

SENATE BILL 187

C2

2lr0571

By: **Chair, Finance Committee**

Introduced and read first time: January 20, 2012

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 requiring that an evaluation of the Commission be performed on or before a
9 certain date; requiring the Commission to submit a certain report to certain
10 committees of the General Assembly on or before a certain date; repealing a
11 requirement for the Commission to submit a certain report to certain
12 committees of the General Assembly on or before a certain date; renaming the
13 Commission; making conforming changes; and generally relating to the State
14 Commission of Real Estate Appraisers and Home Inspectors.

15 BY repealing and reenacting, with amendments,
16 Article – Business Occupations and Professions
17 Section 16–101(g) to be under the amended title “Title 16. Real Estate
18 Appraisers, Appraisal Management Companies, and Home Inspectors”;
19 16–201 and 16–217(c)(2) to be under the amended subtitle “Subtitle 2.
20 State Commission of Real Estate Appraisers, Appraisal Management
21 Companies, and Home Inspectors”; and 16–801 and 16–802
22 Annotated Code of Maryland
23 (2010 Replacement Volume and 2011 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article – Business Regulation
26 Section 2–106.7(a) and (b)(1), 2–106.8(a), and 2–108(a)(25)
27 Annotated Code of Maryland
28 (2010 Replacement Volume and 2011 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



BY repealing and reenacting, without amendments,
Article – State Government
Section 8–403(a)
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 8–403(b)(59)
Annotated Code of Maryland
(2009 Replacement Volume and 2011 Supplement)

BY repealing
Chapter 470 of the Acts of the General Assembly of 2001
Section 3

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

Article – Business Occupations and Professions

Title 16. Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and
Home Inspectors.

16–101.

(g) “Commission” means the State Commission of Real Estate Appraisers,
APPRAISAL MANAGEMENT COMPANIES, and Home Inspectors.

Subtitle 2. State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT
COMPANIES**, and Home Inspectors.

16–201.

There is a State Commission of Real Estate Appraisers, **APPRAISAL
MANAGEMENT COMPANIES**, and Home Inspectors in the Department.

16–217.

(c) (2) The Comptroller shall distribute the fees to the State Commission
of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home
Inspectors Fund established in § 2–106.7 of the Business Regulation Article.

16–801.

This title may be cited as the “Maryland Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors Act”.

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, [2013] **2023**.

Article – Business Regulation

2–106.7.

(a) (1) In this section the following words have the meanings indicated.

(2) “Commission” means the State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors.

(3) “Fund” means the State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors Fund.

(b) (1) There is a State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors Fund in the Department.

2–106.8.

(a) In this section, “Commission” means the State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors.

2–108.

(a) The following units are in the Department:

(25) the State Commission of Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors.

Article – State Government

8–403.

(a) On or before December 15 of the 2nd year before the evaluation date of a governmental activity or unit, the Legislative Policy Committee, based on a preliminary evaluation, may waive as unnecessary the evaluation required under this section.

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

(59) Real Estate Appraisers, **APPRAISAL MANAGEMENT COMPANIES**, and Home Inspectors, State Commission of (§ 16–201 of the Business Occupations and Professions Article: July 1, [2012] **2022**);

Chapter 470 of the Acts of 2001

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

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

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

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

SECTION 2. AND BE IT FURTHER ENACTED, That, on or before October 1, 2013, the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors shall report to the Senate Finance Committee and the House Economic Matters Committee, in accordance with § 2–1246 of the State Government Article, on the following:

(1) the extent to which the creation of an appraisal technical review panel has assisted in the satisfactory resolution of appraiser complaints, including:

(i) the percentage of complaints that are resolved within 1 year for complaints received in fiscal years 2012 and 2013;

(ii) the number of complaints that are not resolved within 1 year, and the date that each unresolved complaint was received;

(iii) the average amount expended by the technical review panel to complete each technical review in fiscal years 2012 and 2013; and

1 (iv) an estimate of the additional funding necessary, if any, for
2 the technical review panel to conduct reviews of any remaining complaints that have
3 not been resolved within 1 year;

4 (2) the methodology used to establish the Commission's fee schedules
5 for each profession, including:

6 (i) the direct and indirect costs attributable to the
7 Commission's activities regarding regulation of:

- 8 1. real estate appraisers;
- 9 2. appraisal management companies; and
- 10 3. home inspectors; and

11 (ii) an evaluation of whether the fees established for each
12 profession or industry have been appropriately set so as to produce funds to
13 approximate the cost of regulating each profession or industry as required by §
14 2-106.8 of the Business Regulation Article; and

15 (3) any reciprocal licensing agreements that the Commission has
16 established with other state real estate appraiser licensing or certification bodies,
17 including:

18 (i) an evaluation of the licensing standards of any jurisdiction
19 that had been a party to a prior reciprocal licensing agreement, and any steps taken
20 by such jurisdictions to enhance licensing standards necessary to reestablish a
21 reciprocal licensing agreement with the Commission;

22 (ii) a statement regarding the reason that a reciprocal licensing
23 agreement cannot be established with a jurisdiction that had previously been a party
24 to a prior agreement;

25 (iii) the methods the Commission will undertake to monitor
26 future changes in the standards of other jurisdictions for purposes of establishing
27 reciprocal licensing agreements; and

28 (iv) any additional measures that the Commission intends to
29 take toward the goal of establishing reciprocal licensing agreements with other
30 jurisdictions.

31 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect
32 July 1, 2012.