

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 64

(Chair, Finance Committee)(By Request - Departmental -
Labor, Licensing and Regulation)

Finance

Economic Matters

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

This departmental bill removes the requirement that two of the four licensed home inspectors on the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors be members of specified professional organizations. Instead, each licensed home inspector on the commission must have had a State license for a minimum of five years.

Fiscal Summary

State Effect: None. The bill is procedural in nature.

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Analysis

Current Law: The 15-member commission has four licensed home inspectors. One must be a member of the American Society of Home Inspectors (ASHI) and one must be a member of the National Association of Home Inspectors (NAHI). The remaining two licensed home inspectors do not need to be affiliated with or a member of a particular professional society or organization. There is no minimum experience requirement.

The remaining membership of the commission consists of real estate appraisers, representatives of financial institutions, a representative of an appraisal management company, and consumers.

The Governor must appoint the members with the advice of the Secretary of Labor, Licensing, and Regulation and with the advice and consent of the Senate. The Governor must also consider demographic and geographic diversity when making the appointments.

Background: The commission is housed within 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.

NAHI, formerly a professional organization for home inspectors like ASHI, ceased operations in 2016. DLLR advises that when NAHI dissolved, most, if not all, of its Maryland members were absorbed by ASHI. While that organization still exists, the bill preempts the need for future legislation if the array of professional organizations for home inspectors changes again.

Additional Information

Prior Introductions: None.

Cross File: HB 200 (Chair, Economic Matters Committee)(By Request - Departmental - Labor, Licensing and Regulation) - Economic Matters.

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

Fiscal Note History: First Reader - January 5, 2018
mag/mcr Third Reader - January 19, 2018
Enrolled - May 8, 2018
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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors - Membership

BILL NUMBER: HB 200

PREPARED BY: Patricia Schott, Executive Director, Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The proposed bill has no economic impact on small businesses. It amends the statutory composition of the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors to eliminate language requiring that one commission member seat be reserved for a member of the National Association of Home Inspectors and one seat be reserved for a member of the American Society of Home Inspectors.

Impact on Local Government

The proposed action has no impact on local government.