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2001 Regular Session
1lr1644

By: Delegates Morhaim and Moe

Introduced and read first time: January 31, 2001

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2

State Commission of Real Estate Appraisers and Home Inspectors

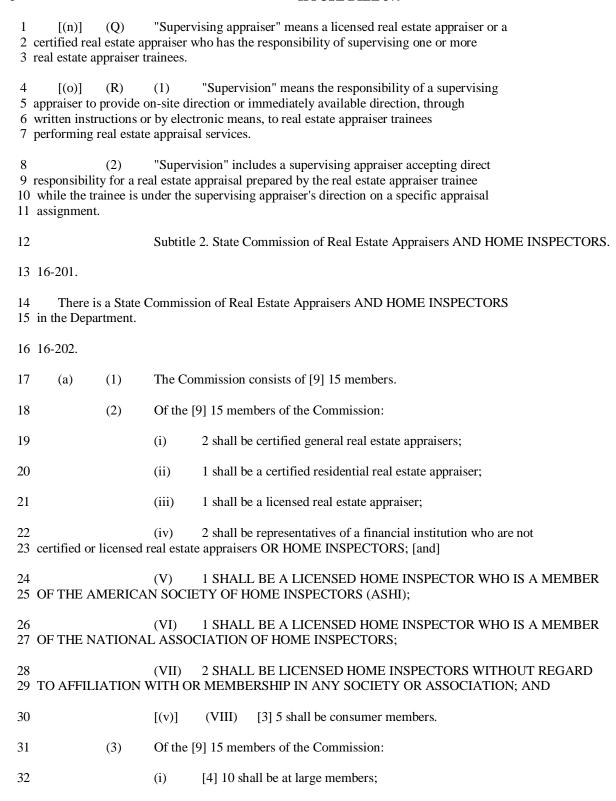
_	State Commission of Real Estate Appraisers and Home Inspects
3	FOR the purpose of incorporating into the State Commission of Real Estate
4	Appraisers a licensing and regulatory authority for home inspectors;
5	establishing the State Commission of Real Estate Appraisers and Home
6	Inspectors; providing for home inspector members of the Commission; altering
7	certain residency requirements for members of the Commission; providing for a

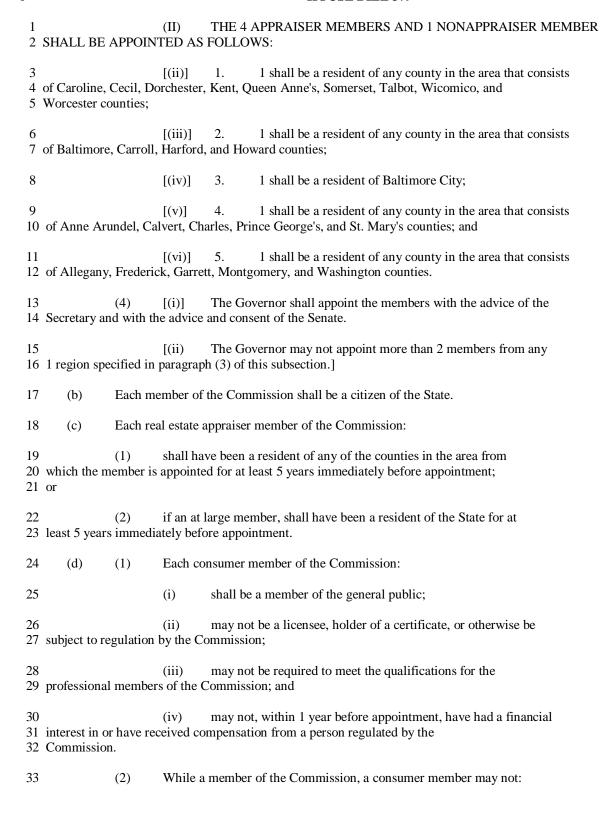
- vice chairman of the Commission; altering the qualifications of the executive director and employees of the Commission; providing that a member of the
- 10 Commission may not be held personally liable for certain enforcement actions
- taken by the Commission; authorizing the Commission to review and approve
- certain training programs, keep certain records, and adopt an official seal;
- requiring an individual to be licensed before the individual may engage in the
- business of performing home inspections in the State; providing for certain
- exceptions to the requirements for licensure as a home inspector; establishing
- certain requirements for licensure as a home inspector; providing for the
- issuance, scope, term, renewal, and reinstatement of home inspector licenses;
- authorizing the Commission to deny a home inspector license to any applicant,
- reprimand a home inspector licensee, or suspend or revoke a home inspector
- 20 license under certain circumstances; providing for certain home inspection
- 21 reports within a certain period of time; prohibiting certain acts; providing for
- certain penalties; defining certain terms; repealing certain provisions relating to
- 23 home inspections; making technical corrections; and generally relating to the
- 24 licensing and regulation of home inspectors by the Commission of Real Estate
- 25 Appraisers and Home Inspectors.
- 26 BY repealing and reenacting, with amendments,
- 27 Article Business Occupations and Professions
- 28 Section 16-101; 16-201, 16-202, 16-203, 16-204, 16-205, 16-207, 16-208,
- 29 16-209, 16-210, 16-211, 16-212, 16-213, 16-214, 16-216, and 16-220 to
- 30 be under the amended subtitle "Subtitle 2. State Commission of Real
- 31 Estate Appraisers and Home Inspectors"; 16-601, 16-602, 16-701, 16-702,
- 32 16-703, and 16-801 to be under the amended title "Title 16. Real Estate
- 33 Appraisers and Home Inspectors"
- 34 Annotated Code of Maryland

