

# SENATE BILL 396

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9lr1908  
CF HB 331

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By: **Senator Glassman**

Introduced and read first time: February 2, 2009

Assigned to: Finance

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## A BILL ENTITLED

1 AN ACT concerning

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

3 FOR the purpose of establishing the State Commission of Real Estate Appraisers and  
4 Home Inspectors Fund as a special, nonlapsing fund in the Department of  
5 Labor, Licensing, and Regulation; repealing a provision of law requiring the  
6 State Commission of Real Estate Appraisers and Home Inspectors to pay  
7 certain money into the General Fund of the State; authorizing the Commission  
8 to set certain fees for its services beginning on a certain date; requiring the  
9 Commission to publish a certain fee schedule; requiring the Commission to pay  
10 certain fees to the Comptroller beginning on a certain date; requiring the  
11 Comptroller to distribute certain fees to the Fund; altering certain application,  
12 renewal, reinstatement, and license fees; providing for the purpose,  
13 administration, composition, use, investments, and expenditures of the Fund;  
14 requiring the Legislative Auditor to audit the Fund; requiring the Secretary of  
15 Labor, Licensing, and Regulation, in consultation with the Commission, to  
16 calculate certain costs annually; requiring the Commission to establish fees  
17 based on certain calculations beginning on a certain date; prohibiting certain  
18 fees from increasing more than a certain amount each year; defining certain  
19 terms; requiring that certain fees in effect on a certain date shall remain in full  
20 force and effect until certain other fees are adopted and made effective;  
21 providing for a delayed effective date; and generally relating to the State  
22 Commission of Real Estate Appraisers and Home Inspectors Fund.

23 BY repealing

24 Article – Business Occupations and Professions

25 Section 16–217

26 Annotated Code of Maryland

27 (2004 Replacement Volume and 2008 Supplement)

28 BY adding to

29 Article – Business Occupations and Professions

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 Section 16-217  
2 Annotated Code of Maryland  
3 (2004 Replacement Volume and 2008 Supplement)

4 BY repealing and reenacting, with amendments,  
5 Article – Business Occupations and Professions  
6 Section 16-303(a), 16-308(c), 16-310, 16-3A-03, 16-3A-05, 16-3A-08(a),  
7 16-505, 16-510(c), 16-512, 16-5A-01(b), and 16-5A-04(b)(1)  
8 Annotated Code of Maryland  
9 (2004 Replacement Volume and 2008 Supplement)

10 BY repealing and reenacting, with amendments,  
11 Article – Business Occupations and Professions  
12 Section 16-3A-07(c)  
13 Annotated Code of Maryland  
14 (2004 Replacement Volume and 2008 Supplement)  
15 (As enacted by Chapter 160 of the Acts of the General Assembly of 2008)

16 BY adding to  
17 Article – Business Regulation  
18 Section 2-106.7 and 2-106.8  
19 Annotated Code of Maryland  
20 (2004 Replacement Volume and 2008 Supplement)

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

23 **Article – Business Occupations and Professions**

24 [16-217.

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

27 **16-217.**

28 **(A) (1) BEGINNING ON JULY 1, 2011, THE COMMISSION MAY SET BY**  
29 **REGULATION REASONABLE FEES FOR ITS SERVICES.**

30 **(2) THE FEES CHARGED SHALL BE:**

31 **(I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE**  
32 **COST OF MAINTAINING THE COMMISSION; AND**

1                   (II) **BASED ON THE CALCULATIONS PERFORMED BY THE**  
2 **SECRETARY OF LABOR, LICENSING, AND REGULATION UNDER § 2-106.8 OF THE**  
3 **BUSINESS REGULATION ARTICLE.**

4           **(B) THE COMMISSION SHALL PUBLISH THE FEE SCHEDULE SET BY THE**  
5 **COMMISSION.**

6           **(C) (1) BEGINNING ON JULY 1, 2010, THE COMMISSION SHALL PAY**  
7 **ALL FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.**

8                   **(2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE**  
9 **STATE COMMISSION OF REAL ESTATE APPRAISERS AND HOME INSPECTORS**  
10 **FUND ESTABLISHED IN § 2-106.7 OF THE BUSINESS REGULATION ARTICLE.**

11 16-303.

