complaints, including:

32 (i) the percentage of complaints that are resolved within 1 year
 33 for complaints received in fiscal years 2012 and 2013;

34 (ii) the number of complaints that are not resolved within 1
 35 year, and the date that each unresolved complaint was received;

1 (iii) the average amount expended by the technical review panel
2 to complete each technical review in fiscal years 2012 and 2013; and

3 (iv) an estimate of the additional funding necessary, if any, for
4 the technical review panel to conduct reviews of any remaining complaints that have
5 not been resolved within 1 year;

6 (2) the methodology used to establish the Commission's fee schedules
7 for each profession, including:

8 (i) the direct and indirect costs attributable to the
9 Commission's activities regarding regulation of:

- 10 1. real estate appraisers;
- 11 2. appraisal management companies; and
- 12 3. home inspectors; and

13 (ii) an evaluation of whether the fees established for each
14 profession or industry have been appropriately set so as to produce funds to
15 approximate the cost of regulating each profession or industry as required by §
16 2-106.8 of the Business Regulation Article; and

17 (3) any reciprocal licensing agreements that the Commission has
18 established with other state real estate appraiser licensing or certification bodies,
19 including:

20 (i) an evaluation of the licensing standards of any jurisdiction
21 that had been a party to a prior reciprocal licensing agreement, and any steps taken
22 by such jurisdictions to enhance licensing standards necessary to reestablish a
23 reciprocal licensing agreement with the Commission;

24 (ii) a statement regarding the reason that a reciprocal licensing
25 agreement cannot be established with a jurisdiction that had previously been a party
26 to a prior agreement;

27 (iii) the methods the Commission will undertake to monitor
28 future changes in the standards of other jurisdictions for purposes of establishing
29 reciprocal licensing agreements; and

30 (iv) any additional measures that the Commission intends to
31 take toward the goal of establishing reciprocal licensing agreements with other
32 jurisdictions.

1 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 July 1, 2012.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.