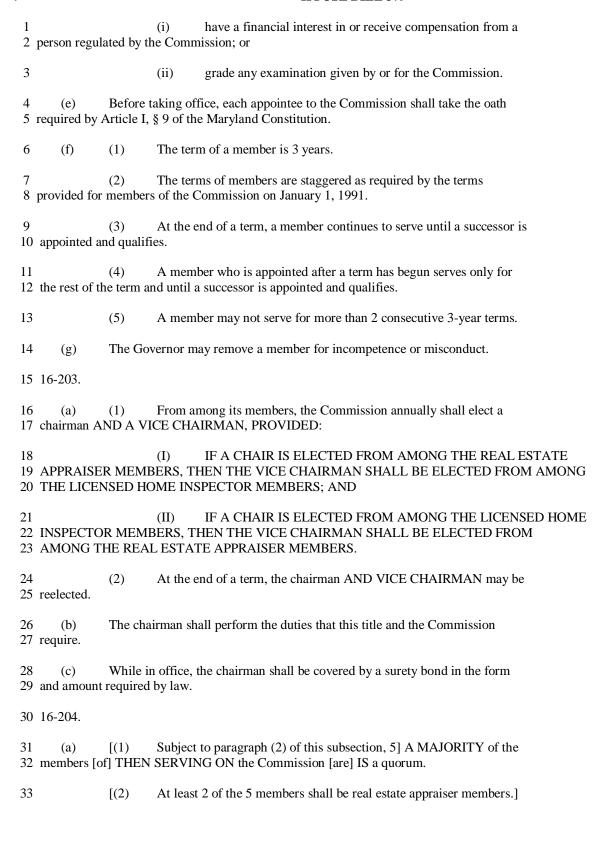
- 1 (2000 Replacement Volume and 2000 Supplement) 2 BY repealing and reenacting, without amendments, 3 **Article - Business Occupations and Professions** 4 Section 16-206, 16-215, 16-217, 16-218, and 16-219; 16-301 to be under the 5 amended subtitle "Subtitle 3. Licensing of Real Estate Appraisers"; 16-401 to be under the amended subtitle "Subtitle 4. Miscellaneous Provisions for 6 7 Real Estate Appraisers"; 16-501 to be under the amended subtitle 8 "Subtitle 5. Certification of Real Estate Appraisers"; 16-704, 16-705, 9 16-706, and 16-802 Annotated Code of Maryland 10 (2000 Replacement Volume and 2000 Supplement) 11 12 BY adding to 13 Article - Business Occupations and Professions 14 Section 16-210.1; 16-3A-01 through 16-3A-08 to be under the new subtitle 15 "Subtitle 3A. Licensing of Home Inspectors"; 16-4A-01 through 16-4A-03 16 to be under the new subtitle "Subtitle 4A. Miscellaneous Provisions for 17 Home Inspectors"; 16-701.1, 16-703.1, 16-705.1, and 16-707 18 Annotated Code of Maryland 19 (2000 Replacement Volume and 2000 Supplement) 20 BY repealing and reenacting, with amendments, Article - Business Regulation 21 22 Section 2-108(a)(25) Annotated Code of Maryland 23 (1998 Replacement Volume and 2000 Supplement) 24 25 BY repealing Article - Real Property 26 Section 10-801 and the subtitle "Subtitle 8. Home Inspections" 27 28 Annotated Code of Maryland 29 (1996 Replacement Volume and 2000 Supplement) 30 BY repealing and reenacting, with amendments, Article - State Government 31 Section 8-403(b)(58) 32 33 Annotated Code of Maryland 34 (1999 Replacement Volume and 2000 Supplement)
- 35 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF 36 MARYLAND, That the Laws of Maryland read as follows:

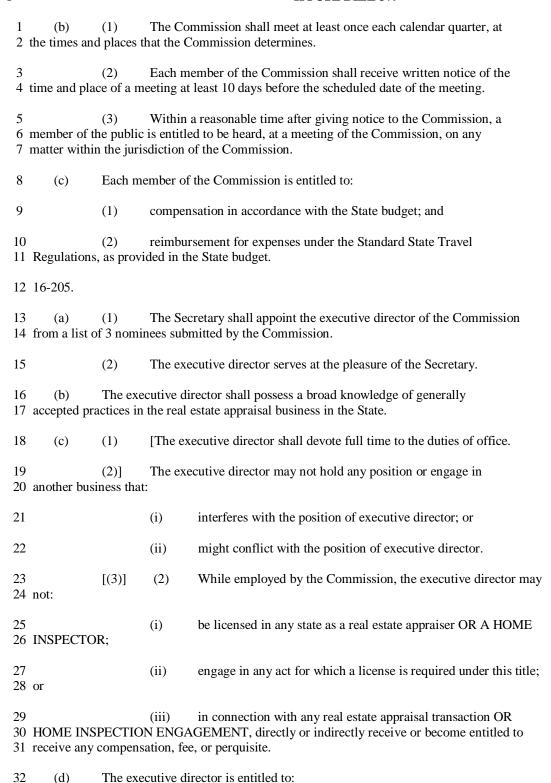
1				Article - Business Occupations and Professions
2				Title 16. Real Estate Appraisers AND HOME INSPECTORS.
3	16-101.			
4	(a) In	n this tit	tle the fo	llowing words have the meanings indicated.
5 6	` /			sal" means an analysis, conclusion, or opinion about the of interests in or aspects of identified real estate.
7	(2	2)	"Apprais	sal" includes:
8			(i)	a valuation appraisal;
9			(ii)	an analysis assignment; and
10			(iii)	a review assignment.
13	party by a pers	r recom	nsed und mended j	sal" does not include an opinion to a potential seller or third er Title 17 of this article about the recommended purchase price of real estate, provided that the opinion al.
15 16	(c) ".appraisal.	Apprais	al report	" means any communication, oral or written, of an
	` '	ied by tl	ne Comn	ate" means, unless the context requires otherwise, a nission that allows an individual to provide certified
20 21	the following			eate" includes, unless the context requires otherwise, each of
22 23	for general rea		(i) ; and	a certificate to provide certified real estate appraisal services
24 25	for residential		(ii) ate.	a certificate to provide certified real estate appraisal services
26 27	(e) "signed by a ce			sal report" means an appraisal report prepared and e appraiser.
	()	individu	ıal who i	ed real estate appraiser" means, unless the context requires s certified by the Commission to provide certified real
31	(2	2)	"Certifie	ed real estate appraiser" includes:
32			(i)	a certified real estate appraiser for general real estate; and

