

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1077
Economic Matters

(Delegate Holmes, *et al.*)

Real Estate Appraisers - Annual Roster - Requirements and Publication

This bill requires that the annual roster of real estate appraisers and home inspectors licensed or certified with the State Commission of Real Estate Appraisers and Home Inspectors include information indicating any areas of expertise practiced by a licensed or certified real estate appraiser.

The bill also specifies that the commission must make the roster available to the public by publishing it on the commission's website; the bill repeals a provision of law requiring the roster to be made available to the public at a reasonable price.

Fiscal Summary

State Effect: The bill does not materially affect State finances or operations assuming that the bill does not require the Department of Labor, Licensing, and Regulation (DLLR) to obtain additional information from licensed or certified real estate appraisers. Conversely, computer and database modifications are necessary if DLLR must collect information from each licensed or certified home inspector regarding areas of expertise; the cost of such one-time upgrades may be as much as \$10,000.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: The State Commission of Real Estate Appraisers and Home Inspectors must annually issue a roster that shows:

- the name of each licensed real estate appraiser trainee, licensed real estate appraiser, certified real estate appraiser, and licensed home inspector; and
- the name and place of business of each licensed real estate appraiser, certified real estate appraiser, and licensed home inspector.

Upon request, the commission must make available to the public a copy of the roster at a reasonable price set by the commission.

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. The commission is housed within DLLR. In general, the commission:

- licenses and certifies real estate appraisers and licenses home inspectors;
- enforces appraiser and home inspector standards of practice;
- processes and investigates complaints against real estate appraisers or home inspectors; and
- enforces disciplinary actions taken against real estate appraisers or home inspectors.

State Fiscal Effect: The commission does not currently collect information related to any particular expertise of a licensed or certified real estate appraiser. DLLR advises that the bill does not require the commission to collect this additional information, but only to include any such available information in the annual roster. Assuming that the bill is not a mandate to the commission to inquire and document a real estate appraiser's area of expertise, then the bill's provisions can be handled within existing resources.

However, if the bill is construed to require DLLR to collect this information from licensed or certified real estate appraisers, then the commission's electronic licensing and database systems must be modified so that the software systems capture this additional information. DLLR advises that such modifications may cost as much as \$10,000.

Additional Comments: DLLR advises that real estate appraisers must fulfill certain statutory requirements in order to practice, but they are not required to present evidence of a specialization or expertise in a certain practice area. The commission does not have an objective means to determine whether or not a real estate appraiser has a genuine expertise. Thus, including such information in the commission's annual roster may give consumers the impression that a real estate appraiser has an expertise that has been verified by the commission.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Department of Legislative Services

Fiscal Note History: First Reader - March 10, 2011
ncs/mcr

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