12           (a) An applicant for a license shall:

13                   (1) submit to the Commission an application on the form that the  
14 Commission provides; and

15                   (2) pay to the Commission an application fee [of \$75] **SET BY THE**  
16 **COMMISSION.**

17 16-308.

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

20                   (1) otherwise is entitled to be licensed;

21                   (2) pays to the Commission a renewal fee [of \$125] **SET BY THE**  
22 **COMMISSION;** and

23                   (3) submits to the Commission:

24                           (i) a renewal application on the form that the Commission  
25 provides; and

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

28 16-310.

29           The Commission shall reinstate the license of a real estate appraiser who has  
30 failed to renew the license, if the real estate appraiser:

1 (1) applies to the Commission for reinstatement within 2 years after  
2 the license expires;

3 (2) meets the requirements of § 16–308 of this subtitle; and

4 (3) in addition to the renewal fee required under § 16–308 of this  
5 subtitle, pays to the Commission a reinstatement fee [of \$25] **SET BY THE**  
6 **COMMISSION.**

7 16–3A–03.

8 Effective July 1, 2002, an applicant for a home inspector license shall:

9 (1) have completed a minimum of 72 hours of an on–site training  
10 course approved by a national home inspection organization and the Commission that  
11 at a minimum requires successful completion of the National Home Inspector  
12 Examination or its equivalent as determined by the Commission;

13 (2) have a high school diploma or its equivalent;

14 (3) have insurance as required under § 16–4A–04 of this title;

15 (4) submit to the Commission an application on the form that the  
16 Commission provides; and

17 (5) pay to the Commission an application fee [of \$50] **SET BY THE**  
18 **COMMISSION.**

19 16–3A–05.

20 If an applicant qualifies for a home inspector license under this title, the  
21 Commission shall send the applicant a notice that states:

22 (1) the applicant has qualified for the license; and

23 (2) the Commission will issue the home inspector license to an  
24 applicant upon receipt of a license fee [not to exceed \$400] **SET BY THE COMMISSION.**

25 16–3A–07.

26 (c) Before a license expires, the licensee may renew it for an additional  
27 2–year term, if the licensee:

28 (1) otherwise is entitled to be licensed;

1           (2)   pays to the Commission a renewal fee [not to exceed \$400] **SET BY**  
2 **THE COMMISSION;**

3           (3)   submits a renewal application on the form that the Commission  
4 provides; and

5           (4)   submits proof of compliance with the insurance requirement of §  
6 16-4A-04 of this title.

7 16-3A-08.

8           (a)   The Commission shall reinstate the license of an individual who has  
9 failed to renew a license for any reason if the individual:

10           (1)   applies to the Commission for reinstatement within 5 years after  
11 the license expires;

12           (2)   meets the renewal requirements under § 16-3A-07 of this subtitle;  
13 and

14           (3)   in addition to the renewal fee required under § 16-3A-07 of this  
15 subtitle, pays to the Commission a reinstatement fee [of \$50] **SET BY THE**  
16 **COMMISSION.**

17 16-505.

18           An applicant for a certificate shall:

19           (1)   submit to the Commission an application on the form that the  
20 Commission provides; and

21           (2)   pay to the Commission an application fee [of \$100] **SET BY THE**  
22 **COMMISSION.**

23 16-510.

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

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

28           (2)   pays to the Commission a renewal fee [of \$125] **SET BY THE**  
29 **COMMISSION;** and

30           (3)   submits to the Commission:

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

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

5 16-512.

6 The Commission shall reinstate the certificate of a real estate appraiser who  
7 has failed to renew the certificate during the regular term of the certificate or the  
8 grace period, if the real estate appraiser:

9 (1) applies to the Commission for reinstatement within 2 years after  
10 the certificate expires;

11 (2) meets the requirements of § 16-511 of this subtitle; and

12 (3) in addition to the renewal fee required under § 16-511 of this  
13 subtitle, pays to the Commission a reinstatement fee [of \$25] **SET BY THE**  
14 **COMMISSION.**

15 16-5A-01.

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

17 (1) submit an application to the Commission on the form that the  
18 Commission requires;

19 (2) be of good character and reputation;

20 (3) be at least 18 years old;

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

25 (5) pay to the Commission an application fee [of \$75] **SET BY THE**  
26 **COMMISSION.**

27 16-5A-04.

