
By: **Delegates Morhaim and Moe**

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Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted with floor amendments

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CHAPTER_____

1 AN ACT concerning

2 **State Commission of Real Estate Appraisers and Home Inspectors**

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
8 vice chairman of the Commission; altering the qualifications of the executive
9 director and employees of the Commission; providing that a member of the
10 Commission may not be held personally liable for certain enforcement actions
11 taken by the Commission; authorizing the Commission to review and approve
12 certain training programs, keep certain records, and adopt an official seal;
13 requiring an individual to be licensed before the individual may ~~engage in the~~
14 ~~business of performing home inspections~~ provide home inspection services in the
15 State; providing for certain exceptions to the requirements for licensure as a
16 home inspector; establishing certain requirements for licensure as a home
17 inspector; providing for the issuance, scope, term, renewal, and reinstatement of
18 home inspector licenses; authorizing the Commission to deny a home inspector
19 license to any applicant, reprimand a home inspector licensee, or suspend or
20 revoke a home inspector license under certain circumstances; providing for
21 certain home inspection reports within a certain period of time; requiring that
22 any limitation of the liability of a home inspector be agreed to in writing by
23 certain persons prior to the performance of the home inspection; prohibiting
24 certain acts; providing for certain penalties; defining certain terms; repealing
25 certain provisions relating to home inspections; making technical corrections;
26 requiring the Department of Labor, Licensing, and Regulation to report to
27 certain committees of the General Assembly on or before certain dates; and
28 generally relating to the licensing and regulation of home inspectors by the

1 Commission of Real Estate Appraisers and Home Inspectors.

2 BY repealing and reenacting, with amendments,
3 Article - Business Occupations and Professions
4 Section 16-101; 16-201, 16-202, 16-203, 16-204, 16-205, 16-207, 16-208,
5 16-209, 16-210, 16-211, 16-212, 16-213, 16-214, 16-216, and 16-220 to
6 be under the amended subtitle "Subtitle 2. State Commission of Real
7 Estate Appraisers and Home Inspectors"; 16-601, 16-602, 16-701, 16-702,
8 16-703, and 16-801 to be under the amended title "Title 16. Real Estate
9 Appraisers and Home Inspectors"
10 Annotated Code of Maryland
11 (2000 Replacement Volume and 2000 Supplement)

12 BY repealing and reenacting, without amendments,
13 Article - Business Occupations and Professions
14 Section 16-206, 16-215, 16-217, 16-218, and 16-219; 16-301 to be under the
15 amended subtitle "Subtitle 3. Licensing of Real Estate Appraisers"; 16-401
16 to be under the amended subtitle "Subtitle 4. Miscellaneous Provisions for
17 Real Estate Appraisers"; 16-501 to be under the amended subtitle
18 "Subtitle 5. Certification of Real Estate Appraisers"; 16-704, 16-705,
19 16-706, and 16-802
20 Annotated Code of Maryland
21 (2000 Replacement Volume and 2000 Supplement)

22 BY adding to
23 Article - Business Occupations and Professions
24 Section 16-210.1; 16-3A-01 through 16-3A-08 to be under the new subtitle
25 "Subtitle 3A. Licensing of Home Inspectors"; 16-4A-01 through 16-4A-03
26 to be under the new subtitle "Subtitle 4A. Miscellaneous Provisions for
27 Home Inspectors"; 16-701.1, 16-703.1, 16-705.1, and 16-707
28 Annotated Code of Maryland
29 (2000 Replacement Volume and 2000 Supplement)

30 BY repealing and reenacting, with amendments,
31 Article - Business Regulation
32 Section 2-108(a)(25)
33 Annotated Code of Maryland
34 (1998 Replacement Volume and 2000 Supplement)

35 BY repealing
36 Article - Real Property
37 Section 10-801 and the subtitle "Subtitle 8. Home Inspections"
38 Annotated Code of Maryland
39 (1996 Replacement Volume and 2000 Supplement)

1 BY repealing and reenacting, with amendments,
2 Article - State Government
3 Section 8-403(b)(58)
4 Annotated Code of Maryland
5 (1999 Replacement Volume and 2000 Supplement)

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

8 **Article - Business Occupations and Professions**

9 **Title 16. Real Estate Appraisers AND HOME INSPECTORS.**

10 16-101.

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

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

14 (2) "Appraisal" includes:

15 (i) a valuation appraisal;

16 (ii) an analysis assignment; and

17 (iii) a review assignment.

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

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

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

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

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

31 (ii) a certificate to provide certified real estate appraisal services
32 for residential real estate.

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

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

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

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

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

9 (g) "Commission" means the State Commission of Real Estate Appraisers AND
10 HOME INSPECTORS.

11 (H) "HOME INSPECTION" MEANS A WRITTEN EVALUATION OF ONE OR MORE
12 OF THE COMPONENTS OF AN EXISTING RESIDENTIAL BUILDING, INCLUDING THE
13 HEATING SYSTEM, COOLING SYSTEM, PLUMBING SYSTEM, ELECTRICAL SYSTEM,
14 STRUCTURAL COMPONENTS, FOUNDATION, ROOF, MASONRY STRUCTURE, EXTERIOR
15 AND INTERIOR COMPONENTS, OR ANY OTHER RELATED RESIDENTIAL HOUSING
16 COMPONENT.

17 (I) "HOME INSPECTOR" MEANS AN INDIVIDUAL WHO ~~ENGAGES IN THE~~
18 ~~BUSINESS OF PERFORMING~~ PROVIDES HOME ~~INSPECTIONS~~ INSPECTION SERVICES
19 FOR COMPENSATION.

20 [(h)] (J) "License" means, unless the context requires otherwise, a license
21 issued by the Commission to provide real estate appraisal services OR TO PROVIDE
22 HOME INSPECTION SERVICES.

23 (K) "LICENSED HOME INSPECTOR" MEANS AN INDIVIDUAL WHO IS LICENSED
24 BY THE COMMISSION TO ~~ENGAGE IN THE BUSINESS OF PERFORMING~~ PROVIDE HOME
25 ~~INSPECTIONS~~ INSPECTION SERVICES.

26 [(i)] (L) "Licensed real estate appraiser" means an individual who is licensed
27 by the Commission to provide real estate appraisal services.

28 [(j)] (M) "Provide certified real estate appraisal services" means to provide
29 real estate appraisal services as a certified real estate appraiser.

30 (N) "PROVIDE HOME INSPECTION SERVICES" MEANS TO PROVIDE HOME
31 INSPECTION SERVICES AS A LICENSED HOME INSPECTOR.

32 [(k)] ~~(N)~~ (O) "Provide real estate appraisal services" means to make for
33 consideration an appraisal of real estate or prepare or sign an appraisal report in
34 connection with a federally related transaction, as defined in the federal Financial
35 Institutions Reform, Recovery, and Enforcement Act of 1989.

1 ~~[(l)]~~ ~~(P)~~ (1) "Real estate" means any interest in real property that is
2 located in the State or elsewhere.

3 (2) "Real estate" includes:

4 (i) an interest in a condominium; and

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

7 ~~[(m)]~~ ~~(P)~~ ~~(Q)~~ "Real estate appraiser trainee" means an individual who is
8 licensed by the Commission to provide real estate appraisal services while:

9 (1) under the supervision of a supervising appraiser; and

10 (2) in training to become a licensed real estate appraiser or certified real
11 estate appraiser.

