

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 477

(Senator McKay)

Judicial Proceedings

Economic Matters

Civil Actions - Real Estate Appraisals - Record Retention and Statute of
Limitations

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.” The bill also extends, from 2 years to 12 years, the statute of limitations for a civil action for an alleged discriminatory housing practice related to the appraisal of residential real property. Finally, the bill increases, from 5 years to 12 years, the amount of time a licensed real estate appraiser must retain specified records and makes corresponding changes. 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.

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.

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.

Statute of Limitations – Real Estate Appraisals

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” 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.

This statute of limitations does not apply (1) to a civil action for an alleged discriminatory housing practice related to the appraisal of residential real property under § 20-1035 of the Real Property Article; (2) to administrative actions of the Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors; or (3) if knowledge of the civil action was concealed by fraud.

Statute of Limitations – Discriminatory Housing Practice Related to Appraisals

A civil action for an alleged discriminatory housing practice related to the appraisal of residential real property must be filed within 12 years after the later of the occurrence or termination of the alleged discriminatory housing practice or the breach of a conciliation agreement. The bill makes corresponding changes to provisions regarding the general two-year statute of limitations for civil actions for an alleged discriminatory housing practice or breach of a conciliation agreement.

Retention of Records – Real Estate Appraisers

For 12 years from the date of delivery to the client, a licensed real estate appraiser must keep the original or a copy of (1) each contract the licensee enters into for the provision of real estate appraisal services; (2) each appraisal report the licensee prepares or signs; and (3) all supporting data that the licensee assembles or formulates to prepare an appraisal report. If the appraiser is given notice that an appraisal or appraisal report is involved in litigation during this 12-year period, a new 12-year period must start on the date of the final disposition of the litigation. On request, a licensed real estate appraiser must make any of these records available to the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors.

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.

Statute of Limitations – Discriminatory Housing Practices

In general, an aggrieved person has *two years* to commence a civil action in an appropriate State court to obtain appropriate relief for an alleged discriminatory housing practice or the breach of a conciliation agreement entered into under specified provisions of Title 20, Subtitle 10 of the State Government Article. This statute of limitations begins to run after the later of the occurrence or termination of the alleged discriminatory housing practice or the breach of the conciliation agreement. However, except for an action arising from a breach of a conciliation agreement, the computation of the two-year period does not include any time during which a specified administrative proceeding was pending.

An aggrieved person may not commence a civil action sooner than 130 days after a complaint has been filed with the Maryland Commission on Civil Rights (MCCR) and regardless of the status of any complaint. However, if MCCR or a State or local unit has obtained a conciliation agreement with the consent of an aggrieved person, the aggrieved person may not file an action for the alleged discriminatory housing practice that forms the basis for the complaint, except for the purpose of enforcing the terms of the conciliation agreement. An aggrieved person may not commence a civil action with respect to an alleged discriminatory housing practice that forms the basis of a charge issued by MCCR if an administrative law judge has commenced a hearing on the record with respect to the charge.

Retention of Records – Real Estate Appraisers

For five years from the date of delivery to the client, a licensed real estate appraiser must keep the original or a copy of (1) each contract the licensee enters into for the provision of real estate appraisal services, (2) each appraisal report the licensee prepares or signs, and (3) all supporting data that the licensee assembles or formulates to prepare an appraisal report. If the appraiser is given notice that an appraisal or appraisal report is involved in litigation during this five-year period, a new five-year period must start on the date of the final disposition of the litigation. On request, a licensed real estate appraiser must make any of these records available to the State Commission of Real Estate Appraisers, Appraisal Management Companies, and Home Inspectors.

Small Business Effect: The bill may have a meaningful effect on small businesses that are parties to these lawsuits. This estimate assumes that small business licensed real estate appraisers can accommodate the bill's records retention requirement with minimal fiscal impact.

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
js/jkb Third Reader - March 25, 2026
 Revised - Amendment(s) - March 25, 2026

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