
Senate Bill 213

Date: March 22, 2022
Committee: House Economic Matters Committee
Bill Title: State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors Sunset Extension
Re: **Letter of Support with Amendment**

The Commission of Real Estate Appraisers, Appraisal Management Companies and Home Inspectors licenses and regulates individuals who perform real estate appraisal services in connection with federally related transactions. As defined in the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, this includes appraisal management companies.

The Commission also regulates individuals who provide home inspection services pursuant to the provisions of Business Occupations and Professions Article, Annotated Code of Maryland, Title 16 and Code of Maryland Regulations, Title 9, Subtitle 36.

The Commission plays a vital role in the State as it serves the citizens by ensuring that appraisers licensed by the State are adhering to the Federal Standards for the industry set forth by the National Appraisal Foundation. The Commission also serves as the State entity which can receive and investigate complaints of wrongdoing in this industry. To that end, the Department respectfully requests that the Committee consider amending SB 213 in two ways.

- First, given the vital role of this Commission to ensure not only compliance in the industry but also as the state entity that licenses this industry, which must remain operational given its role in the mortgage and housing sector, we request that the sunset provision be returned to its original posture of extending the Commission for 10 years to July 1, 2033
- Second, we respectfully request the Committee consider removing the amended language in Section 2 of the bill, for two reasons.
 - First, under the Program Evaluation Act, found in the State Government Article Title 8 Subtitle 4, the General Assembly may request a legislative review of a governmental activity or unit. The statute directs the Department of Legislative Services to be the entity to conduct the review. To that end, we feel it would be inappropriate for the Department of Labor to be required to conduct a procurement of an outside vendor to review the same entity that is paying the contract.
 - Second, the Department agrees that this Commission will play a role in addressing the issue of disparities in the Home Appraisal process, however, there are other vehicles already in place to further address this matter. Specifically, Chapter 702 (2021) directed DHCD to conduct a two year study to review Appraisal Gaps from Historic Redlining and that study is due to be completed June 30, 2022. Furthermore, HB 1097, before the

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General Assembly this year, seeks to create a Task Force on Property Appraisal and Valuation Equity to study the misvaluation and undervaluation of property owned by minorities.

The Commission remains committed to accomplishing its objective of ensuring industry compliance with Maryland and Federal law, and generally promoting a safe and sound Home Appraisal and Home Inspection industry in Maryland.

For these reasons, the Department respectfully requests a favorable report with amendments from the Committee on Senate Bill 213.

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