12 ~~[(n)]~~ ~~(P)~~ ~~(R)~~ "Supervising appraiser" means a licensed real estate appraiser
13 or a certified real estate appraiser who has the responsibility of supervising one or
14 more real estate appraiser trainees.

15 ~~[(o)]~~ ~~(R)~~ ~~(S)~~ (1) "Supervision" means the responsibility of a supervising
16 appraiser to provide on-site direction or immediately available direction, through
17 written instructions or by electronic means, to real estate appraiser trainees
18 performing real estate appraisal services.

19 (2) "Supervision" includes a supervising appraiser accepting direct
20 responsibility for a real estate appraisal prepared by the real estate appraiser trainee
21 while the trainee is under the supervising appraiser's direction on a specific appraisal
22 assignment.

23 Subtitle 2. State Commission of Real Estate Appraisers AND HOME INSPECTORS.

24 16-201.

25 There is a State Commission of Real Estate Appraisers AND HOME INSPECTORS
26 in the Department.

27 16-202.

28 (a) (1) The Commission consists of [9] 15 members.

29 (2) Of the [9] 15 members of the Commission:

30 (i) 2 shall be certified general real estate appraisers;

31 (ii) 1 shall be a certified residential real estate appraiser;

32 (iii) 1 shall be a licensed real estate appraiser;

1 (iv) 2 shall be representatives of a financial institution who are not
2 certified or licensed real estate appraisers OR HOME INSPECTORS; [and]

3 (V) 1 SHALL BE A LICENSED HOME INSPECTOR WHO IS A MEMBER
4 OF THE AMERICAN SOCIETY OF HOME INSPECTORS (ASHI);

5 (VI) 1 SHALL BE A LICENSED HOME INSPECTOR WHO IS A MEMBER
6 OF THE NATIONAL ASSOCIATION OF HOME INSPECTORS;

7 (VII) 2 SHALL BE LICENSED HOME INSPECTORS WITHOUT REGARD
8 TO AFFILIATION WITH OR MEMBERSHIP IN ANY SOCIETY OR ASSOCIATION; AND

9 [(v)] (VIII) [3] 5 shall be consumer members.

10 (3) Of the [9] 15 members of the Commission:

11 (i) [4] 10 shall be at large members;

12 (II) THE 4 APPRAISER MEMBERS AND 1 NONAPPRAISER MEMBER
13 SHALL BE APPOINTED AS FOLLOWS:

14 [(ii)] 1. 1 shall be a resident of any county in the area that consists
15 of Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and
16 Worcester counties;

17 [(iii)] 2. 1 shall be a resident of any county in the area that consists
18 of Baltimore, Carroll, Harford, and Howard counties;

19 [(iv)] 3. 1 shall be a resident of Baltimore City;

20 [(v)] 4. 1 shall be a resident of any county in the area that consists
21 of Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's counties; and

22 [(vi)] 5. 1 shall be a resident of any county in the area that consists
23 of Allegany, Frederick, Garrett, Montgomery, and Washington counties.

24 (4) [(i)] The Governor shall appoint the members with the advice of the
25 Secretary and with the advice and consent of the Senate.

26 [(ii)] The Governor may not appoint more than 2 members from any
27 1 region specified in paragraph (3) of this subsection.]

28 (b) Each member of the Commission shall be a citizen of the State.

29 (c) Each real estate appraiser member of the Commission:

30 (1) shall have been a resident of any of the counties in the area from
31 which the member is appointed for at least 5 years immediately before appointment;
32 or

1 (2) if an at large member, shall have been a resident of the State for at
2 least 5 years immediately before appointment.

3 (d) (1) Each consumer member of the Commission:

4 (i) shall be a member of the general public;

5 (ii) may not be a licensee, holder of a certificate, or otherwise be
6 subject to regulation by the Commission;

7 (iii) may not be required to meet the qualifications for the
8 professional members of the Commission; and

9 (iv) may not, within 1 year before appointment, have had a financial
10 interest in or have received compensation from a person regulated by the
11 Commission.

12 (2) While a member of the Commission, a consumer member may not:

13 (i) have a financial interest in or receive compensation from a
14 person regulated by the Commission; or

15 (ii) grade any examination given by or for the Commission.

16 (e) Before taking office, each appointee to the Commission shall take the oath
17 required by Article I, § 9 of the Maryland Constitution.

18 (f) (1) The term of a member is 3 years.

19 (2) The terms of members are staggered as required by the terms
20 provided for members of the Commission on January 1, 1991.

21 (3) At the end of a term, a member continues to serve until a successor is
22 appointed and qualifies.

23 (4) A member who is appointed after a term has begun serves only for
24 the rest of the term and until a successor is appointed and qualifies.

25 (5) A member may not serve for more than 2 consecutive 3-year terms.

26 (g) The Governor may remove a member for incompetence or misconduct.

27 16-203.

28 (a) (1) From among its members, the Commission annually shall elect a
29 chairman AND A VICE CHAIRMAN, PROVIDED:

30 (I) IF A CHAIR IS ELECTED FROM AMONG THE REAL ESTATE
31 APPRAISER MEMBERS, THEN THE VICE CHAIRMAN SHALL BE ELECTED FROM AMONG
32 THE LICENSED HOME INSPECTOR MEMBERS; AND

1 (II) IF A CHAIR IS ELECTED FROM AMONG THE LICENSED HOME
2 INSPECTOR MEMBERS, THEN THE VICE CHAIRMAN SHALL BE ELECTED FROM
3 AMONG THE REAL ESTATE APPRAISER MEMBERS.

4 (2) At the end of a term, the chairman AND VICE CHAIRMAN may be
5 reelected.

6 (b) The chairman shall perform the duties that this title and the Commission
7 require.

8 (c) While in office, the chairman shall be covered by a surety bond in the form
9 and amount required by law.

10 16-204.

11 (a) {(1) Subject to paragraph (2) of this subsection, 5} A MAJORITY of the
12 members [of] THEN SERVING ON the Commission [are] IS a quorum.

13 (2) A MAJORITY OF THE MEMBERS THEN SERVING ON THE COMMISSION
14 IS NOT A QUORUM UNLESS 2 HOME INSPECTOR MEMBERS AND 2 REAL ESTATE
15 APPRAISER MEMBERS ARE PRESENT.

16 [(2) At least 2 of the 5 members shall be real estate appraiser members.]

17 (b) (1) The Commission shall meet at least once each calendar quarter, at
18 the times and places that the Commission determines.

19 (2) Each member of the Commission shall receive written notice of the
20 time and place of a meeting at least 10 days before the scheduled date of the meeting.

21 (3) Within a reasonable time after giving notice to the Commission, a
22 member of the public is entitled to be heard, at a meeting of the Commission, on any
23 matter within the jurisdiction of the Commission.

24 (c) Each member of the Commission is entitled to:

25 (1) compensation in accordance with the State budget; and

26 (2) reimbursement for expenses under the Standard State Travel
27 Regulations, as provided in the State budget.

28 16-205.

29 (a) (1) The Secretary shall appoint the executive director of the Commission
30 from a list of 3 nominees submitted by the Commission.

31 (2) The executive director serves at the pleasure of the Secretary.

