

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 213

(Chair, Finance Committee)(By Request - Departmental -
Labor)

Finance

Economic Matters

**State Commission of Real Estate Appraisers, Appraisal Management Companies,
and Home Inspectors – Sunset Extension**

This departmental bill extends the termination date for the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors within the Maryland Department of Labor (MDL) by two years to July 1, 2025. The bill also requires an independent evaluation of the commission. **The bill takes effect June 1, 2022.**

Fiscal Summary

State Effect: In FY 2023 only, special fund expenditures increase by between \$50,000 and \$75,000 to hire a consultant for the required evaluation. Special fund revenues and expenditures for the commission are otherwise maintained from FY 2023 through 2025.

Local Effect: None.

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

Analysis

Bill Summary: MDL must hire a consultant to conduct an independent evaluation to determine if the commission is adhering to the most recent Uniform Standards of Professional Appraisal Standards' diversity, equity, and inclusion guidelines in its regulation of real estate appraisers and appraisal management companies in the State.

The evaluation must be conducted under the supervision of the Office of Program Evaluation and Government Accountability (OPEGA) in DLS which may, in consultation with MDL, (1) write the proposal for the hiring of the consultant; (2) select the consultant; and (3) distribute the evaluation to the appropriate committees in accordance with the Maryland Program Evaluation Act.

MDL is required to pay for the costs of the evaluation and is authorized to use funds from the State Commission of Real Estate Appraiser, Appraisal Management Companies, and Home Inspectors Fund to cover the cost of the evaluation.

The report must be (1) completed for consideration by the committees of jurisdiction during the 2023 legislative session and (2) submitted by OPEGA by January 1, 2023.

Current Law/Background: Chapter 594 of 1990 established the commission (formerly the State Commission of Real Estate Appraisers) to implement and administer a real estate appraiser licensing and certification program that complies with federal law. Commission authority was later expanded to include home inspectors (2001) and appraisal management companies (2011).

Federal law requires all states to implement an appraisal licensing program in accordance with federal requirements. The commission fulfills that requirement.

The commission is 1 of approximately 60 regulatory entities and activities subject to termination unless reauthorized periodically through statute. Under the Maryland Program Evaluation Act, these entities may also be subject to an evaluation by OPEGA within DLS prior to their termination. However, OPEGA may conduct an evaluation only if directed by specified entities or by legislation. The commission is scheduled to terminate July 1, 2023; OPEGA was not asked to conduct an evaluation prior to its termination. Accordingly, the commission has requested reauthorizing legislation.

State Expenditures: MDL advises that an exact estimate of the cost to hire the independent consultant cannot be determined at this time. However, the department anticipates the cost to be between \$50,000 and \$75,000. Any such cost is assumed to be incurred in fiscal 2023.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 11, 2022
km/mcr Third Reader - March 21, 2022
Revised - Amendment(s) - March 21, 2022

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors – Sunset Extension

BILL NUMBER: SB 213

PREPARED BY: Todd Blackistone, Executive Director

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

OR

 WILL HAVE A MEANINGFUL ECONOMIC IMPACT ON MARYLAND
SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

N/A