

(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

---

A BILL ENTITLED

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  
24 (1995 Replacement Volume and 1999 Supplement)

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

1 **Article - Business Occupations and Professions**

2 16-101.

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

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

6 (2) "Appraisal" includes:

7 (i) a valuation appraisal;

8 (ii) an analysis assignment; and

9 (iii) a review assignment.

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

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

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

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

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

23 (ii) a certificate to provide certified real estate appraisal services  
24 for residential real estate.

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

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

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

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

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

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

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

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

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

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

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

14 (2) "Real estate" includes:

15 (i) an interest in a condominium; and

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

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

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

22 (2) IN TRAINING TO BECOME A LICENSED REAL ESTATE APPRAISER OR  
23 CERTIFIED REAL ESTATE APPRAISER.

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

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

32 (2) "SUPERVISION" INCLUDES A SUPERVISING APPRAISER ACCEPTING  
33 DIRECT RESPONSIBILITY FOR A REAL ESTATE APPRAISAL PREPARED BY THE REAL  
34 ESTATE APPRAISER TRAINEE WHILE THE TRAINEE IS UNDER THE SUPERVISING  
35 APPRAISER'S DIRECTION ON A SPECIFIC APPRAISAL ASSIGNMENT.

## SUBTITLE 5A. REAL ESTATE APPRAISER TRAINEES.

16-5A-01.

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

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

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

(2) BE OF GOOD CHARACTER AND REPUTATION;

(3) BE AT LEAST 18 YEARS OLD;

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

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

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

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

16-5A-02.

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

16-5A-03.

(A) A SUPERVISING APPRAISER SHALL:

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

(2) PHYSICALLY INSPECT EACH APPRAISED PROPERTY WITH THE REAL ESTATE APPRAISER TRAINEE UNTIL THE SUPERVISING APPRAISER DETERMINES

1 THAT THE REAL ESTATE APPRAISER TRAINEE IS COMPETENT IN ACCORDANCE WITH  
2 PARAGRAPH (3) OF THIS SUBSECTION;

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

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

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

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

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

17 (I) 5 YEARS; OR

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

20 (B) A REAL ESTATE APPRAISER TRAINEE SHALL:

21 (1) KEEP SEPARATE EXPERIENCE LOGS FOR EACH SUPERVISING  
22 APPRAISER;

23 (2) SIGN APPRAISAL REPORTS THAT THE REAL ESTATE APPRAISER  
24 TRAINEE PREPARES; AND

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

26 (C) A REAL ESTATE APPRAISER TRAINEE MAY HAVE MORE THAN ONE  
27 SUPERVISING APPRAISER.

28 (D) A REAL ESTATE APPRAISER TRAINEE MAY OBTAIN COPIES OF APPRAISAL  
29 REPORTS WHICH WERE PREPARED BY THAT TRAINEE FROM THE SUPERVISING  
30 APPRAISER.

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

1 16-5A-04.

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

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

8 (I) IS OTHERWISE ENTITLED TO BE LICENSED;

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

10 (III) SUBMITS TO THE COMMISSION:

11 1. A RENEWAL APPLICATION ON THE FORM THAT THE  
12 COMMISSION REQUIRES; AND

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

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

20 (I) A RENEWAL APPLICATION FORM; AND

21 (II) A NOTICE THAT STATES:

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

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

26 3. THE AMOUNT OF THE RENEWAL FEE.

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

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