32 (b) ~~The executive director shall possess a broad knowledge of generally~~
33 ~~accepted practices in the real estate appraisal business in the State.~~

1 ~~(E)~~ (B) (1) [The executive director shall devote full time to the duties of
2 office.

3 (2)] The executive director may not hold any position or engage in
4 another business that:

5 (i) interferes with the position of executive director; or

6 (ii) might conflict with the position of executive director.

7 ~~[(3)]~~ (2) While employed by the Commission, the executive director may
8 not:

9 (i) be licensed in any state as a real estate appraiser OR A HOME
10 INSPECTOR;

11 (ii) engage in any act for which a license is required under this title;
12 or

13 (iii) in connection with any real estate appraisal transaction OR
14 HOME INSPECTION ENGAGEMENT, directly or indirectly receive or become entitled to
15 receive any compensation, fee, or perquisite.

16 ~~(D)~~ (C) The executive director is entitled to:

17 (1) compensation in accordance with the State budget; and

18 (2) reimbursement for expenses under the Standard State Travel
19 Regulations, as provided in the State budget.

20 ~~(E)~~ (D) The executive director is a special appointment in the State
21 Personnel Management System.

22 ~~(F)~~ (E) While employed as executive director, the executive director shall be
23 covered by a surety bond in the form and amount required by law.

24 16-206.

25 The executive director shall:

26 (1) keep a record of each act, communication, and proceeding of the
27 Commission; and

28 (2) perform any other duty that the Commission considers appropriate.
29 16-207.

30 (a) The Commission, in accordance with the State budget, may employ:

31 (1) a general staff; and

32 (2) an investigative staff to conduct investigations.

- 1 (b) While employed by the Commission, an individual may not:
- 2 (1) be licensed in any state as a real estate appraiser OR HOME
- 3 INSPECTOR;
- 4 (2) engage in any act for which a license is required under this title; or
- 5 (3) in connection with any real estate appraisal transaction OR HOME
- 6 INSPECTION ENGAGEMENT, directly or indirectly receive or become entitled to receive
- 7 any compensation, fee, or perquisite.

8 16-208.

- 9 (a) To protect the interests of the public, the Commission shall promptly
- 10 adopt, by regulation[,]:

- 11 (1) appraisal standards of conduct for all individuals licensed or certified
- 12 AS REAL ESTATE APPRAISERS under this title, including standards regarding conflicts
- 13 of interest and ethical conduct; AND

- 14 (2) A CODE OF ETHICS AND STANDARDS OF PRACTICE FOR INDIVIDUALS
- 15 LICENSED AS HOME INSPECTORS UNDER THIS TITLE.

- 16 (b) The Commission shall promptly adopt at a minimum the uniform
- 17 standards of professional appraisal practice of the appraisal foundation to meet the
- 18 requirement under subsection (a) of this section.

- 19 (c) 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 AND A COPY OF
- 21 HOME INSPECTION STANDARDS IT ADOPTS TO EACH LICENSED HOME INSPECTOR.

22 16-209.

- 23 (a) (1) The Commission shall administer and enforce the provisions of this
- 24 title.

- 25 (2) In connection with any action to enforce the provisions of this title,
- 26 the Commission may:

- 27 (i) hold hearings;
- 28 (ii) administer oaths;
- 29 (iii) issue a subpoena for the attendance of a witness to testify or the
- 30 production of evidence; or
- 31 (iv) take depositions, in the same manner and with the same fees
- 32 and compensation for mileage as provided in civil cases in the State.

- 33 (3) The Police Department of Baltimore City, the sheriff of a county, or a
- 34 private process server shall serve a subpoena issued under this subsection.

1 (4) If a person fails to comply with a subpoena issued under this
2 subsection, on petition of the Commission or another party, a circuit court may compel
3 compliance with the subpoena.

4 (b) (1) If the Commission concludes that conduct alleged to be a violation of
5 any provision of this title may result in irreparable harm to a person, the Commission
6 may sue to enforce a provision of this title by ex parte, interlocutory, or final
7 injunction.

8 (2) In seeking an injunction under this subsection, the Commission is not
9 required to:

10 (i) post bond, if the injunction is sought against a person who does
11 not hold a license issued under this title; [or]

12 (ii) allege or prove that an adequate remedy at law does not exist;
13 OR

14 (III) ALLEGE OR PROVE THAT SUBSTANTIAL OR IRREPARABLE
15 DAMAGE WOULD RESULT FROM THE CONTINUED VIOLATION OF THE PROVISION.

16 (c) (1) Subject to the provisions of this section, the Commission shall
17 conduct an investigation that relates to any complaint alleging that an unauthorized
18 person has provided real estate appraisal services ~~OR ENGAGED IN THE BUSINESS OF~~
19 ~~PERFORMING HOME INSPECTIONS~~ HOME INSPECTION SERVICES.

20 (2) A complaint shall:

21 (i) be in writing;

22 (ii) state specifically the facts on which the complaint is based; and

23 (iii) be submitted to the Commission.

24 (3) If a complaint is made by any person other than a member of the
25 Commission, the complaint shall be made under oath by the person who submits the
26 complaint.

27 (D) A MEMBER OF THE COMMISSION MAY NOT BE HELD PERSONALLY LIABLE
28 FOR ANY ACTION TAKEN UNDER THIS SECTION.

29 16-210.

30 (a) The Commission shall establish a Real Estate Appraisal Hearing Board.

31 (b) (1) The Hearing Board shall consist of 3 members of the Commission,
32 appointed by the Commission.

33 (2) Of the 3 positions on the REAL ESTATE APPRAISER Hearing Board:

34 (i) 1 shall be a representative of a financial institution;

1 (ii) 1 shall be a consumer member; and

2 (iii) 1 shall be an appraiser with a level of licensure or certification
3 at least equal to the individual subject to the disciplinary action.

4 (c) From among the members of the Hearing Board, the Commission shall
5 designate a chairman.

6 16-210.1.

7 (A) THE COMMISSION SHALL ESTABLISH A HOME INSPECTOR HEARING
8 BOARD.

9 (B) (1) THE HEARING BOARD SHALL CONSIST OF 3 MEMBERS OF THE
10 COMMISSION, APPOINTED BY THE COMMISSION.

11 (2) OF THE 3 POSITIONS ON THE HOME INSPECTOR HEARING BOARD:

12 (I) 2 SHALL BE LICENSED HOME INSPECTORS; AND

13 (II) 1 SHALL BE A CONSUMER MEMBER.

14 (C) FROM AMONG THE MEMBERS OF THE HEARING BOARD, THE COMMISSION
15 SHALL DESIGNATE A CHAIRMAN.

16 16-211.

17 (a) The Commission shall refer to the Hearing Board for a hearing any matter
18 for which a hearing may be required under [§ 16-701] § 16-701 OR § 16-701.1 of this
19 title.

20 (b) The Hearing Board may exercise the same powers and shall conduct a
21 hearing in accordance with the same procedures applicable to the Commission under
22 § 16-602 of this title.

23 (c) (1) The Hearing Board shall determine if there is a reasonable basis to
24 believe that there are grounds for disciplinary action under this title against a
25 licensee.

26 (2) (i) If the Hearing Board finds a reasonable basis as provided under
27 paragraph (1) of this subsection, the Hearing Board shall:

28 1. hold a hearing on the matter; and

29 2. file its finding with the Commission.

