

SENATE BILL 417

Unofficial Copy
C2

2002 Regular Session
2r1461
CF 2r0693

By: **Chairman, Finance Committee**
Introduced and read first time: January 30, 2002
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **State Commission of Real Estate Appraisers and Home Inspectors - Sunset**
3 **Extension and Program Evaluation**

4 FOR the purpose of continuing the State Commission of Real Estate Appraisers and
5 Home Inspectors in accordance with the provisions of the Maryland Program
6 Evaluation Act (Sunset Law) by extending to a certain date the termination
7 provisions relating to the statutory and regulatory authority of the Commission;
8 altering provisions for the appointment of Commission members; altering the
9 requirement for distribution of certain regulatory standards; altering certain
10 application and renewal fees; requiring that an evaluation of the Commission
11 and the statutes and regulations that relate to the Commission be performed on
12 or before a certain date; requiring the Commission to submit certain reports to
13 certain committees on or before certain dates; and generally relating to the
14 State Commission of Real Estate Appraisers and Home Inspectors.

15 BY repealing and reenacting, with amendments,
16 Article - Business Occupations and Professions
17 Section 16-202, 16-208, 16-303, 16-308, 16-510, 16-5A-01, and 16-802
18 Annotated Code of Maryland
19 (2000 Replacement Volume and 2001 Supplement)

20 BY repealing and reenacting, without amendments,
21 Article - State Government
22 Section 8-403(a)
23 Annotated Code of Maryland
24 (1999 Replacement Volume and 2001 Supplement)

25 BY repealing and reenacting, with amendments,
26 Article - State Government
27 Section 8-403(b)(58)
28 Annotated Code of Maryland
29 (1999 Replacement Volume and 2001 Supplement)

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

3 **Article - Business Occupations and Professions**

4 16-202.

5 (a) (1) The Commission consists of 15 members.

6 (2) Of the 15 members of the Commission:

7 (i) AT LEAST 2 shall be certified general real estate appraisers;

8 AND

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

10 (iii) 1 shall be a licensed real estate appraiser] 2 SHALL BE
11 CERTIFIED GENERAL REAL ESTATE APPRAISERS, CERTIFIED RESIDENTIAL REAL
12 ESTATE APPRAISERS, OR LICENSED REAL ESTATE APPRAISERS;

13 [(iv)] (III) 2 shall be representatives of a financial institution who
14 are not certified or licensed real estate appraisers or home inspectors;

15 [(v)] (IV) 1 shall be a licensed home inspector who is a member of
16 the American Society of Home Inspectors (ASHI);

17 [(vi)] (V) 1 shall be a licensed home inspector who is a member of
18 the National Association of Home Inspectors;

19 [(vii)] (VI) 2 shall be licensed home inspectors without regard to
20 affiliation with or membership in any society or association; and

21 [(viii)] (VII) 5 shall be consumer members.

22 [(3) Of the 15 members of the Commission:

23 (i) 10 shall be at large members;

24 (ii) the 4 appraiser members and 1 nonappraiser member shall be
25 appointed as follows:

26 1. 1 shall be a resident of any county in the area that consists
27 of Caroline, Cecil, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and
28 Worcester counties;

29 2. 1 shall be a resident of any county in the area that consists
30 of Baltimore, Carroll, Harford, and Howard counties;

31 3. 1 shall be a resident of Baltimore City;

1 4. 1 shall be a resident of any county in the area that consists
2 of Anne Arundel, Calvert, Charles, Prince George's, and St. Mary's counties; and

3 5. 1 shall be a resident of any county in the area that consists
4 of Allegany, Frederick, Garrett, Montgomery, and Washington counties.]

5 [(4)] (3) The Governor shall:

6 (I) appoint the members with the advice of the Secretary and with
7 the advice and consent of the Senate; AND

8 (II) CONSIDER DEMOGRAPHIC AND GEOGRAPHIC DIVERSITY WHEN
9 MAKING APPOINTMENTS TO THE COMMISSION.

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

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

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

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

17 [(d)] (C) (1) Each consumer member of the Commission:

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

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

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

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

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

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

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

30 [(e)] (D) Before taking office, each appointee to the Commission shall take
31 the oath required by Article I, § 9 of the Maryland Constitution.

32 [(f)] (E) (1) The term of a member is 3 years.

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

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

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

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

8 [(g)] (F) The Governor may remove a member for incompetence or
9 misconduct.

10 16-208.

11 (a) To protect the interests of the public, the Commission shall promptly
12 adopt, by regulation:

13 (1) appraisal standards of conduct for all individuals licensed or certified
14 as real estate appraisers under this title, including standards regarding conflicts of
15 interest and ethical conduct; and

16 (2) a code of ethics and standards of practice for individuals licensed as
17 home inspectors under this title.

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

21 (c) At [least once every 2 years] THE REQUEST OF A LICENSEE OR
22 CERTIFICATE HOLDER, the Commission shall provide a copy of the appraisal
23 standards it adopts to [each] THE licensed OR CERTIFIED real estate appraiser [and]
24 OR a copy of home inspection standards it adopts to [each] THE licensed home
25 inspector.