28 (b) (1) Before a real estate appraiser trainee license expires, the licensee  
29 may renew the license for one additional 3-year term if the licensee:

30 (i) is otherwise entitled to be licensed;

1 (ii) pays to the Commission a renewal fee [of \$75] **SET BY THE**  
2 **COMMISSION**; and

3 (iii) submits to the Commission:

4 1. a renewal application on the form that the  
5 Commission requires; and

6 2. adequate evidence that the licensee meets the  
7 minimum continuing education requirements established under the federal Financial  
8 Institutions Reform, Recovery, and Enforcement Act of 1989.

### 9 **Article – Business Regulation**

#### 10 **2-106.7.**

11 (A) (1) **IN THIS SECTION THE FOLLOWING WORDS HAVE THE**  
12 **MEANINGS INDICATED.**

13 (2) **“COMMISSION” MEANS THE STATE COMMISSION OF REAL**  
14 **ESTATE APPRAISERS AND HOME INSPECTORS.**

15 (3) **“FUND” MEANS THE STATE COMMISSION OF REAL ESTATE**  
16 **APPRAISERS AND HOME INSPECTORS FUND.**

17 (B) **THERE IS A STATE COMMISSION OF REAL ESTATE APPRAISERS**  
18 **AND HOME INSPECTORS FUND IN THE DEPARTMENT.**

19 (C) **THE PURPOSE OF THE FUND IS TO COVER THE ACTUAL**  
20 **DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY**  
21 **AND REGULATORY DUTIES OF THE COMMISSION.**

22 (D) **THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL**  
23 **ADMINISTER THE FUND.**

24 (E) (1) **THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT**  
25 **SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.**

26 (2) **THE STATE TREASURER SHALL HOLD THE FUND**  
27 **SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.**

28 (F) **THE FUND CONSISTS OF:**

29 (1) **REVENUE DISTRIBUTED TO THE FUND UNDER § 16-217 OF**  
30 **THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE;**

1           (2)    **MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;**

2           (3)    **INVESTMENT EARNINGS OF THE FUND; AND**

3           (4)    **ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR**  
4 **THE BENEFIT OF THE FUND.**

5           (G)    **THE FUND MAY BE USED ONLY TO COVER THE ACTUAL**  
6 **DOCUMENTED DIRECT AND INDIRECT COSTS OF FULFILLING THE STATUTORY**  
7 **AND REGULATORY DUTIES OF THE COMMISSION.**

8           (H)    (1)   **THE STATE TREASURER SHALL INVEST THE MONEY OF THE**  
9 **FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

10           (2)    **ANY INVESTMENT EARNINGS OF THE FUND SHALL BE PAID**  
11 **INTO THE FUND.**

12           (I)    **EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN**  
13 **ACCORDANCE WITH THE STATE BUDGET.**

14           (J)    **THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND**  
15 **TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE**  
16 **GOVERNMENT ARTICLE.**

17 **2-106.8.**

18           (A)    **IN THIS SECTION, "COMMISSION" MEANS THE STATE COMMISSION**  
19 **OF REAL ESTATE APPRAISERS AND HOME INSPECTORS.**

20           (B)    **IN CONSULTATION WITH THE COMMISSION, THE SECRETARY SHALL**  
21 **ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO**  
22 **THE COMMISSION.**

23           (C)    **BEGINNING ON JULY 1, 2011, THE COMMISSION SHALL ESTABLISH**  
24 **FEES BASED ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER**  
25 **THIS SECTION.**

26           (D)    **EACH FEE ESTABLISHED BY THE COMMISSION MAY NOT BE**  
27 **INCREASED ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND**  
28 **CORRESPONDING FEE OF THE COMMISSION.**

29           SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title  
30 16, Subtitles 3, 3A, 5, and 5A of the Business Occupations and Professions Article in



1 effect on June 30, 2010, shall remain in full force and effect until the fees authorized to  
2 be set by the State Commission of Real Estate Appraisers and Home Inspectors in  
3 accordance with this Act are adopted and made effective.

4 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
5 July 1, 2010.