30 (ii) If the Hearing Board does not find a reasonable basis as
31 provided under paragraph (1) of this subsection, the Hearing Board shall dismiss the
32 complaint.

1 (3) A Hearing Board shall advise the Commission specifically of any
2 action brought against a licensee as a result of monetary loss, misappropriation of
3 money, or fraud.

4 (d) (1) (i) Within 15 days after the filing of a decision by a Hearing Board,
5 the Commission or any of its members may file an exception to the decision of the
6 Hearing Board.

7 (ii) On the filing of an exception under subparagraph (i) of this
8 paragraph, the Commission shall set a hearing on the matter.

9 (2) If an exception is not filed within the time allowed under paragraph
10 (1)(i) of this subsection:

11 (i) the decision of the Hearing Board shall be considered as the
12 final decision of the Commission; and

13 (ii) any party aggrieved by the decision may take a judicial appeal
14 as provided in this title.

15 16-212.

16 (a) The Commission shall keep an indexed record of:

17 (1) each application for licensure or certification;

18 (2) each issuance of a license or certificate;

19 (3) each reprimand of a licensed real estate appraiser or certified real
20 estate appraiser OR LICENSED HOME INSPECTOR; and

21 (4) each suspension or revocation of a licensed real estate appraiser or
22 certified real estate appraiser OR LICENSED HOME INSPECTOR.

23 (b) The Commission shall make available to the public:

24 (1) the record during business hours; and

25 (2) on request, a copy of the record at a reasonable price that the
26 Commission sets.

27 16-213.

28 (a) The Commission shall issue at least annually a roster that shows:

29 (1) the name of each licensed real estate appraiser [and], certified real
30 estate appraiser, AND LICENSED HOME INSPECTOR; and

31 (2) the name and place of business of each licensed real estate appraiser
32 [and], certified real estate appraiser, AND LICENSED HOME INSPECTOR.

1 (b) On request, the Commission shall make available to the public a copy of
2 the roster at a reasonable price that the Commission sets.

3 16-214.

4 On request, the Commission shall issue a document of good standing to a
5 licensed real estate appraiser [or], certified real estate appraiser, OR LICENSED
6 HOME INSPECTOR who:

7 (1) is in good standing in the State; and

8 (2) pays the issuance fee set by the Commission.

9 16-215.

10 The Commission shall submit to the Secretary an annual report that includes:

11 (1) a statement of the total receipts and expenditures of the Commission;
12 and

13 (2) any other information that reflects the work of the Commission.
14 16-216.

15 In addition to any powers set forth elsewhere, the Commission may:

16 (1) sponsor research and other educational activities about real estate
17 appraising OR HOME INSPECTING; [and]

18 (2) adopt any regulation to carry out the provisions of this title;

19 (3) REVIEW AND APPROVE ANY ON-SITE TRAINING PROGRAMS,
20 INCLUDING PROGRAMS THAT HAVE BEEN APPROVED BY NATIONAL HOME
21 INSPECTION ORGANIZATIONS;

22 (4) KEEP A RECORD OF ITS PROCEEDINGS; AND

23 (5) ADOPT AN OFFICIAL SEAL TO AUTHENTICATE ITS PROCEEDINGS,
24 OFFICIAL RECORDS, LICENSES, AND CERTIFICATES.

25 16-217.

26 Except as otherwise provided by law, the Commission shall pay all money
27 collected under this title into the General Fund of the State.

28 16-218.

29 Any person aggrieved by a final decision of the Commission in a contested case,
30 as defined in § 10-202 of the State Government Article, may take an appeal as
31 allowed in §§ 10-222 and 10-223 of the State Government Article.

1 16-219.

2 The Commission exercises its powers, duties, and functions subject to the
3 authority of the Secretary.

4 16-220.

5 All regulations adopted under this title by the Commission APPLICABLE TO THE
6 PROVISION OF REAL ESTATE APPRAISAL SERVICES shall comply with the
7 requirements of the federal Financial Institutions Reform, Recovery, and
8 Enforcement Act of 1989.

9 Subtitle 3. Licensing OF REAL ESTATE APPRAISERS.

10 16-301.

11 (a) After June 30, 1991, and except as otherwise provided in this title, an
12 individual shall be licensed by the Commission to provide real estate appraisal
13 services before the individual may provide real estate appraisal services in the State.

14 (b) This section does not apply to an individual who provides real estate
15 appraisal services that are only incidental real estate appraisal services, including
16 home inspectors and environmental auditors.

17 (c) In addition to subsection (b) of this section, this section does not apply to
18 an individual who provides real estate appraisal services that the Commission
19 defines by regulation to be only incidental real estate appraisal services.

20 (d) This section does not apply to an individual who is licensed to practice any
21 business or occupation in the State while acting within the scope of the license.

22 SUBTITLE 3A. LICENSING OF HOME INSPECTORS.

23 16-3A-01.

24 (A) EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, AN INDIVIDUAL SHALL
25 BE LICENSED BY THE COMMISSION AS A HOME INSPECTOR BEFORE THE INDIVIDUAL
26 MAY ~~ENGAGE IN THE BUSINESS OF PERFORMING~~ PROVIDE HOME INSPECTIONS
27 INSPECTION SERVICES IN THE STATE.

28 (B) THIS TITLE DOES NOT APPLY TO:

29 (1) AN INDIVIDUAL WHO IS EMPLOYED AS A BUILDING CODE
30 ENFORCEMENT OFFICIAL BY THE STATE OR A POLITICAL SUBDIVISION OF THE
31 STATE, WHILE ACTING WITHIN THE SCOPE OF THAT EMPLOYMENT;

32 (2) AN INDIVIDUAL WHO IS EMPLOYED AS A FEDERAL OR STATE
33 INSPECTOR, WHILE ACTING WITHIN THE SCOPE OF THAT EMPLOYMENT;

1 (3) A PLUMBER, ELECTRICIAN, PROFESSIONAL ENGINEER, REAL ESTATE
2 APPRAISER, REAL ESTATE BROKER OR AGENT, OR HEATING, VENTILATION,
3 AIR-CONDITIONING, OR REFRIGERATION CONTRACTOR WHO IS LICENSED IN THE
4 STATE, WHILE ACTING WITHIN THE SCOPE OF THAT LICENSE;

5 (4) A ROOFER, GENERAL CONTRACTOR, REMODELER, OR STRUCTURAL
6 PEST CONTROL SPECIALIST, WHILE ACTING WITHIN THE SCOPE OF THAT
7 OCCUPATION; OR

8 (5) ANY OTHER PROFESSIONAL WHOSE SERVICES MAY BE REQUIRED IN
9 THE BUILDING OR REMODELING OF REAL PROPERTY AND WHO DOES NOT CLAIM TO
10 BE A LICENSED HOME INSPECTOR.

11 16-3A-02.

12 (A) TO QUALIFY FOR A LICENSE AS A HOME INSPECTOR, AN APPLICANT MUST
13 BE AN INDIVIDUAL WHO MEETS THE REQUIREMENTS OF THIS SECTION.