26 16-303.

27 (a) An applicant for a license shall:

28 (1) submit to the Commission an application on the form that the
29 Commission provides; and

30 (2) pay to the Commission an application fee [as established by the
31 Commission] OF \$75.

32 (b) The Commission may require an applicant to be fingerprinted.

1 16-308.

2 (a) Unless a license is renewed for a 3-year term as provided in this section,
3 the license expires on a staggered basis as determined by the Secretary.

4 (b) At least 1 month before the license expires, the Commission shall send to
5 the licensee, at the last known address of the licensee:

6 (1) a renewal application form; and

7 (2) a notice that states:

8 (i) the date on which the current license expires;

9 (ii) the date by which the Commission must receive the renewal
10 application for the renewal to be issued and mailed before the license expires; and

11 (iii) the amount of the renewal fee.

12 (c) Before a license expires, the licensee periodically may renew it for an
13 additional 3-year term, if the licensee:

14 (1) otherwise is entitled to be licensed;

15 (2) pays to the Commission a renewal fee of [~~\$75~~] \$125; and

16 (3) submits to the Commission:

17 (i) a renewal application on the form that the Commission
18 provides; and

19 (ii) adequate evidence of compliance with the continuing education
20 requirements set under this subtitle for license renewal.

21 16-510.

22 (a) Unless a certificate is renewed for a 3-year term as provided in this
23 section, the certificate expires on a staggered basis as determined by the Secretary.

24 (b) The Commission need not give notice to the holder of the expiration date of
25 the certificate.

26 (c) Not earlier than 120 days and not later than 30 days before a certificate
27 expires, the certificate holder may renew it for an additional 3-year term, if the
28 certificate holder:

29 (1) otherwise is entitled to hold a certificate;

30 (2) pays to the Commission [at a minimum] a renewal fee of [~~\$100~~]
31 \$125; and

1 (3) submits to the Commission:

2 (i) a renewal application on the form that the Commission
3 provides; and

4 (ii) adequate evidence of compliance with the continuing education
5 requirements set under this subtitle for certificate renewal.

6 16-5A-01.

7 (a) To qualify for a real estate appraiser trainee license, an applicant shall
8 meet the requirements set by the Commission.

9 (b) An applicant for a real estate appraiser trainee license shall:

10 (1) submit an application to the Commission on the form that the
11 Commission requires;

12 (2) be of good character and reputation;

13 (3) be at least 18 years old;

14 (4) provide evidence, as required by the Commission, that the applicant
15 has successfully completed 75 tested hours of Commission-approved real estate
16 appraisal courses of which 15 hours shall be classroom hours in the subject of the
17 uniform standards of professional appraisal practice; and

18 (5) pay to the Commission an application fee [established by the
19 Commission] OF \$75.

20 (c) (1) If an applicant is not a resident of the State, the applicant shall
21 submit to the Commission an irrevocable consent as provided under this subsection.

22 (2) The consent required under this subsection shall specify that service
23 of process on the Secretary shall bind the applicant in any action about the provision
24 of real estate appraisal services brought against the applicant in any county of the
25 State.

26 16-802.

27 Subject to the evaluation and reestablishment provisions of the Maryland
28 Program Evaluation Act, this title and all regulations adopted under this title shall
29 terminate and be of no effect after July 1, [2003] 2013.

30 **Article - State Government**

31 8-403.

32 (a) On or before December 15 of the 2nd year before the evaluation date of a
33 governmental activity or unit, the Legislative Policy Committee, based on a

1 preliminary evaluation, may waive as unnecessary the evaluation required under this
2 section.

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

7 (58) Real Estate Appraisers and Home Inspectors, State Commission of (§
8 16-201 of the Business Occupations and Professions Article: July 1, [2002] 2012);

9 SECTION 2. AND BE IT FURTHER ENACTED, That the State Commission
10 of Real Estate Appraisers and Home Inspectors and, as appropriate, the Department
11 of Labor, Licensing, and Regulation shall report to the Senate Finance Committee
12 and the House Economic Matters Committee on or before October 1, 2002, in
13 accordance with § 2-1246 of the State Government Article, on the implementation of
14 the recommendations of the Department of Legislative Services contained in the
15 sunset evaluation report dated October 2001.

16 SECTION 3. AND BE IT FURTHER ENACTED, That the State Commission
17 of Real Estate Appraisers and Home Inspectors shall report to the Senate Finance
18 Committee and the House Economic Matters Committee on or before December 31,
19 2003, in accordance with § 2-1246 of the State Government Article, on the effects of
20 the regulatory responsibility for home inspectors. The report shall include:

21 (1) a comparison of the revenues and expenditures of the Commission
22 covering the period of regulation for both real estate appraisers and home inspectors;

23 (2) a discussion of the impact of technology on the home inspector
24 profession, including the use of electronic license renewal by home inspector licensees;

25 (3) a summary of the Commission's efforts to inform the public of the
26 home inspector licensing requirements; and

27 (4) a summary of the number and types of complaints received against
28 home inspectors, including the resolution of complaints.

29 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take
30 effect July 1, 2002.