Department of Legislative Services

Maryland General Assembly 2025 Session

FISCAL AND POLICY NOTE First Reader

House Bill 78

(Chair, Economic Matters Committee)(By Request - Departmental - Labor)

Economic Matters

State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors - Sunset Extension and Report

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 (MD Labor) by five years to July 1, 2031. By July 1, 2028, MD Labor must submit a report to the Joint Audit and Evaluation Committee (JAEC) with information regarding the commission (as determined by JAEC).

Fiscal Summary

State Effect: Special fund revenues and expenditures for the commission are maintained from FY 2026 through 2031. MD Labor and JAEC can handle the reporting requirement with existing resources.

Local Effect: None.

Small Business Effect: MD Labor has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services (DLS) concurs with this assessment.

Analysis

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.

Chapters 526 and 527 of 2023 extended the termination date for the commission by three years (to July 1, 2026) and required MD Labor to hire a consultant to conduct an independent evaluation of the commission by January 1, 2024. However, as of January 2025, the evaluation has not been completed.

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 the Office of Program Evaluation and Government Accountability (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, 2026; OPEGA was not asked to conduct an evaluation prior to its termination. Accordingly, the commission requires reauthorizing legislation.

Additional Information

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

Designated Cross File: SB 209 (Chair, Finance Committee)(By Request - Departmental - Labor) - Finance.

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

Fiscal Note History: First Reader - January 15, 2025

rh/mcr

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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 and Report

BILL NUMBER: HB 78

PREPARED BY: Todd Blackistone

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