14 (B) PRIOR TO JULY 1, 2002, AN APPLICANT FOR A HOME INSPECTOR LICENSE
15 SHALL:

16 (1) MEET ~~ONE~~ TWO OF THE FOLLOWING CONDITIONS:

17 (I) HAVE COMPLETED A MINIMUM OF 48 HOURS OF AN ON-SITE
18 TRAINING COURSE APPROVED BY A NATIONAL HOME INSPECTION ORGANIZATION OR
19 THE COMMISSION;

20 (II) HAVE COMPLETED A MINIMUM OF 2 YEARS OF RELEVANT
21 WORK EXPERIENCE, AS DETERMINED BY THE COMMISSION, IMMEDIATELY
22 PRECEDING THE SUBMISSION OF AN APPLICATION;

23 ~~(H)~~ (III) HAVE COMPLETED AT LEAST 100 HOME INSPECTIONS FOR
24 COMPENSATION; OR

25 ~~(H)~~ (IV) SUBMIT PROOF OF FULL MEMBERSHIP IN OR
26 CERTIFICATION BY ONE OF THE FOLLOWING NATIONAL HOME INSPECTION
27 ORGANIZATIONS:

28 1. AMERICAN SOCIETY OF HOME INSPECTORS; OR

29 2. NATIONAL ASSOCIATION OF HOME INSPECTORS;

30 (2) HAVE A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT;

31 (3) HAVE GENERAL LIABILITY INSURANCE IN AN AMOUNT NOT LESS
32 THAN \$50,000;

33 (4) SUBMIT TO THE COMMISSION AN APPLICATION ON THE FORM THAT
34 THE COMMISSION PROVIDES; AND

35 (5) PAY TO THE COMMISSION AN APPLICATION FEE OF \$50.

1 16-3A-03.

2 EFFECTIVE JULY 1, 2002, AN APPLICANT FOR A HOME INSPECTOR LICENSE
3 SHALL:

4 (1) HAVE COMPLETED A MINIMUM OF 48 HOURS OF AN OFF-SITE
5 TRAINING COURSE APPROVED BY A NATIONAL HOME INSPECTION ORGANIZATION OR
6 THE COMMISSION;

7 (2) HAVE A HIGH SCHOOL DIPLOMA OR ITS EQUIVALENT;

8 (3) HAVE GENERAL LIABILITY INSURANCE IN AN AMOUNT NOT LESS
9 THAN \$50,000;

10 (4) SUBMIT TO THE COMMISSION AN APPLICATION ON THE FORM THAT
11 THE COMMISSION PROVIDES; AND

12 (5) PAY TO THE COMMISSION AN APPLICATION FEE OF \$50.

13 16-3A-04.

14 (A) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, SUBJECT TO
15 THE LICENSING PROVISIONS OF THIS SECTION, THE COMMISSION MAY ISSUE A
16 LICENSE BY RECIPROCITY UNDER THIS SECTION FOR AN APPLICANT WHO IS
17 LICENSED TO ~~PERFORM HOME INSPECTIONS~~ PROVIDE HOME INSPECTION SERVICES
18 IN ANOTHER STATE.

19 (B) THE COMMISSION MAY ISSUE A LICENSE BY RECIPROCITY UNDER THIS
20 SECTION FOR AN APPLICANT WHO IS LICENSED TO ~~PERFORM HOME INSPECTIONS~~
21 PROVIDE HOME INSPECTION SERVICES IN ANOTHER STATE ONLY IF THE APPLICANT:

22 (1) PAYS TO THE COMMISSION AN APPLICATION FEE AS SET BY THE
23 COMMISSION; AND

24 (2) PROVIDES ADEQUATE EVIDENCE THAT THE APPLICANT:

25 (I) MEETS THE QUALIFICATIONS OTHERWISE REQUIRED BY THIS
26 SUBTITLE;

27 (II) HOLDS AN ACTIVE LICENSE IN GOOD STANDING FROM THE
28 OTHER STATE;

29 (IV) BECAME LICENSED IN THE OTHER STATE AFTER MEETING, IN
30 THAT OR ANOTHER STATE, REQUIREMENTS THAT WERE AT LEAST EQUIVALENT TO
31 THOSE THEN REQUIRED BY THE LAWS OF THIS STATE; OR

32 (V) AT THE TIME OF THE APPLICATION FOR A LICENSE BY
33 RECIPROCITY UNDER THIS SECTION, THE APPLICANT MEETS THE REQUIREMENTS
34 CURRENTLY REQUIRED BY THE LAWS OF THIS STATE.

1 (C) SUBJECT TO THE LICENSING PROVISIONS IN THIS SECTION, THE
2 COMMISSION MAY ISSUE A LICENSE BY RECIPROCITY TO ~~ENGAGE IN THE BUSINESS~~
3 ~~OF PERFORMING HOME INSPECTIONS~~ PROVIDE HOME INSPECTION SERVICES TO AN
4 INDIVIDUAL WHO SATISFIES TO THE COMMISSION THAT THE APPLICANT IS
5 QUALIFIED BASED ON A COMBINATION OF COMPARABLE EDUCATION, TRAINING,
6 AND EXPERIENCE IN ~~PERFORMING HOME INSPECTIONS~~ PROVIDING HOME
7 INSPECTION SERVICES.

8 16-3A-05.

9 IF AN APPLICANT QUALIFIES FOR A HOME INSPECTOR LICENSE UNDER THIS
10 TITLE, THE COMMISSION SHALL SEND THE APPLICANT A NOTICE THAT STATES:

11 (1) THE APPLICANT HAS QUALIFIED FOR THE LICENSE; AND

12 (2) THE COMMISSION WILL ISSUE THE HOME INSPECTOR LICENSE TO
13 AN APPLICANT UPON RECEIPT OF:

14 (I) PROOF OF GENERAL LIABILITY INSURANCE IN AN AMOUNT NOT
15 LESS THAN \$50,000; AND

16 (II) A LICENSE FEE ~~OF~~ NOT TO EXCEED \$400.

17 16-3A-06.

18 WHILE A HOME INSPECTOR LICENSE IS IN EFFECT, IT AUTHORIZES THE
19 LICENSEE TO ~~ENGAGE IN THE BUSINESS OF PERFORMING HOME INSPECTIONS~~
20 PROVIDE HOME INSPECTION SERVICES.

21 16-3A-07.

22 (A) UNLESS A LICENSE IS RENEWED FOR A 2-YEAR TERM AS PROVIDED IN
23 THIS SECTION, THE LICENSE EXPIRES ON A STAGGERED BASIS AS DETERMINED BY
24 THE SECRETARY.

25 (B) AT LEAST 1 MONTH BEFORE A LICENSE EXPIRES, THE COMMISSION SHALL
26 MAIL TO THE LICENSEE, AT THE LAST KNOWN ADDRESS OF THE LICENSEE:

27 (1) A RENEWAL APPLICATION FORM; AND

28 (2) A NOTICE THAT STATES:

29 (I) THE DATE ON WHICH THE CURRENT LICENSE EXPIRES; AND

30 (II) THE AMOUNT OF THE RENEWAL FEE.

31 (C) BEFORE A LICENSE EXPIRES, THE LICENSEE MAY RENEW IT FOR AN
32 ADDITIONAL 2-YEAR TERM, IF THE LICENSEE:

33 (1) OTHERWISE IS ENTITLED TO BE LICENSED;

1 (2) PAYS TO THE COMMISSION A RENEWAL FEE ~~OF~~ NOT TO EXCEED \$400;
2 AND

3 (3) SUBMITS:

4 ~~(H)~~ A RENEWAL APPLICATION ON THE FORM THAT THE
5 COMMISSION PROVIDES; ~~AND~~

6 ~~(H)~~ ~~PAYMENT OF THE RENEWAL FEE OF \$400.~~

7 (D) THE COMMISSION SHALL RENEW THE LICENSE OF AND ISSUE A LICENSE
8 TO EACH LICENSEE WHO MEETS THE REQUIREMENTS OF THIS SECTION.

