

Department of Legislative Services  
Maryland General Assembly  
2023 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 669  
Economic Matters

(Delegate Holmes, *et al.*)

Finance

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Real Estate Appraisers - Licensing and Certification - Qualifications

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This bill establishes an alternative pathway for obtaining (1) licensure as a real estate appraiser and (2) certification as a residential or general real estate appraiser. Specifically, it allows applicants for licensure or certification to complete the Real Property Appraiser Qualification Criteria of the Practical Applications of Real Estate Appraisal program adopted by the Appraisal Foundation Appraiser Qualifications Board. Completion of the program may be substituted for the existing statutory requirement that an applicant for licensure or certification complete at least 1,000 or 1,500 hours, respectively, providing real estate appraiser services as a trainee under the supervision of a certified appraiser.

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Fiscal Summary

**State Effect:** Special fund revenues and expenditures likely increase due to an influx of additional licensure and certification applicants, but a reliable estimate is not feasible, as discussed below.

**Local Effect:** None.

**Small Business Effect:** Potential minimal.

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Analysis

**Current Law:** Statute requires that, in addition to other requirements, an applicant for initial licensure or certification must have completed at least 1,000 hours of real estate appraiser services as a trainee under the supervision of a certified appraiser. However, regulations specify requirements of 1,000 hours for licensure, 1,500 hours for residential certification, and 3,000 hours for general real estate certification. Additional requirements for licensure include being at least 18 years of age and passing an examination given by

the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors, or the commission's designee. These requirements still apply to applicants who complete the alternative program.

Licensing fees accrue to the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Fund. They must be set to produce funds to approximate the cost of maintaining the commission.

**State Fiscal Effect:** The State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors advises that the bill is expected to significantly increase the number of individuals qualifying for licensure/certification but is unable to provide a reliable estimate of any such increase. As a result, the commission's revenues likely increase from licensing/certification fees, and it likely incurs additional expenses to manage licensing/certification, renewals, and complaints. Additional personnel may also be required if the increase in licensees and certified appraisers results in a higher volume of consumer complaints that must be investigated and processed.

However, the Department of Legislative Services cannot reliably estimate the impact on the commission at this time due to uncertainty regarding the number of individuals who may qualify as a result of the alternative pathway to licensure/certification. However, it is assumed that the commission adjusts licensing/certification and other fees to accommodate any increase in operating expenses, as required by statute.

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### **Additional Information**

**Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 455 (Senator Hayes, *et al.*) - Finance.

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

**Fiscal Note History:** First Reader - February 17, 2023  
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Analysis by: Eric F. Pierce

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