1	((ii) a	a certified real estate appraiser for residential real estate.
2 3	(g) "Commis HOME INSPECTORS		ans the State Commission of Real Estate Appraisers AND
6 7 8	OF THE COMPONEN HEATING SYSTEM, O STRUCTURAL COM	TS OF A COOLIN PONENT	TION" MEANS A WRITTEN EVALUATION OF ONE OR MORE AN EXISTING RESIDENTIAL BUILDING, INCLUDING THE IG SYSTEM, PLUMBING SYSTEM, ELECTRICAL SYSTEM, ITS, FOUNDATION, ROOF, MASONRY STRUCTURE, EXTERIOR ITS, OR ANY OTHER RELATED RESIDENTIAL HOUSING
10 11	. ,		TOR" MEANS AN INDIVIDUAL WHO ENGAGES IN THE G HOME INSPECTIONS FOR COMPENSATION.
12 13			means, unless the context requires otherwise, a license rovide real estate appraisal services.
			ME INSPECTOR" MEANS AN INDIVIDUAL WHO IS LICENSED ENGAGE IN THE BUSINESS OF PERFORMING HOME
17 18			d real estate appraiser" means an individual who is licensed real estate appraisal services.
19 20			certified real estate appraisal services" means to provide a certified real estate appraiser.
23	consideration an appra connection with a fede	isal of re rally rela	real estate appraisal services" means to make for al estate or prepare or sign an appraisal report in ated transaction, as defined in the federal Financial and Enforcement Act of 1989.
25 26	[(l)] (O) (in the State or elsewhe		"Real estate" means any interest in real property that is located
27	(2)	'Real esta	ate" includes:
28	3	(i) a	an interest in a condominium; and
29 30	defined in § 11A-101 o		a time-share estate or a time-share license, as those terms are al Property Article.
31 32			ate appraiser trainee" means an individual who is licensed real estate appraisal services while:
33	(1) u	under the	supervision of a supervising appraiser; and
34 35	i (2) i estate appraiser.	n training	g to become a licensed real estate appraiser or certified real

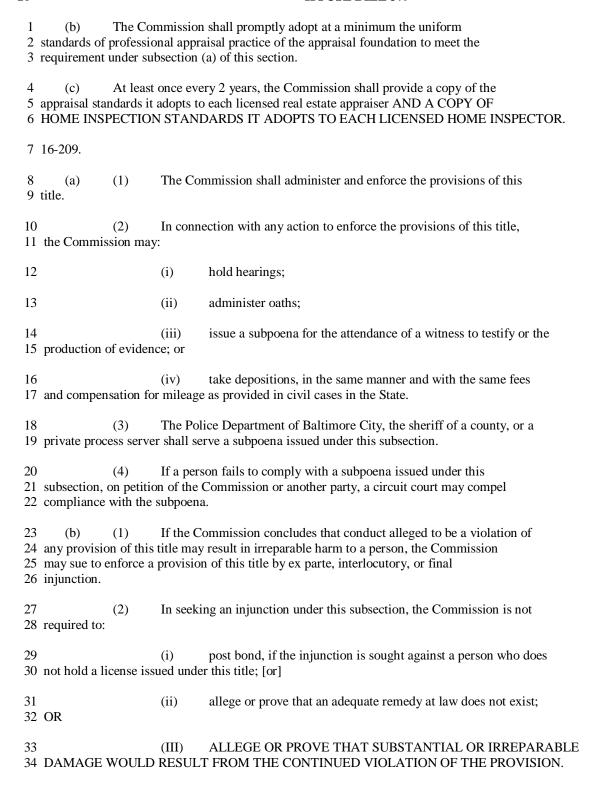


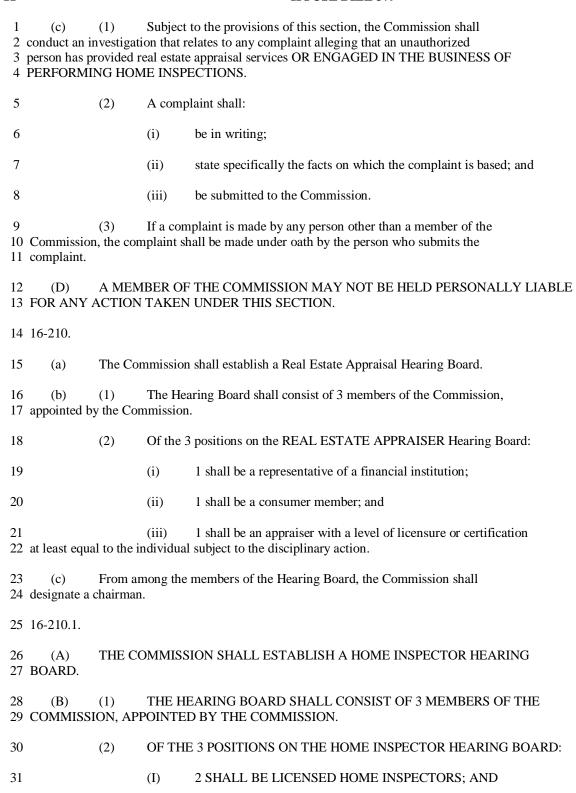






1		(1)	compensation in accordance with the State budget; and
2 3	Regulations,	(2) as provio	reimbursement for expenses under the Standard State Travel led in the State budget.
4 5	(e) Management		cutive director is a special appointment in the State Personnel
6 7	(f) covered by a		imployed as executive director, the executive director shall be ond in the form and amount required by law.
8	16-206.		
9	The exec	cutive dir	rector shall:
10 11	Commission	(1) n; and	keep a record of each act, communication, and proceeding of the
12 13	16-207.	(2)	perform any other duty that the Commission considers appropriate.
14	(a)	The Cor	nmission, in accordance with the State budget, may employ:
15		(1)	a general staff; and
16		(2)	an investigative staff to conduct investigations.
17	(b)	While en	mployed by the Commission, an individual may not:
18 19	INSPECTO	(1) R;	be licensed in any state as a real estate appraiser OR HOME
20		(2)	engage in any act for which a license is required under this title; or
			in connection with any real estate appraisal transaction OR HOME AGEMENT, directly or indirectly receive or become entitled to receive e, or perquisite.
24	16-208.		
25 26	(a) adopt, by reg		ect the interests of the public, the Commission shall promptly .]:
			appraisal standards of conduct for all individuals licensed or certified APPRAISERS under this title, including standards regarding conflicts I conduct; AND
30 31	LICENSED	(2) AS HON	A CODE OF ETHICS AND STANDARDS OF PRACTICE FOR INDIVIDUALS ME INSPECTORS UNDER THIS TITLE.