9 16-3A-08.

10 (A) THE COMMISSION SHALL REINSTATE THE LICENSE OF AN INDIVIDUAL
11 WHO HAS FAILED TO RENEW A LICENSE FOR ANY REASON IF THE INDIVIDUAL:

12 (1) APPLIES TO THE COMMISSION FOR REINSTATEMENT WITHIN 5
13 YEARS AFTER THE LICENSE EXPIRES;

14 (2) MEETS THE RENEWAL REQUIREMENTS UNDER § 16-3A-07 OF THIS
15 SUBTITLE; AND

16 (3) IN ADDITION TO THE RENEWAL FEE REQUIRED UNDER § 16-3A-07 OF
17 THIS SUBTITLE, PAYS TO THE COMMISSION A REINSTATEMENT FEE OF \$50.

18 (B) THE COMMISSION MAY NOT REINSTATE THE LICENSE OF AN INDIVIDUAL
19 WHO FOR ANY REASON FAILS TO APPLY FOR REINSTATEMENT WITHIN 5 YEARS
20 AFTER THE LICENSE HAS EXPIRED.

21 Subtitle 4. Miscellaneous [Licensing] Provisions FOR REAL ESTATE APPRAISERS.

22 16-401.

23 (a) Subject to the provisions of subsection (b) of this section, a licensed real
24 estate appraiser shall keep, for 5 years from the date of delivery to the client, the
25 original or a copy of:

26 (1) each contract the licensee enters into for the provision of real estate
27 appraisal services;

28 (2) each appraisal report the licensee prepares or signs; and

29 (3) all supporting data that the licensee assembles or formulates to
30 prepare an appraisal report.

31 (b) If, within the 5-year period for the retention of records, a licensed real
32 estate appraiser is given notice that an appraisal or appraisal report is involved in
33 litigation, a new 5-year period shall start on the date of the final disposition of the
34 litigation.

1 (c) On request, a licensed real estate appraiser shall make any record
2 required to be kept under this section available to the Commission to inspect or copy.

3 SUBTITLE 4A. MISCELLANEOUS PROVISIONS FOR HOME INSPECTORS.

4 16-4A-01.

5 (A) A LICENSED HOME INSPECTOR SHALL GIVE TO EACH PERSON FOR WHOM
6 THE LICENSEE PERFORMS A HOME INSPECTION FOR COMPENSATION OR TO THE
7 PERSON'S REPRESENTATIVE, A WRITTEN REPORT THAT STATES:

8 (1) THE SCOPE AND THE EXCLUSIONS OF THE INSPECTION;

9 (2) THE CONDITIONS OBSERVED DURING THE HOME INSPECTION THAT
10 ARE SUBJECT TO THE ADOPTED STANDARDS OF PRACTICE AND CODE OF ETHICS
11 APPROVED BY THE COMMISSION;

12 (3) THE LICENSE NUMBER OF THE LICENSEE; AND

13 (4) A DISCLOSURE IN 14-POINT BOLD TYPE THAT INCLUDES THE
14 FOLLOWING STATEMENTS:

15 (I) "AN INSPECTION IS INTENDED TO ASSIST IN THE EVALUATION
16 OF THE OVERALL CONDITION OF A BUILDING. THE INSPECTION IS BASED ON
17 OBSERVATION OF THE VISIBLE AND APPARENT CONDITION OF THE BUILDING AND
18 ITS COMPONENTS ON THE DATE OF THE INSPECTION";

19 (II) "THE RESULTS OF THIS HOME INSPECTION ARE NOT INTENDED
20 TO MAKE ANY REPRESENTATION REGARDING LATENT OR CONCEALED DEFECTS
21 THAT MAY EXIST, AND NO WARRANTY OR GUARANTY IS EXPRESSED OR IMPLIED";

22 (III) "IF YOUR HOME INSPECTOR IS NOT A LICENSED ~~SPECIALIST IN~~
23 ~~THE BUILDING PROFESSION~~ STRUCTURAL ENGINEER OR OTHER PROFESSIONAL
24 WHOSE LICENSE AUTHORIZES THE RENDERING OF AN OPINION AS TO STRUCTURAL
25 INTEGRITY OF A BUILDING ~~OR AN OPINION REGARDING OTHER~~ OR THE CONDITION
26 OF ITS COMPONENTS OR SYSTEMS, YOU MAY WISH TO SEEK THE PROFESSIONAL
27 OPINION OF ~~ONE LICENSED IN THE SPECIALTY RELATED TO THE STRUCTURAL~~
28 ~~INTEGRITY OR COMPONENTS OR SYSTEMS OF CONCERN TO YOU~~ A LICENSED
29 STRUCTURAL ENGINEER OR OTHER PROFESSIONAL REGARDING ANY POSSIBLE
30 DEFECTS OR OTHER OBSERVATIONS SET FORTH IN THIS REPORT"; AND

31 (IV) "ONLY HOME INSPECTIONS PERFORMED BY MARYLAND
32 LICENSED HOME INSPECTORS WILL BE RECOGNIZED BY THE BUYER AS A
33 ~~CONTRACTUAL~~ VALID HOME INSPECTION"; AND INSPECTION UNDER A REAL ESTATE
34 CONTRACT".

35 (5) ~~THE LIABILITY OF THE HOME INSPECTOR FOR ANY DAMAGES~~
36 ~~RESULTING FROM THE REPORT ON THE HOME INSPECTION.~~

1 (B) THE LICENSEE SHALL GIVE THE PERSON OR THE PERSON'S
2 REPRESENTATIVE THE REPORT:

3 (1) BY THE DATE SET IN A WRITTEN AGREEMENT BY THE PARTIES TO
4 THE HOME INSPECTION; OR

5 (2) WITHIN 7 BUSINESS DAYS AFTER THE HOME INSPECTION WAS
6 PERFORMED, IF NO DATE WAS SET IN A WRITTEN AGREEMENT BY THE PARTIES TO
7 THE HOME INSPECTION.

8 (C) ANY LIMITATION OF THE LIABILITY OF THE LICENSEE FOR ANY DAMAGES
9 RESULTING FROM THE REPORT ON THE HOME INSPECTION SHALL BE AGREED TO IN
10 WRITING BY THE PARTIES TO THE HOME INSPECTION PRIOR TO THE PERFORMANCE
11 OF THE HOME INSPECTION.

12 16-4A-02.

13 EACH LICENSEE SHALL DISPLAY THE LICENSE CERTIFICATE IN THE MANNER
14 REQUIRED BY THE COMMISSION.

15 16-4A-03.

16 A LICENSEE MUST REPORT ANY CHANGE OF ADDRESS TO THE COMMISSION IN
17 WRITING WITHIN 15 DAYS.

18 Subtitle 5. Certification OF REAL ESTATE APPRAISERS.

19 16-501.

20 (a) After June 30, 1991, and except as otherwise provided in this title, an
21 individual shall be certified by the Commission to provide certified real estate
22 appraisal services before the individual may provide certified real estate appraisal
23 services in the State.

