

Original sponsor: The Commerce Committee

Offered: 3/27/74
Referred: Judiciary

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 372

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for the licensing of real estate
7 appraisers."

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. AS 08 is amended by adding a new chapter to read:

10 CHAPTER 89. REAL ESTATE APPRAISERS.

11 Sec. 08.89.010. CREATION AND MEMBERSHIP OF COMMISSION. (a) There
12 is created the Real Estate Appraisal Commission consisting of five
13 members appointed by the governor. The members shall be qualified,
14 licensed real estate appraisers who have engaged in the general practice
15 of real estate appraising in the state for not less than five years.
16 However, the members of the first commission are not required to be
17 licensed.

18 (b) A member of the commission is appointed for a term of four
19 years and until his successor is appointed and qualified, except that
20 the initial terms of members shall be as follows: one member for one
21 year, one member for two years, one member for three years and two
22 members for four years. Members serve at the pleasure of the governor.
23 The governor shall fill a vacancy by appointment for the unexpired term.

24 (c) Members of the commission shall elect a chairman and a vice
25 chairman.

26 (d) A majority of the members of the commission constitute a
27 quorum to do business, but the affirmative vote of three members is
28 required to revoke, suspend or deny a license.

29 Sec. 08.89.020. POWERS AND DUTIES. The commission shall

1 (1) meet at least once annually and more often on the call of
2 the chairman or if the chairman is requested to do so by two or more
3 members;

4 (2) receive applications for and issue licenses to real
5 estate appraisers;

6 (3) keep a record of its proceedings and a roster of all
7 persons licensed by it and entitled to practice real estate appraisal in
8 the state;

9 (4) annually report its activities to the governor, including
10 a complete statement of the receipts and expenditures of the commission
11 during the period;

12 (5) maintain and keep open to public inspection during office
13 hours a complete indexed report of all applications, licenses issued,
14 licenses renewed, and all revocations, cancellations and suspensions
15 of licenses;

16 (6) investigate violations of the provisions of this chapter
17 or of its regulations issued, and hold hearings and take testimony
18 relating to violations;

19 (7) adopt regulations and bylaws to govern the times and
20 places of its meetings, the holding of examinations, and other matters
21 relating to the exercise of its powers and the performance of its duties

22 Sec. 08.89.030. EXECUTIVE SECRETARY OF THE COMMISSION. The
23 commissioner of commerce is the executive secretary of the commission.

24 Sec. 08.89.040. APPLICABILITY OF THE ADMINISTRATIVE PROCEDURE ACT.
25 The Administrative Procedure Act (AS 44.62) applies to regulations and
26 proceedings under this chapter.

27 Sec. 08.89.050. LICENSE REQUIRED. Unless he is licensed as a real
28 estate appraiser, no person may engage in the practice of appraising
29 real estate for others for a fee or other remuneration.

1 Sec. 08.89.060. EXEMPTION. The requirement of sec. 50 of this
2 chapter does not apply to real estate appraisers who are salaried
3 employees of the United States, the state, or a political subdivision
4 or municipality of the state or of financial institutions. However, a
5 person so employed who also practices as an independent real estate
6 appraiser for others is subject to this Act and shall be licensed before
7 engaging in any independent fee appraising. A person so employed who
8 does not practice as an independent real estate appraiser for others
9 but who desires a license may apply for a license if he is qualified in
10 all other respects. The requirement of sec. 50 of this chapter does not
11 apply to:

12 (1) a licensed real estate broker or a licensed real estate
13 salesman, who is exempt from the provisions of this chapter if he
14 appraises real estate in the ordinary course of his real estate broker-
15 age business except when a separate fee is paid for it;

16 (2) a real estate appraiser trainee employed by a licensed
17 real estate appraiser.

18 Sec. 08.89.070. RESIDENT REAL ESTATE APPRAISERS LICENSE. A
19 person who meets the qualification requirements of sec. 90 of this
20 chapter and maintains his place of residence in the state is eligible
21 to receive a resident real estate appraiser license.

22 Sec. 08.89.080. NONRESIDENT LICENSES. (a) a nonresident may
23 be licensed to appraise real estate in the state if he meets the re-
24 quirements of sec. 90 of this chapter.

25 (b) The commission may grant a nonresident real estate appraiser
26 license to a person licensed as a real estate appraiser by a state
27 having similar licensing requirements and granting the same recognition
28 to appraisers licensed in this state. To be licensed under this sec-
29 tion the applicant must maintain an active place of business in the

1 state of his domicile.

2 (c) A nonresident real estate appraiser appraising real estate in
3 the state shall maintain in the state a registered agent upon whom pro-
4 cess, notice or demand required or permitted by law to be served upon
5 the appraiser may be served. When a nonresident appraiser licensed in
6 the state, or not licensed to appraise real estate in the state but
7 doing so, fails to appoint or maintain a registered agent in the state,
8 the commissioner of commerce is an agent upon whom process, notice or
9 demand may be served, in the manner provided in AS 10.05.642.