1	(II) 1 SHALL BE A CONSUMER MEMBER.
2 3	(C) FROM AMONG THE MEMBERS OF THE HEARING BOARD, THE COMMISSION SHALL DESIGNATE A CHAIRMAN.
4	16-211.
	(a) The Commission shall refer to the Hearing Board for a hearing any matter for which a hearing may be required under [§ 16-701] § 16-701 OR § 16-701.1 of this title.
	(b) The Hearing Board may exercise the same powers and shall conduct a hearing in accordance with the same procedures applicable to the Commission under § 16-602 of this title.
	(c) (1) The Hearing Board shall determine if there is a reasonable basis to believe that there are grounds for disciplinary action under this title against a licensee.
14 15	(2) (i) If the Hearing Board finds a reasonable basis as provided under paragraph (1) of this subsection, the Hearing Board shall:
16	1. hold a hearing on the matter; and
17	2. file its finding with the Commission.
	(ii) If the Hearing Board does not find a reasonable basis as provided under paragraph (1) of this subsection, the Hearing Board shall dismiss the complaint.
	(3) A Hearing Board shall advise the Commission specifically of any action brought against a licensee as a result of monetary loss, misappropriation of money, or fraud.
	(d) (1) (i) Within 15 days after the filing of a decision by a Hearing Board, the Commission or any of its members may file an exception to the decision of the Hearing Board.
27 28	(ii) On the filing of an exception under subparagraph (i) of this paragraph, the Commission shall set a hearing on the matter.
29 30	(2) If an exception is not filed within the time allowed under paragraph (1)(i) of this subsection:
31 32	(i) the decision of the Hearing Board shall be considered as the final decision of the Commission; and
33 34	(ii) any party aggrieved by the decision may take a judicial appeal as provided in this title.

1	16-212.		
2	(a)	The Cor	nmission shall keep an indexed record of:
3		(1)	each application for licensure or certification;
4		(2)	each issuance of a license or certificate;
5 6	estate apprais	(3) ser OR H	each reprimand of a licensed real estate appraiser or certified real OME INSPECTOR; and
7 8	certified real	(4) estate ap	each suspension or revocation of a licensed real estate appraiser or praiser OR HOME INSPECTOR.
9	(b)	The Cor	nmission shall make available to the public:
10		(1)	the record during business hours; and
11 12	Commission	(2) sets.	on request, a copy of the record at a reasonable price that the
13	16-213.		
14	(a)	The Cor	nmission shall issue at least annually a roster that shows:
15 16	estate apprai	(1) iser, ANI	the name of each licensed real estate appraiser [and], certified real HOME INSPECTOR; and
17 18	[and], certifi	(2) ied real e	the name and place of business of each licensed real estate appraiser state appraiser, AND HOME INSPECTOR.
19 20	(b) the roster at		est, the Commission shall make available to the public a copy of able price that the Commission sets.
21	16-214.		
		l estate a _l	Commission shall issue a document of good standing to a oppraiser [or], certified real estate appraiser, OR LICENSED who:
25		(1)	is in good standing in the State; and
26		(2)	pays the issuance fee set by the Commission.
27	16-215.		
28	The Cor	nmission	shall submit to the Secretary an annual report that includes:
29 30	and	(1)	a statement of the total receipts and expenditures of the Commission:

1 (2) any other information that reflects the work of the Commission. 2 16-216. 3 In addition to any powers set forth elsewhere, the Commission may: 4 sponsor research and other educational activities about real estate (1) appraising OR HOME INSPECTING; [and] 6 (2) adopt any regulation to carry out the provisions of this title; REVIEW AND APPROVE ANY ON-SITE TRAINING PROGRAMS. 7 (3) 8 INCLUDING PROGRAMS THAT HAVE BEEN APPROVED BY NATIONAL HOME 9 INSPECTION ORGANIZATIONS; 10 (4) KEEP A RECORD OF ITS PROCEEDINGS; AND 11 (5) ADOPT AN OFFICIAL SEAL TO AUTHENTICATE ITS PROCEEDINGS, 12 OFFICIAL RECORDS, LICENSES, AND CERTIFICATES. 13 16-217. Except as otherwise provided by law, the Commission shall pay all money 14 15 collected under this title into the General Fund of the State. 16 16-218. Any person aggrieved by a final decision of the Commission in a contested case, 18 as defined in § 10-202 of the State Government Article, may take an appeal as 19 allowed in §§ 10-222 and 10-223 of the State Government Article. 20 16-219. 21 The Commission exercises its powers, duties, and functions subject to the 22 authority of the Secretary. 23 16-220. All regulations adopted under this title by the Commission APPLICABLE TO THE 25 PROVISION OF REAL ESTATE APPRAISAL SERVICES shall comply with the 26 requirements of the federal Financial Institutions Reform, Recovery, and 27 Enforcement Act of 1989. Subtitle 3. Licensing OF REAL ESTATE APPRAISERS. 28 29 16-301. After June 30, 1991, and except as otherwise provided in this title, an 30 (a) 31 individual shall be licensed by the Commission to provide real estate appraisal 32 services before the individual may provide real estate appraisal services in the State.

- 1 (b) This section does not apply to an individual who provides real estate
- 2 appraisal services that are only incidental real estate appraisal services, including
- 3 home inspectors and environmental auditors.
- 4 (c) In addition to subsection (b) of this section, this section does not apply to
- 5 an individual who provides real estate appraisal services that the Commission
- 6 defines by regulation to be only incidental real estate appraisal services.
- 7 (d) This section does not apply to an individual who is licensed to practice any
- 8 business or occupation in the State while acting within the scope of the license.
- 9 SUBTITLE 3A. LICENSING OF HOME INSPECTORS.
- 10 16-3A-01.
- 11 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL
- 12 BE LICENSED BY THE COMMISSION AS A HOME INSPECTOR BEFORE THE INDIVIDUAL
- 13 MAY ENGAGE IN THE BUSINESS OF PERFORMING HOME INSPECTIONS IN THE STATE.
- 14 (B) THIS TITLE DOES NOT APPLY TO:
- 15 (1) AN INDIVIDUAL WHO IS EMPLOYED AS A BUILDING CODE
- 16 ENFORCEMENT OFFICIAL BY THE STATE OR A POLITICAL SUBDIVISION OF THE
- 17 STATE, WHILE ACTING WITHIN THE SCOPE OF THAT EMPLOYMENT;
- 18 (2) AN INDIVIDUAL WHO IS EMPLOYED AS A FEDERAL OR STATE
- 19 INSPECTOR, WHILE ACTING WITHIN THE SCOPE OF THAT EMPLOYMENT;
- 20 (3) A PLUMBER, ELECTRICIAN, REAL ESTATE APPRAISER, REAL ESTATE
- 21 BROKER OR AGENT, OR HEATING, VENTILATION, AIR-CONDITIONING, OR
- 22 REFRIGERATION CONTRACTOR WHO IS LICENSED IN THE STATE, WHILE ACTING
- 23 WITHIN THE SCOPE OF THAT LICENSE;
- 24 (4) A ROOFER, GENERAL CONTRACTOR, REMODELER, OR STRUCTURAL
- 25 PEST CONTROL SPECIALIST, WHILE ACTING WITHIN THE SCOPE OF THAT
- 26 OCCUPATION; OR
- 27 (5) ANY OTHER PROFESSIONAL WHOSE SERVICES MAY BE REQUIRED IN
- 28 THE BUILDING OR REMODELING OF REAL PROPERTY AND WHO DOES NOT CLAIM TO
- 29 BE A LICENSED HOME INSPECTOR.
- 30 16-3A-02.
- 31 (A) TO QUALIFY FOR A LICENSE AS A HOME INSPECTOR, AN APPLICANT MUST
- 32 BE AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.
- 33 (B) PRIOR TO JULY 1, 2002, AN APPLICANT FOR A HOME INSPECTOR LICENSE
- 34 SHALL:
- 35 (1) MEET ONE OF THE FOLLOWING CONDITIONS:

	TRAINING COURSE THE COMMISSION								OF AN O GANIZATI	
4 5	COMPENSATION; O	(II) OR	HAVE	COMPLE	ETED AT	LEAST	100 HO	ME INSP	ECTIONS	FOR
6 7	BY ONE OF THE FO	(III) DLLOWI							CERTIFIC ΓΙΟΝS:	CATION
8			1.	AMERI	CAN SO	CIETY (OF HOM	E INSPE	CTORS; O	R
9			2.	NATIO	NAL AS	SOCIAT	ION OF I	HOME IN	NSPECTO	RS;
10	(2)	HAVE	A HIGH	SCHOOL	L DIPLO	MA OR 1	TS EQU	IVALEN	T;	
11 12	(3) THAN \$50,000;	HAVE	GENER	AL LIABI	ILITY IN	ISURAN	CE IN A	N AMOU	INT NOT I	LESS
13 14	(4) THE COMMISSION				MISSION	I AN API	PLICATI	ON ON T	ΓHE FORM	1 ТНАТ
15	(5)	PAY TO	O THE C	COMMISS	SION AN	APPLIC	CATION	FEE OF S	\$50.	
16	16-3A-03.									
17 18	EFFECTIVE JUI SHALL:	LY 1, 20	02, AN	APPLICA	NT FOR	A HOM	E INSPE	CTOR LI	CENSE	
	(1) TRAINING COURS THE COMMISSION	E APPR							OFF-SITE GANIZAT	
22	(2)	HAVE	A HIGH	SCHOOL	L DIPLO	MA OR 1	ITS EQU	IVALEN	Т;	
23 24	(3) THAN \$50,000;	HAVE	GENER	AL LIABI	ILITY IN	ISURAN	CE IN A	N AMOU	INT NOT I	LESS
	(4) THE COMMISSION				MISSION	I AN API	PLICATI	ON ON T	ΓHE FORM	и тнат
27	(5)	PAY TO	O THE C	COMMISS	SION AN	APPLIC	CATION	FEE OF S	\$50.	
28	16-3A-04.									
	(A) EXCEP THE LICENSING PI LICENSE BY RECII	ROVISIO	ONS OF	THIS SEC	CTION, T	THE CO	MMISSI	ON MAY		OT TO

32 LICENSED TO PERFORM HOME INSPECTIONS IN ANOTHER STATE.

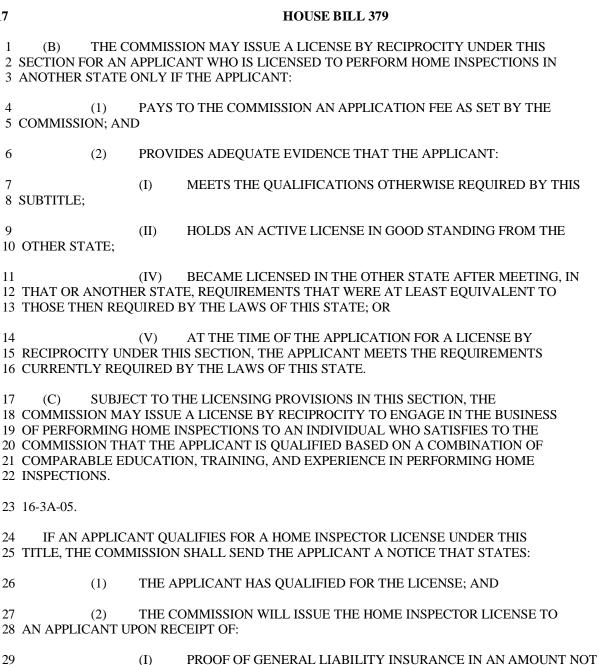
30 LESS THAN \$50,000; AND

(II)

31

33

32 16-3A-06.



A LICENSE FEE OF \$400.

WHILE A HOME INSPECTOR LICENSE IS IN EFFECT, IT AUTHORIZES THE 34 LICENSEE TO ENGAGE IN THE BUSINESS OF PERFORMING HOME INSPECTIONS.