24 (b) Notwithstanding subsection (a) of this section, a licensed real estate
25 appraiser who is not certified may:

26 (1) help a certified real estate appraiser to prepare a certified appraisal
27 report; and

28 (2) cosign the report.

29 16-601.

30 (a) Subject to the provisions of this section, the Commission shall start
31 proceedings under [§ 16-701] § 16-701 OR § 16-701.1 of this title on a complaint made
32 to the Commission by any person.

33 (b) (1) A complaint shall:

34 (i) be in writing; and

1 (ii) state specifically the facts on which the complaint is based.

2 (2) If a complaint is made by any person other than the Commission, the
3 complaint shall be made under oath by the person who submits the complaint.

4 (3) A complaint may be accompanied by documentary or other evidence.

5 (c) The Commission shall investigate each complaint submitted to the
6 Commission if the complaint:

7 (1) alleges facts that establish a prima facie case that is grounds for
8 disciplinary action under [§ 16-701] § 16-701 OR § 16-701.1 of this title; and

9 (2) meets the requirements of this section.

10 (d) (1) On conclusion of the investigation, the Commission shall determine if
11 there is a reasonable basis to believe that there are grounds for disciplinary action
12 under [§ 16-701] § 16-701 OR § 16-701.1 of this title against an applicant or licensee.

13 (2) (i) If the Commission finds a reasonable basis as provided under
14 paragraph (1) of this subsection, the Commission shall act on the complaint as
15 provided under § 16-602 of this subtitle.

16 (ii) If the Commission does not find a reasonable basis as provided
17 under paragraph (1) of this subsection, the Commission shall dismiss the complaint.

18 16-602.

19 (a) Except as otherwise provided in § 10-226 of the State Government Article,
20 before the Commission takes any final action under [§ 16-701] § 16-701 OR § 16-701.1
21 of this title, it shall give the individual against whom the action is contemplated an
22 opportunity for a hearing before:

23 (1) the Commission; or

24 (2) the Hearing Board for proceedings under § 16-211 of this title.

25 (b) The Commission shall give notice and hold the hearing in accordance with
26 Title 10, Subtitle 2 of the State Government Article.

27 (c) The Commission may administer oaths in connection with any proceeding
28 under this section.

29 (d) The hearing notice to be given to the individual shall be sent by certified
30 mail to the last known address of the individual at least 10 days before the hearing.

31 (e) The individual may be represented at the hearing by counsel.

32 (f) (1) The Commission may issue subpoenas in connection with any
33 proceeding under this section.

1 (2) If a person fails to comply with a subpoena issued under this
2 subsection, on petition of the Commission, a circuit court may compel compliance with
3 the subpoena.

4 (g) If, after due notice, the individual against whom the action is
5 contemplated fails or refuses to appear, nevertheless the Commission may hear and
6 determine the matter.

7 16-701.

8 (a) Subject to the hearing provisions of § 16-602 of this title, the Commission
9 may deny a REAL ESTATE APPRAISAL license to any applicant, deny a certificate to
10 any applicant, reprimand any REAL ESTATE APPRAISER licensee, reprimand any
11 certificate holder, suspend or revoke a REAL ESTATE APPRAISAL license or certificate,
12 or impose a fine of not more than \$5,000, if the REAL ESTATE APPRAISAL applicant,
13 license holder, or certificate holder:

14 (1) fraudulently or deceptively obtains or attempts to obtain a license or
15 certificate for the applicant, licensee, certificate holder, or for another;

16 (2) fraudulently or deceptively uses a license or certificate;

17 (3) commits an act or makes an omission in the provision of real estate
18 appraisal services or certified real estate appraisal services that is an act of
19 dishonesty, fraud, or misrepresentation if the applicant, licensee, or certificate holder
20 intends:

21 (i) to benefit substantially the applicant, licensee, certificate
22 holder, or another person; or

23 (ii) to injure substantially another person;

24 (4) is held civilly or criminally liable for deceit, fraud, or
25 misrepresentation in the provision of real estate appraisal services or certified real
26 estate appraisal services;

27 (5) under the laws of the United States or of any state, is convicted of:

28 (i) a felony; or

29 (ii) a misdemeanor that is directly related to the fitness and
30 qualification of the applicant, licensee, or certificate holder to provide real estate
31 appraisal services;

32 (6) pays a finder's fee or a referral fee to a person who lacks a license;

33 (7) makes a false or misleading statement in:

34 (i) the part of a written appraisal report about professional
35 qualifications; or

- 1 (ii) testimony about professional qualifications;
- 2 (8) violates the confidential nature of governmental records to which a
3 licensee or certificate holder gained access in the provision of real estate appraisal
4 services or certified real estate services;
- 5 (9) accepts a fee for providing an independent appraisal service in
6 violation of this title;
- 7 (10) fails to exercise reasonable diligence to develop, prepare, or
8 communicate an appraisal;
- 9 (11) commits negligence or incompetence in developing, preparing, or
10 communicating an appraisal;
- 11 (12) violates any other provision of this title; or
- 12 (13) violates any regulation adopted under this title.

13 (b) The Commission shall consider the following facts in the granting, denial,
14 renewal, suspension, or revocation of a license or certificate or the reprimand of a
15 licensee or certificate holder when an applicant, certificate holder, or licensee is
16 convicted of a felony or a misdemeanor described in subsection (a)(5) of this section:

- 17 (1) the nature of the crime;
- 18 (2) the relationship of the crime to the activities authorized by the
19 license or certificate;
- 20 (3) with respect to a felony, the relevance of the conviction to the fitness
21 and qualification of the applicant, licensee, or certificate holder to provide real estate
22 appraisal services;
- 23 (4) the length of time since the conviction; and
- 24 (5) the behavior and activities of the applicant, licensee, or certificate
25 holder before and after the conviction.

26 16-701.1.

27 SUBJECT TO THE HEARING PROVISIONS OF § 16-602 OF THIS TITLE, THE
28 COMMISSION MAY DENY A HOME INSPECTOR LICENSE TO ANY APPLICANT,
29 REPRIMAND ANY HOME INSPECTOR LICENSEE, OR SUSPEND OR REVOKE A HOME
30 INSPECTOR LICENSEE IF THE APPLICANT OR LICENSEE:

- 31 (1) FRAUDULENTLY OR DECEPTIVELY OBTAINS OR ATTEMPTS TO
32 OBTAIN A LICENSE FOR THE APPLICANT OR LICENSEE OR FOR ANOTHER;
- 33 (2) FRAUDULENTLY OR DECEPTIVELY USES A LICENSE;

1 (3) ENGAGES IN CONDUCT THAT DEMONSTRATES BAD FAITH,
2 INCOMPETENCY, NEGLIGENCE OR UNTRUSTWORTHINESS, OR THAT CONSTITUTES
3 DISHONEST, FRAUDULENT, OR IMPROPER DEALINGS;

4 (4) UNDER THE LAWS OF THE UNITED STATES OR OF ANY STATE, IS
5 CONVICTED OF:

6 (I) A FELONY; OR

7 (II) A MISDEMEANOR THAT IS DIRECTLY RELATED TO THE FITNESS
8 AND QUALIFICATION OF THE APPLICANT OR LICENSEE TO ~~PERFORM HOME~~
9 ~~INSPECTIONS~~ PROVIDE HOME INSPECTION SERVICES;

10 (5) VIOLATES ANY PROVISION OF THIS TITLE;

11 (6) VIOLATES ANY REGULATION ADOPTED UNDER THIS TITLE;

12 (7) AIDS, ABETS, OR ASSISTS ANY PERSON IN VIOLATING ANY PROVISION
13 OF THIS TITLE OR ANY REGULATION ADOPTED UNDER THIS TITLE.

