

**Department of Legislative Services**  
Maryland General Assembly  
2026 Session

**FISCAL AND POLICY NOTE**  
**First Reader**

Senate Bill 477  
(Senator McKay)  
Judicial Proceedings

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**Civil Actions - Real Estate Appraisals - Statute of Limitations**

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This bill, subject to specified exceptions, establishes a statute of limitations for a civil action for damages against a person for an alleged act or omission related to the performance, review, supervision, or management of a real estate “appraisal,” regardless of whether the appraisal is in connection with a “federally related transaction.” A civil action to which the bill applies must be filed within the earlier of (1) two years after the date the complainant knew or reasonably should have known of the act or omission or (2) four years after the date when the performance, review, supervision, or management of an appraisal, as applicable, was provided or should have been provided. The bill applies prospectively only and may not be applied or interpreted to have any effect on or application to any cause of action accruing before the bill’s October 1, 2026 effective date.

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**Fiscal Summary**

**State Effect:** The bill is not anticipated to materially affect State finances or operations.

**Local Effect:** The bill is not anticipated to materially affect local finances or operations.

**Small Business Effect:** Potential meaningful.

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**Analysis**

**Bill Summary:**

*Definitions*

“Appraisal” means an analysis, a conclusion, or an opinion about the nature, quality, utility,

or value of interests in or aspects of identified real estate. “Appraisal” includes a valuation appraisal, an analysis assignment, and a review assignment. “Appraisal” does not include an opinion provided to a potential seller or third party by a person licensed under Title 17 of the Business Occupations and Professions Article (real estate brokers) about the recommended listing price or recommended purchase price of real estate, provided that the opinion is not referred to as an appraisal.

“Federally related transaction” has the meaning stated in the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

### *Exceptions*

The bill does not apply (1) to administrative actions of the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors or (2) if knowledge of the civil action was concealed by fraud.

### **Current Law:**

#### *Civil Statutes of Limitation – In General*

In general, the statute of limitations for a civil action requires that a civil action must be filed within three years from the date it accrues unless another statutory provision permits a different period of time within which an action can be commenced. The “discovery rule” is applicable generally in all actions, and the cause of action accrues when the claimant in fact knew or reasonably should have known of the wrong. *Poffenberger v. Risser*, 290 Md. 631 (1981).

#### *Federally Related Transactions*

The federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 defines a “federally related transaction” as any real estate-related financial transaction which (1) a federal financial institutions regulatory agency or the Resolution Trust Corporation engages in, contracts for, or regulates and (2) requires the services of an appraiser.

#### *Real Estate Appraisals*

In general, real estate appraisers provide estimates of the value of commercial and residential real property to their clients. Real estate appraisals are most often associated with the purchase of a home but are also used for a variety of other purposes, including estate planning and property insurance. Generally, an individual must be licensed or certified by the State Commission of Real Estate Appraisers, Appraisal Management

Companies, and Home Inspectors in the Maryland Department of Labor before the individual may provide services in the State.

**Small Business Effect:** The bill may have a meaningful effect on small businesses that are parties to these lawsuits.

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## **Additional Information**

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

**Designated Cross File:** None.

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

**Fiscal Note History:** First Reader - February 9, 2026  
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