10 Sec. 08.89.090. QUALIFICATIONS FOR LICENSE. A person is entitled
11 to a real estate appraiser license who passes the real estate appraiser
12 examination and pays the required license fees.

13 Sec. 08.89.100. CONTENTS OF EXAMINATION. The real estate
14 appraiser examination shall be written to demonstrate that the appli-
15 cant has

16 (1) appropriate knowledge of the English language including
17 terms commonly used in or related to real property appraisal and the
18 writing of the appraisal reports;

19 (2) adequate knowledge of depreciation theories, cost esti-
20 mating, methods of capitalization, market data analysis, and real
21 property appraisal mathematics;

22 (3) a thorough understanding of the principles of land
23 economics, appraisal processes, and problems encountered in the gather-
24 ing, interpreting and analysis of data involved in the valuation of real
25 property;

26 (4) knowledge of the appraisal of various types of and
27 interests in real property for various functions and purposes; and

28 (5) knowledge of the law applicable to real estate in Alaska.

29 Sec. 08.89.110. QUALIFICATION FOR EXAMINATION. A person is en-

1 titled to take the real estate appraiser examination if he

2 (1) is at least 21 years of age;

3 (2) has five years of acceptable experience in the real
4 estate business, real estate financing, or in a public agency serving
5 the real estate field, of which five-year period at least three years
6 are diversified appraisal experience;

7 (3) has not engaged in conduct that demonstrates that he is
8 unfit to be a licensed real estate appraiser;

9 (4) has paid the examination fee.

10 Sec. 08.89.120. EXCEPTION TO REQUIREMENTS. For six months follow-
11 ing the effective date of this chapter, the commission shall waive the
12 requirements of examination for a resident applicant who within that
13 period submits satisfactory evidence of at least five years of appraisal
14 experience satisfactory to the commission or who has a bachelor's
15 degree from a recognized college and at least three years of appraisal
16 experience satisfactory to the commission, and has not engaged in
17 conduct that demonstrates that he is unfit to be a licensed real estate
18 appraiser.

19 Sec. 08.89.130. LICENSE FEES. The following fees shall be charged
20 a real estate appraiser licensee or applicant when applicable:

21 (1) initial license \$100

22 (2) biennial renewal \$100

23 (3) examination fee \$ 75

24 Sec. 08.89.140. DENIAL OF LICENSE. When the commission deter-
25 mines that an applicant is not entitled to take an examination, it shall
26 notify the applicant in writing of the cause for the denial, and shall
27 refund the examination fee.

28 Sec. 08.89.150. DUTIES OF LICENSEES. A licensee shall

29 (1) maintain a regular place of business and shall maintain

1 on file with the commission the licensee's place of business;

2 (2) comply with this chapter and with the regulations pro-
3 mulgated by the commission under this chapter.

4 Sec. 08.89.160. DISCIPLINARY ACTION. (a) The commission may,
5 upon its own motion, and shall, upon the written complaint of an
6 aggrieved person, investigate the action of a licensed real estate
7 appraiser and the commission shall suspend or revoke a license issued
8 under the provisions of this chapter when, after the hearing as provided
9 for in (b) of this section, it finds that the licensee has made a
10 material misrepresentation in his application for a real estate apprais-
11 er license, knowingly violated a provision of this chapter or regula-
12 tions of the commission, or has done any act which constitutes dis-
13 honest, fraudulent or improper conduct.

14 (b) If a formal hearing has been requested by an applicant or if
15 information brought to the attention of the commission concerning the
16 activities, character and integrity of a licensee is such that in the
17 commission's discretion, it would be proper to suspend or revoke the
18 license of the licensee, the commission shall set the matter down for a
19 hearing and at least 30 days before the date set for the hearing shall
20 notify in writing the applicant or licensee of the reasons for the
21 denial or of the charges made and shall afford the applicant or licensee
22 an opportunity to be heard in person or through counsel. The written
23 notice may be served by delivery personally to the applicant, or license
24 holder, or by mailing the notice by registered mail to the last known
25 business address of the applicant or license holder. The hearing on
26 the charges shall be at the time and place that the commission pre-
27 scribes. However, in cases involving revocation of the license of a
28 nonresident licensed under this chapter by the real estate commission
29 of the state or district in which the nonresident licensee is a resident,

1 or if there is a conviction by a court of competent jurisdiction of a
2 licensee under this chapter of any act which constitutes a violation of
3 this chapter and the order of the commission or court of competent
4 jurisdiction is certified to the commission, a license may be suspended
5 by the commission without hearing.