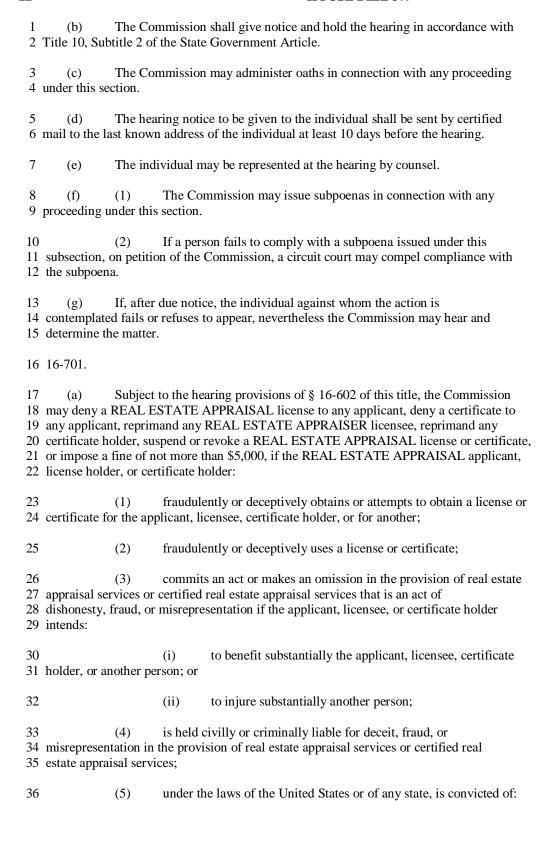
- 1 16-3A-07.
- 2 (A) UNLESS A LICENSE IS RENEWED FOR A 2-YEAR TERM AS PROVIDED IN
- 3 THIS SECTION, THE LICENSE EXPIRES ON A STAGGERED BASIS AS DETERMINED BY
- 4 THE SECRETARY.
- 5 (B) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE COMMISSION SHALL
- 6 MAIL TO THE LICENSEE, AT THE LAST KNOWN ADDRESS OF THE LICENSEE:
- 7 (1) A RENEWAL APPLICATION FORM; AND
- 8 (2) A NOTICE THAT STATES:
- 9 (I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES; AND
- 10 (II) THE AMOUNT OF THE RENEWAL FEE.
- 11 (C) BEFORE A LICENSE EXPIRES, THE LICENSEE MAY RENEW IT FOR AN
- 12 ADDITIONAL 2-YEAR TERM, IF THE LICENSEE:
- 13 (1) OTHERWISE IS ENTITLED TO BE LICENSED:
- 14 (2) PAYS TO THE COMMISSION A RENEWAL FEE OF \$400; AND
- 15 (3) SUBMITS:
- 16 (I) A RENEWAL APPLICATION ON THE FORM THAT THE
- 17 COMMISSION PROVIDES; AND
- 18 (II) PAYMENT OF THE RENEWAL FEE OF \$400.
- 19 (D) THE COMMISSION SHALL RENEW THE LICENSE OF AND ISSUE A LICENSE
- 20 TO EACH LICENSEE WHO MEETS THE REQUIREMENTS OF THIS SECTION.
- 21 16-3A-08.
- 22 (A) THE COMMISSION SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL
- 23 WHO HAS FAILED TO RENEW A LICENSE FOR ANY REASON IF THE INDIVIDUAL:
- 24 (1) APPLIES TO THE COMMISSION FOR REINSTATEMENT WITHIN 5
- 25 YEARS AFTER THE LICENSE EXPIRES;
- 26 (2) MEETS THE RENEWAL REQUIREMENTS UNDER § 16-3A-07 OF THIS
- 27 SUBTITLE: AND
- 28 (3) IN ADDITION TO THE RENEWAL FEE REQUIRED UNDER § 16-3A-07 OF
- 29 THIS SUBTITLE, PAYS TO THE COMMISSION A REINSTATEMENT FEE OF \$50.
- 30 (B) THE COMMISSION MAY NOT REINSTATE THE LICENSE OF AN INDIVIDUAL
- 31 WHO FOR ANY REASON FAILS TO APPLY FOR REINSTATEMENT WITHIN 5 YEARS
- 32 AFTER THE LICENSE HAS EXPIRED.

1	Subtitle 4. Miscellaneous [Licensing] Provisions FOR REAL ESTATE APPRAISERS.
2	16-401.
	(a) Subject to the provisions of subsection (b) of this section, a licensed real estate appraiser shall keep, for 5 years from the date of delivery to the client, the original or a copy of:
6 7	(1) each contract the licensee enters into for the provision of real estate appraisal services;
8	(2) each appraisal report the licensee prepares or signs; and
9 10	(3) all supporting data that the licensee assembles or formulates to prepare an appraisal report.
13	(b) If, within the 5-year period for the retention of records, a licensed real estate appraiser is given notice that an appraisal or appraisal report is involved in litigation, a new 5-year period shall start on the date of the final disposition of the litigation.
15 16	(c) On request, a licensed real estate appraiser shall make any record required to be kept under this section available to the Commission to inspect or copy.
17	SUBTITLE 4A. MISCELLANEOUS PROVISIONS FOR HOME INSPECTORS.
18	16-4A-01.
	(A) A LICENSED HOME INSPECTOR SHALL GIVE TO EACH PERSON FOR WHOM THE LICENSEE PERFORMS A HOME INSPECTION FOR COMPENSATION A WRITTEN REPORT THAT STATES:
22	(1) THE SCOPE AND THE EXCLUSIONS OF THE INSPECTION;
	(2) THE CONDITIONS OBSERVED DURING THE HOME INSPECTION THAT ARE SUBJECT TO THE ADOPTED STANDARDS OF PRACTICE AND CODE OF ETHICS APPROVED BY THE COMMISSION;
26	(3) THE LICENSE NUMBER OF THE LICENSEE; AND
27 28	(4) A DISCLOSURE IN 14-POINT BOLD TYPE THAT INCLUDES THE FOLLOWING STATEMENTS:
31	(I) "AN INSPECTION IS INTENDED TO ASSIST IN THE EVALUATION OF THE OVERALL CONDITION OF A BUILDING. THE INSPECTION IS BASED ON OBSERVATION OF THE VISIBLE AND APPARENT CONDITION OF THE BUILDING AND ITS COMPONENTS ON THE DATE OF THE INSPECTION";

- 1 (II)"THE RESULTS OF THIS HOME INSPECTION ARE NOT INTENDED 2 TO MAKE ANY REPRESENTATION REGARDING LATENT OR CONCEALED DEFECTS 3 THAT MAY EXIST, AND NO WARRANTY OR GUARANTY IS EXPRESSED OR IMPLIED"; 4 "IF YOUR HOME INSPECTOR IS NOT A LICENSED SPECIALIST IN 5 THE BUILDING PROFESSION OR OTHER PROFESSIONAL WHOSE LICENSE

