

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

Senate Bill 25
Finance

(Senator Reilly)

**State Commission of Real Estate Appraisers, Appraisal Management Companies,
and Home Inspectors - Membership**

This bill removes specified membership requirements for licensed home inspector board members of the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors.

Fiscal Summary

State Effect: None. Altering the commission's composition has no effect on State finances.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary/Current Law: The commission consists of 15 members representing real estate appraisers (4 members), specified financial institutions (2 members), home inspectors (4 members), appraisal management companies (1 member), and consumers (4 members). Under current law, of the four total commission members who must be licensed home inspectors:

- one must be a member of the American Society of Home Inspectors (ASHI);
 - one must be a member of the National Association of Home Inspectors (NAHI);
- and

- two may be licensed home inspectors without regard to affiliation with or membership in any society or association.

Under the bill, all four positions for licensed home inspectors are without regard to affiliation with or membership in any society or association.

Background: The commission is housed within the Department of Labor, Licensing, and Regulation (DLLR). In general, the commission:

- licenses and certifies real estate appraisers;
- licenses home inspectors and registers appraisal management companies;
- enforces applicable professional or industry standards of practice;
- processes and investigates consumer complaints; and
- enforces disciplinary actions taken against real estate appraisers, home inspectors, and appraisal management companies.

Both ASHI and NAHI are long-established professional organizations for home inspectors with standards of practice and codes of ethics. DLLR advises that industry trends indicate that fewer home inspectors are members of ASHI and NASI now than when the statute was enacted. Removing the professional association membership requirement facilitates DLLR's ability to fill vacancies on the commission.

As of January 2013, the board's NAHI home inspector position is vacant, but DLLR advises the position is close to being filled. The other three home inspector positions are currently filled by members of ASHI.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - January 10, 2014
mm/mcr

Analysis by: Stephen M. Ross

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

