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

Introduced and read first time: February 2, 1996

Assigned to: Economic Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Real Estate Appraisers - Code of Ethics**

3 FOR the purpose of adopting the Uniform Standards of Professional Appraisal Practice  
4 (USPAP) of the Appraisal Foundation as the standard of conduct for all licensed or  
5 certified real estate appraisers; and generally relating to real estate appraisers.

6 BY repealing and reenacting, with amendments,  
7 Article - Business Occupations and Professions  
8 Section 16-208  
9 Annotated Code of Maryland  
10 (1995 Replacement Volume and 1995 Supplement)

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

13 **Article - Business Occupations and Professions**

14 16-208.

15 (a) To protect the interests of the public, [the Commission shall promptly adopt,  
16 by regulation, appraisal standards of conduct for all individuals licensed or certified  
17 under this title, including standards regarding conflicts of interest and ethical conduct]  
18 EXCEPT AS SET FORTH IN SUBSECTION (B) OF THIS SECTION, WHILE PROVIDING  
19 REAL ESTATE APPRAISAL SERVICES IN CONNECTION WITH A FEDERAL  
20 TRANSACTION AS DEFINED IN 12 U.S.C. § 3350(4), LICENSED AND CERTIFIED  
21 APPRAISERS SHALL ABIDE BY STANDARD 1 THROUGH STANDARD 3 OF THE  
22 UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE OF THE APPRAISAL  
23 FOUNDATION, 1995 EDITION, AND ALL SUBSEQUENT AMENDMENTS AND REVISIONS  
24 TO IT, AND MAY NOT DEPART FROM THE REQUIREMENTS OF THESE STANDARDS,  
25 EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION.

26 [(b) The Commission shall promptly adopt at a minimum the uniform standards of  
27 professional appraisal practice of the appraisal foundation to meet therequirement under  
28 subsection (a) of this section.]

29 (B) (1) WHILE PROVIDING REAL ESTATE APPRAISAL SERVICES IN A  
30 TRANSACTION WHICH IS NOT A FEDERALLY RELATED TRANSACTION AS DEFINED IN

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1 12 U.S.C. § 3350(4), LICENSED AND CERTIFIED APPRAISERS SHALL ABIDE BY  
2 STANDARD 1 THROUGH STANDARD 3 OF THE UNIFORM STANDARDS OF  
3 PROFESSIONAL APPRAISAL PRACTICE OF THE APPRAISAL FOUNDATION, 1995  
4 EDITION, AND ALL SUBSEQUENT AMENDMENTS AND REVISIONS TO IT, BUT MAY  
5 DEPART FROM THE PROVISIONS OF THE STANDARDS IN ACCORDANCE WITH THE  
6 DEPARTURE PROVISION OF THE UNIFORM STANDARDS OF PROFESSIONAL  
7 APPRAISAL PRACTICE OF THE APPRAISAL FOUNDATION, 1995 EDITION, AND ALL  
8 SUBSEQUENT AMENDMENTS AND REVISIONS TO IT, EXCEPT AS PROVIDED IN  
9 SUBSECTION (C) OF THIS SECTION.

10 (2) A LICENSED OR CERTIFIED APPRAISER MAY NOT DEPART FROM  
11 THE BINDING PROVISIONS OF STANDARDS 1, 2, OR 3 UNLESS THE APPRAISER  
12 COMPLIES WITH EACH OF THE DISCLOSURE REQUIREMENTS SET FORTH IN THE  
13 DEPARTURE PROVISION.

14 (C) PURSUANT TO § 16-216 OF THIS SUBTITLE, THE COMMISSION MAY ADOPT  
15 REGULATIONS TO AMEND THE REQUIREMENTS OF SUBSECTIONS (A) AND (B) OF  
16 THIS SECTION AS THEY RELATE TO THE UNIFORM STANDARDS OF PROFESSIONAL  
17 APPRAISAL PRACTICE OF THE APPRAISAL FOUNDATION, 1995 EDITION, AND ALL  
18 SUBSEQUENT AMENDMENTS AND REVISIONS TO IT.

19 [(c)] (D) At least once every 2 years, the Commission shall provide a copy of the  
20 appraisal standards it adopts to each licensed real estate appraiser.

21 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 1996.