14 16-702.

15 After June 30, 1991, and except as otherwise provided in this title, a person may
16 not provide, attempt to provide, or offer to provide real estate appraisal services in the
17 State unless licensed by the Commission AS A REAL ESTATE APPRAISER.

18 16-703.

19 Except as otherwise provided in this title, a person may not provide, attempt to
20 provide, or offer to provide certified real estate appraisal services in the State unless
21 certified by the Commission AS A REAL ESTATE APPRAISER.

22 16-703.1.

23 EXCEPT AS OTHERWISE PROVIDED IN THIS TITLE, A PERSON MAY NOT
24 ~~PERFORM PROVIDE~~, ATTEMPT TO ~~PERFORM PROVIDE~~, OR OFFER TO ~~PERFORM~~
25 ~~PROVIDE~~ HOME ~~INSPECTIONS~~ INSPECTION SERVICES IN THIS STATE UNLESS
26 LICENSED AS A HOME INSPECTOR BY THE COMMISSION.

27 16-704.

28 Unless authorized under this title to provide real estate appraisal services, a
29 person may not represent to the public, by use of a title, including "licensed real
30 estate appraiser", by description of services, methods, or procedures, or otherwise,
31 that the person is authorized to provide real estate appraisal services in the State.

32 16-705.

33 (a) Unless authorized under this title to provide certified real estate appraisal
34 services, a person may not represent to the public, by use of a title, including
35 "certified real estate appraiser", by description of services, methods, or procedures, or

1 otherwise, that the person is authorized to provide certified real estate appraisal
2 services in the State.

3 (b) A person may not use the title "certified real estate appraiser" after or with
4 the name or signature of a firm, partnership, corporation, or group in a way that the
5 title could be interpreted to refer to anyone other than the individual who is certified
6 under this title.

7 16-705.1.

8 UNLESS AUTHORIZED UNDER THIS TITLE TO ~~ENGAGE IN THE BUSINESS OF~~
9 ~~PERFORMING HOME INSPECTIONS~~ PROVIDE HOME INSPECTION SERVICES, A PERSON
10 MAY NOT REPRESENT TO THE PUBLIC, BY USE OF A TITLE, INCLUDING "LICENSED
11 HOME INSPECTOR", BY DESCRIPTION OF SERVICES, METHODS, OR PROCEDURES, OR
12 OTHERWISE, THAT THE PERSON IS AUTHORIZED TO ~~ENGAGE IN THE PERFORMANCE~~
13 ~~OF HOME INSPECTIONS~~ PROVIDE HOME INSPECTION SERVICES IN THE STATE.

14 16-706.

15 A person who violates any provision of this title is guilty of a misdemeanor and
16 on conviction is subject to a fine not exceeding \$5,000 or imprisonment not exceeding
17 1 year or both.

18 16-707.

19 (A) THE COMMISSION MAY IMPOSE ON A PERSON WHO VIOLATES THIS TITLE
20 A CIVIL PENALTY NOT EXCEEDING \$5,000 FOR EACH VIOLATION, WHETHER OR NOT
21 THE PERSON IS LICENSED OR HOLDS A CERTIFICATE UNDER THIS TITLE.

22 (B) IN SETTING THE AMOUNT OF A CIVIL PENALTY, THE COMMISSION SHALL
23 CONSIDER:

24 (1) THE SERIOUSNESS OF THE VIOLATION;

25 (2) THE GOOD FAITH OF THE VIOLATOR;

26 (3) ANY PREVIOUS VIOLATIONS;

27 (4) THE HARMFUL EFFECT OF THE VIOLATION ON THE COMPLAINANT,
28 THE PUBLIC, AND THE BUSINESS OF HOME INSPECTIONS OR REAL ESTATE
29 APPRAISALS;

30 (5) THE ASSETS OF THE VIOLATOR;

31 (6) ANY OTHER RELEVANT FACTORS.

32 16-801.

33 This title may be cited as the "Maryland Real Estate Appraisers AND HOME
34 INSPECTORS Act".

1 16-802.

2 Subject to the evaluation and reestablishment provisions of the Maryland
3 Program Evaluation Act, this title and all regulations adopted under this title shall
4 terminate and be of no effect after July 1, 2003.

5 **Article - Business Regulation**

6 2-108.

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

8 (25) the State Commission of Real Estate Appraisers AND HOME
9 INSPECTORS.

10 **Article - Real Property**

11 [Subtitle 8. Home Inspections.]

12 [10-801.

13 (a) In this subtitle, "home inspector" means a person who provides or offers to
14 provide home inspection services.

15 (b) Promptly after agreeing to perform an inspection and before a home is
16 inspected, a home inspector shall provide the person who has entered into a contract
17 for the purchase of the property:

18 (1) A list of the credentials of:

19 (i) The home inspector; and

20 (ii) If the individual who will actually perform the inspection is
21 different from the home inspector, that individual; and

22 (2) A disclosure in 10-point bold type that states:

23 "An inspection is intended to assist in evaluation of the overall condition of a
24 building. The inspection is based on observation of the visible and apparent condition
25 of the building and its components on the date of inspection.

26 The results of this home inspection are not intended to make any representation
27 regarding latent or concealed defects that may exist, and no warranty or guaranty is
28 expressed or implied.

29 If the person conducting your home inspection is not a licensed structural
30 engineer or other professional whose license authorizes the rendering of an opinion as
31 to the structural integrity of a building or its other component parts, you may be
32 advised to seek a professional opinion as to any defects or concerns mentioned in the
33 report."

1 (c) The information required to be provided under subsection (b) of this
2 section shall be included in the home inspection report that is delivered to the person
3 who has entered into a contract for the purchase of the property.]

4 **Article - State Government**

5 8-403.

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

10 (58) Real Estate Appraisers AND HOME INSPECTORS, State Commission
11 of (§ 16-201 of the Business Occupations and Professions Article: July 1, 2002);

12 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Labor,
13 Licensing, and Regulation shall study the appropriateness of the licensing
14 qualifications for home inspectors under § 16-3A-03 of the Business Occupations and
15 Professions Article, as enacted by Section 1 of this Act. The Department shall report
16 its findings and recommendations to the Senate Finance Committee and the House
17 Economic Matters Committee, in accordance with § 2-1246 of the State Government
18 Article, on or before December 31, 2001.

19 SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Labor,
20 Licensing, and Regulation shall report to the Senate Finance Committee and the
21 House Economic Matters Committee on or before December 1, 2002, in accordance
22 with § 2-1246 of the State Government Article, on the impact of incorporating a
23 licensing authority for home inspectors into the State Commission of Real Estate
24 Appraisers. The report shall include:

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

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

30 (3) the appropriateness of the current licensing fee for home inspectors.

31 ~~SECTION 2. 4.~~ AND BE IT FURTHER ENACTED, That this Act shall take
32 effect October 1, 2001.

