

SB0209_MD Labor_Support - Commission of Real Estat

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MARYLAND DEPARTMENT OF LABOR TESTIMONY ON SB0209

Committee: Senate Finance Committee
Date: 1/22/25
Bill: **SB0209-Business Occupations and Professions - Real Estate Appraisers, Appraisal Management, Companies, and Home Inspectors - Sunset Extension**

MDL POSITION: Support

The bill will extend the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors (Commission) by 5 years. The Commission is scheduled to terminate by operation of law on July 1, 2026 and this legislation would extend the termination date to July 1, 2031. The bill also requires the Maryland Department of Labor (MD Labor) to submit a report to the Joint Audit and Evaluation Committee (JAEC) with information about the Board activities prior to its next sunset extension request to the legislature.

The Commission has been subject to prior sunset extensions since its creation in 1990, and most recently, in 2023. The Commission receives approximately 110 complaints per year against its over 3700 licensees. Complaints are processed immediately upon receiving them and are typically closed within 120 days. Currently, there are a total of 21 open complaints against licensees. The Commission processes approximately 1500 total licensing applications per year. As with complaints, applications are processed immediately without delay, typically issued within 3-5 days.

Additionally, the Commission has been proactive in addressing concerns of bias within the Maryland Real Estate Appraiser community. As a result of action taken by the Commission, all real estate appraisers in the State are now required to complete racial bias training as part of their continuing education before renewing their licenses. The Commission has also established a memorandum of understanding with the Maryland Commission for Civil Rights (MCCR) to handle complaints related to racial bias against appraisers. Furthermore, the Commission has removed the requirement for a four-year college degree to become a Certified Appraiser, expanding opportunities in the field. Finally, the University of Baltimore is currently conducting an independent evaluation of the Commission's practices to ensure compliance with all statutory requirements and to offer recommendations for potential improvements. The results of this independent evaluation will be shared with the legislature.

This Commission serves to protect Maryland citizens who are licensed to provide real estate appraisal or home inspection services for their livelihood, protect prospective purchasers and sellers of real property, protect lenders who rely on such services in related transactions, and comply with federal law requiring that all states implement an appraisal licensing program in accordance with federal requirements.

Allowing this licensing program to lapse would have a negative impact on the State, including halting real estate transactions in the state, potentially causing serious impacts to the Maryland state economy. Furthermore, the elimination or lapse of the Commission would severely inhibit the ability of hundreds if not thousands of Maryland citizens to continue working in their profession who depend on providing appraisal and home inspection services, real estate brokering, mortgage lending, and home improvement services for their livelihood.

The Department respectfully requests the Committee consider a Favorable Report on SB0209.

For questions, please contact Andrew Fulginiti, at Andrew.Fulginiti@maryland.gov