6 (c) If the commission determines that a license holder is guilty
7 of a violation of a provision of this chapter, his license may be sus-
8 pended or revoked. When the commission revokes the license of a person,
9 and no appeal to the proper court has been filed within the time speci-
10 fied for the appeal, the commission shall mail a written notice of the
11 revocation to all licensed real estate appraisers under this chapter.

12 (d) When the license of a nonresident is suspended or revoked,
13 the commission shall also send written notice, stating the cause for
14 the revocation or suspension, to the real estate commission or licensing
15 authority in the state or district of which the nonresident licensee is
16 a resident.

17 (e) A member of the commission or its executive secretary has the
18 power to administer oaths and to subpoena and bring before the commis-
19 sion any person in the state, or take testimony of any person by depo-
20 sition with the same fees and mileage in the same manner as prescribed
21 by law in judicial procedure in courts of the state in civil cases. A
22 party to a hearing before the commission has the right to attendance of
23 witnesses, in his behalf at the hearing, upon making request to the
24 commission and designating the person to be subpoenaed.

25 Sec. 08.89.170. GROUNDS FOR SUSPENSION OR REVOCATION. Grounds for
26 suspension or revocation are as follows:

27 (1) the holder of a license is doing business in violation of
28 this chapter;

29 (2) the license has been obtained or the holder of the

1 license has obtained the license by fraud or misrepresentation;

2 (3) money was paid to secure the license except fees pre-
3 scribed by this chapter;

4 (4) the holder of a license has been found guilty of a
5 felony;

6 (5) the holder of a license is guilty of perjury, fraud,
7 deceit, or of gross negligence, incompetency or misconduct in the prac-
8 tice of real property appraising;

9 (6) the holder of a license permitted his signature to be
10 affixed to an appraisal report that was not prepared by him or under
11 his personal supervision;

12 (7) the holder of a license accepted an engagement to
13 appraise a property if his employment or fee is contingent upon his
14 reporting a predetermined or specified value, or is otherwise contingent
15 upon a finding to be reported; and

16 (8) if monetary damages are involved, the holder of a
17 license has made his compensation contingent upon the amount of, or
18 fixed his compensation as a percentage of, the damages which may be
19 agreed upon or finally decreed.

20 Sec. 08.89.180. ACTION TO COLLECT COMPENSATION. No person
21 engaged in the business or acting in the capacity of a real estate
22 appraiser may bring or maintain an action in a court of the state for
23 the collection of compensation for the performance of an act or contract
24 for which a license is required by this chapter without alleging and
25 proving that he was a legally licensed real estate appraiser at all
26 times during the performance of the act or contract.

27 Sec. 08.89.190. PRACTICE WITHOUT LICENSE. A person required by
28 this chapter to be licensed who engages in the profession of real
29 estate appraising without obtaining a license as provided in this

1 chapter, upon conviction, is guilty of a misdemeanor and is punishable
2 by a fine of not more than \$1,000. He is ineligible to obtain a
3 license for one year from the date of conviction of the offense,
4 except that the commission, at its discretion, may grant a license to
5 the person within the one-year period upon application and after
6 hearing on the application.

7 Sec. 08.89.200. LICENSE EXPIRATION AND RENEWAL. (a) All licenses
8 are renewed biennially on the dates set by the department with the
9 approval of the commission.

10 (b) A license must be renewed on or before the dates set by the
11 department or it will lapse. A penalty of \$10 shall be charged in
12 addition to all delinquent renewal fees for reinstatement of a license
13 which remains lapsed for more than 60 days.

14 (c) A licensee who fails or refuses, after 30 days written notice
15 from the commission, to apply and pay the fee and all penalties imposed
16 by this section may be found to be practicing without a license and
17 subject to the penalties provided for in this chapter.

18 (d) On March 1 of each year or as soon thereafter as is practical,
19 the commission shall publish and mail to every licensed real estate
20 appraiser a printed list of real estate appraisers legally licensed
21 under this section.

22 Sec. 08.89.220. DEFINITIONS. In this chapter

23 (1) "commission" means the Real Estate Appraisal Commission

24 (2) "real estate appraisal" means an estimate or opinion of
25 the value of real estate or any interest in it, which is the work pro-
26 duct of a real estate appraiser;

27 (3) "real estate appraising" means the act or process of
28 estimating values of real estate or any interest in it for a fee or
29 other remuneration;

1 (4) "real estate appraiser" means a person who is engaged in
2 the business of estimating real estate values, or who advertises or
3 holds himself out to the general public for these services for a fee or
4 other remuneration;

5 (5) "real estate appraiser trainee" means a person who is
6 employed by a licensed real estate appraiser, and who is assisting a
7 licensed real estate appraiser in one or more of the various phases of
8 real estate appraising; a trainee can prepare and sign appraisals but
9 only where cosigned by a licensed appraiser; this does not include non-
10 professional services such as clerical help.
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