- 6 AUTHORIZES THE RENDERING OF AN OPINION AS TO STRUCTURAL INTEGRITY OF A
- 7 BUILDING OR AN OPINION REGARDING OTHER COMPONENTS OR SYSTEMS, YOU MAY
- 8 WISH TO SEEK THE PROFESSIONAL OPINION OF ONE LICENSED IN THE SPECIALTY
- 9 RELATED TO THE STRUCTURAL INTEGRITY OR COMPONENTS OR SYSTEMS OF
- 10 CONCERN TO YOU REGARDING ANY POSSIBLE DEFECTS OR OTHER OBSERVATIONS
- 11 SET FORTH IN THIS REPORT":
- 12 (IV) "ONLY HOME INSPECTIONS PERFORMED BY MARYLAND
- 13 LICENSED HOME INSPECTORS WILL BE RECOGNIZED BY THE BUYER AS A
- 14 CONTRACTUAL VALID HOME INSPECTION"; AND
- 15 THE LIABILITY OF THE HOME INSPECTOR FOR ANY DAMAGES
- 16 RESULTING FROM THE REPORT ON THE HOME INSPECTION.
- 17 THE LICENSEE SHALL GIVE THE PERSON THE REPORT: (B)
- BY THE DATE SET IN A WRITTEN AGREEMENT BY THE PARTIES TO 18 (1) 19 THE HOME INSPECTION; OR
- 20 WITHIN 7 BUSINESS DAYS AFTER THE HOME INSPECTION WAS
- 21 PERFORMED, IF NO DATE WAS SET IN A WRITTEN AGREEMENT BY THE PARTIES TO
- 22 THE HOME INSPECTION.
- 23 16-4A-02.
- 24 EACH LICENSEE SHALL DISPLAY THE LICENSE CERTIFICATE IN THE MANNER
- 25 REQUIRED BY THE COMMISSION.
- 26 16-4A-03.
- A LICENSEE MUST REPORT ANY CHANGE OF ADDRESS TO THE COMMISSION IN 27
- 28 WRITING WITHIN 15 DAYS.
- 29 Subtitle 5. Certification OF REAL ESTATE APPRAISERS.
- 30 16-501.
- 31 After June 30, 1991, and except as otherwise provided in this title, an
- 32 individual shall be certified by the Commission to provide certified real estate
- 33 appraisal services before the individual may provide certified real estate appraisal
- 34 services in the State.
- 35 Notwithstanding subsection (a) of this section, a licensed real estate
- 36 appraiser who is not certified may:

1 2	report; and	(1)	help a ce	ertified real estate appraiser to prepare a certified appraisal
3		(2)	cosign tl	ne report.
4	16-601.			
	(a) proceedings to the Comm	under [§	16-701] §	ovisions of this section, the Commission shall start § 16-701 OR § 16-701.1 of this title on a complaint made son.
8	(b)	(1)	A compl	laint shall:
9			(i)	be in writing; and
10			(ii)	state specifically the facts on which the complaint is based.
11 12	complaint sl	(2) nall be m		plaint is made by any person other than the Commission, the oath by the person who submits the complaint.
13		(3)	A compl	laint may be accompanied by documentary or other evidence.
14 15	(c) Commission			shall investigate each complaint submitted to the
16 17	disciplinary	(1) action ur		acts that establish a prima facie case that is grounds for 5-701] § 16-701 OR § 16-701.1 of this title; and
18		(2)	meets th	e requirements of this section.
			basis to b	lusion of the investigation, the Commission shall determine if elieve that there are grounds for disciplinary action a § 16-701.1 of this title against an applicant or licensee.
	paragraph (1 provided un			If the Commission finds a reasonable basis as provided under n, the Commission shall act on the complaint as is subtitle.
25 26	under parag			If the Commission does not find a reasonable basis as provided esection, the Commission shall dismiss the complaint.
27	16-602.			
30		ommissi it shall g	on takes a	ise provided in § 10-226 of the State Government Article, any final action under [§ 16-701] § 16-701 OR § 16-701.1 dividual against whom the action is contemplated an re:
32		(1)	the Com	nmission; or
33		(2)	the Hear	ring Board for proceedings under § 16-211 of this title.



1		(i)	a felony; or
	qualification of the ap appraisal services;	(ii) plicant, l	a misdemeanor that is directly related to the fitness and icensee, or certificate holder to provide real estate
5	(6)	pays a fi	inder's fee or a referral fee to a person who lacks a license;
6	(7)	makes a	false or misleading statement in:
7 8	qualifications; or	(i)	the part of a written appraisal report about professional
9		(ii)	testimony about professional qualifications;
	(8) licensee or certificate services or certified r	holder g	the confidential nature of governmental records to which a gained access in the provision of real estate appraisal eservices;
13 14	(9) violation of this title;	accepts	a fee for providing an independent appraisal service in
15 16	(10) communicate an appr		exercise reasonable diligence to develop, prepare, or
17 18	(11) communicating an ap		s negligence or incompetence in developing, preparing, or
19	(12)	violates	any other provision of this title; or
20	(13)	violates	any regulation adopted under this title.
23	renewal, suspension, licensee or certificate	or revoca holder v	shall consider the following facts in the granting, denial, ation of a license or certificate or the reprimand of a when an applicant, certificate holder, or licensee is demeanor described in subsection (a)(5) of this section:
25	(1)	the natu	re of the crime;
26 27	(2) license or certificate;	the relat	ionship of the crime to the activities authorized by the
	(3) and qualification of the appraisal services;		pect to a felony, the relevance of the conviction to the fitness ant, licensee, or certificate holder to provide real estate
31	(4)	the leng	th of time since the conviction; and
32 33	(5)		avior and activities of the applicant, licensee, or certificate

- 1 16-701.1.
- 2 SUBJECT TO THE HEARING PROVISIONS OF § 16-602 OF THIS TITLE, THE
- 3 COMMISSION MAY DENY A HOME INSPECTOR LICENSE TO ANY APPLICANT,
- 4 REPRIMAND ANY HOME INSPECTOR LICENSEE, OR SUSPEND OR REVOKE A HOME
- 5 INSPECTOR LICENSEE IF THE APPLICANT OR LICENSEE:
- 6 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO 7 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;
- 8 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;
- 9 (3) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,
- 10 INCOMPETENCY, NEGLIGENCE OR UNTRUSTWORTHINESS, OR THAT CONSTITUTES
- 11 DISHONEST, FRAUDULENT, OR IMPROPER DEALINGS;
- 12 (4) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS
- 13 CONVICTED OF:
- 14 (I) A FELONY; OR
- 15 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE FITNESS
- 16 AND QUALIFICATION OF THE APPLICANT OR LICENSEE TO PERFORM HOME
- 17 INSPECTIONS:
- 18 (5) VIOLATES ANY PROVISION OF THIS TITLE;
- 19 (6) VIOLATES ANY REGULATION ADOPTED UNDER THIS TITLE;
- 20 (7) AIDS, ABETS, OR ASSISTS ANY PERSON IN VIOLATING ANY PROVISION
- 21 OF THIS TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE.
- 22 16-702.
- After June 30, 1991, and except as otherwise provided in this title, a person may
- 24 not provide, attempt to provide, or offer to provide real estate appraisal services in the
- 25 State unless licensed by the Commission AS A REAL ESTATE APPRAISER.
- 26 16-703.
- 27 Except as otherwise provided in this title, a person may not provide, attempt to
- 28 provide, or offer to provide certified real estate appraisal services in the State unless
- 29 certified by the Commission AS A REAL ESTATE APPRAISER.
- 30 16-703.1.
- 31 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT
- 32 PERFORM, ATTEMPT TO PERFORM, OR OFFER TO PERFORM HOME INSPECTIONS IN
- 33 THIS STATE UNLESS LICENSED AS A HOME INSPECTOR BY THE COMMISSION.

- 1 16-704.
- 2 Unless authorized under this title to provide real estate appraisal services, a
- 3 person may not represent to the public, by use of a title, including "licensed real
- 4 estate appraiser", by description of services, methods, or procedures, or otherwise,
- 5 that the person is authorized to provide real estate appraisal services in the State.
- 6 16-705.
- 7 (a) Unless authorized under this title to provide certified real estate appraisal
- 8 services, a person may not represent to the public, by use of a title, including
- 9 "certified real estate appraiser", by description of services, methods, or procedures, or
- 10 otherwise, that the person is authorized to provide certified real estate appraisal
- 11 services in the State.
- 12 (b) A person may not use the title "certified real estate appraiser" after or with
- 13 the name or signature of a firm, partnership, corporation, or group in a way that the
- 14 title could be interpreted to refer to anyone other than the individual who is certified
- 15 under this title.
- 16 16-705.1.
- 17 UNLESS AUTHORIZED UNDER THIS TITLE TO ENGAGE IN THE BUSINESS OF
- 18 PERFORMING HOME INSPECTIONS, A PERSON MAY NOT REPRESENT TO THE PUBLIC,
- 19 BY USE OF A TITLE, INCLUDING "LICENSED HOME INSPECTOR", BY DESCRIPTION OF
- 20 SERVICES, METHODS, OR PROCEDURES, OR OTHERWISE, THAT THE PERSON IS
- 21 AUTHORIZED TO ENGAGE IN THE PERFORMANCE OF HOME INSPECTIONS IN THE
- 22 STATE.
- 23 16-706.
- A person who violates any provision of this title is guilty of a misdemeanor and
- 25 on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding
- 26 1 year or both.
- 27 16-707.
- 28 (A) THE COMMISSION MAY IMPOSE ON A PERSON WHO VIOLATES THIS TITLE
- 29 A CIVIL PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION, WHETHER OR NOT
- 30 THE PERSON IS LICENSED OR HOLDS A CERTIFICATE UNDER THIS TITLE.
- 31 (B) IN SETTING THE AMOUNT OF A CIVIL PENALTY, THE COMMISSION SHALL
- 32 CONSIDER:
- 33 (1) THE SERIOUSNESS OF THE VIOLATION;
- 34 (2) THE GOOD FAITH OF THE VIOLATOR;
- 35 (3) ANY PREVIOUS VIOLATIONS;

	(4) THE HARMFUL EFFECT OF THE VIOLATION ON THE COMPLAINAN' THE PUBLIC, AND THE BUSINESS OF HOME INSPECTIONS OR REAL ESTATE APPRAISALS;
4	(5) THE ASSETS OF THE VIOLATOR;
5	(6) ANY OTHER RELEVANT FACTORS.
6	16-801.
7 8	This title may be cited as the "Maryland Real Estate Appraisers AND HOME INSPECTORS Act".
9	16-802.
	Subject to the evaluation and reestablishment provisions of the Maryland Program Evaluation Act, this title and all regulations adopted under this title shall terminate and be of no effect after July 1, 2003.
13	Article - Business Regulation
14	2-108.
15	(a) The following units are in the Department:
16 17	(25) the State Commission of Real Estate Appraisers AND HOME INSPECTORS.
18	Article - Real Property
19	[Subtitle 8. Home Inspections.]
20	[10-801.
21 22	(a) In this subtitle, "home inspector" means a person who provides or offers to provide home inspection services.
	(b) Promptly after agreeing to perform an inspection and before a home is inspected, a home inspector shall provide the person who has entered into a contract for the purchase of the property:
26	(1) A list of the credentials of:
27	(i) The home inspector; and
28 29	(ii) If the individual who will actually perform the inspection is different from the home inspector, that individual; and
30	(2) A disclosure in 10-point bold type that states:

- 1 "An inspection is intended to assist in evaluation of the overall condition of a
- 2 building. The inspection is based on observation of the visible and apparent condition
- 3 of the building and its components on the date of inspection.
- 4 The results of this home inspection are not intended to make any representation
- 5 regarding latent or concealed defects that may exist, and no warranty or guaranty is
- 6 expressed or implied.
- 7 If the person conducting your home inspection is not a licensed structural
- 8 engineer or other professional whose license authorizes the rendering of an opinion as
- 9 to the structural integrity of a building or its other component parts, you may be
- 10 advised to seek a professional opinion as to any defects or concerns mentioned in the
- 11 report."
- 12 (c) The information required to be provided under subsection (b) of this
- 13 section shall be included in the home inspection report that is delivered to the person
- 14 who has entered into a contract for the purchase of the property.]
- 15 Article State Government
- 16 8-403.
- 17 (b) Except as otherwise provided in subsection (a) of this section, on or before
- 18 the evaluation date for the following governmental activities or units, an evaluation
- 19 shall be made of the following governmental activities or units and the statutes and
- 20 regulations that relate to the governmental activities or units:
- 21 (58) Real Estate Appraisers AND HOME INSPECTORS, State Commission
- 22 of (§ 16-201 of the Business Occupations and Professions Article: July 1, 2002);
- 23 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
- 24 October 1, 2001.