

1 IN THE SENATE

BY T. MILLER

2 SENATE BILL NO. 224

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 EIGHTH LEGISLATURE - FIRST 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)

12 There is created the Real Estate Appraisal Commission consisting of  
13 five members appointed by the governor. At least three members shall  
14 be qualified real estate appraisers who have engaged in the general  
15 practice of real estate appraising in the state for not less than  
16 five years.

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

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

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

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

29 (1) meet at least once annually and more often on the call

1 of the chairman or if the chairman is requested to do so by two or  
2 more members;

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

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

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

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

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

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

22 Sec. 08.89.030. EXECUTIVE DIRECTOR AND EMPLOYEES. (a) The  
23 commission shall employ an executive director who shall also act as  
24 its secretary. He shall serve at the pleasure of the commission and  
25 shall keep a complete record of the proceedings of the commission. He  
26 shall be a person with broad knowledge of the generally accepted  
27 practices of real estate appraisal in the state. His compensation shall  
28 be determined by the commission.

29 (b) The executive director shall prepare annually a roster showing

1 the names, places of business, residences and classifications of all  
2 licensed real estate appraisers, a copy to be furnished to each  
3 appraiser licensed under this chapter. Copies of the roster shall be  
4 available to the public upon application to the commission at a price  
5 per copy that may be fixed by the commission.

6 (c) The commission shall also employ other clerical and technical  
7 assistance that may be necessary to administer the work of the commis-  
8 sion.

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

12 Sec. 08.89.050. LICENSE REQUIRED. Unless he is licensed as a  
13 real estate appraiser, no person may engage in the practice of appraising  
14 real estate for others for a fee.

15 Sec. 08.89.060. EXEMPTION. The requirement of sec. 50 of this  
16 chapter shall not apply to real estate appraisers who are salaried  
17 employees of the United States, the state, or a political subdivision  
18 or municipality of the state.

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

24 Sec. 08.89.080. NONRESIDENT LICENSES. (a) A nonresident may  
25 be licensed to appraise real estate in the state if he meets the  
26 requirements of sec. 90 of this chapter.

27 (b) The commission may grant a nonresident real estate appraiser  
28 license to a person licensed as a real estate appraiser by a state  
29 having similar licensing requirements and granting the same recognition

1 to appraisers licensed in this state. To be licensed under this  
2 section the applicant must maintain an active place of business in the  
3 state of his domicile.

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

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

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

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

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

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

28 (4) knowledge of the appraisal of various types of and  
29 interests in real property for various functions and purposes.

1           Sec. 08.89.110. QUALIFICATION FOR EXAMINATION. A person is  
2 entitled to take the real estate appraiser examination if he

3           (1) is at least 25 years of age;

4           (2) has a bachelor's degree from a recognized college with  
5 substantial work in economics or business administration, or a high  
6 school diploma with additional course work in

7           (A) principles of real estate;

8           (B) principles of valuation;

9           (C) advanced valuation; and

10          (D) real estate law;

11          (3) has five years of acceptable experience in the real  
12 estate business, real estate financing, or in a public agency serving  
13 the real estate field, of which five year period at least three years  
14 shall be diversified appraisal experience;

15          (4) has not engaged in conduct that demonstrates that he  
16 is unfit to be a real estate appraiser.

17           Sec. 08.89.120. EXCEPTION TO REQUIREMENTS. For six months  
18 following the effective date of this chapter, the commission shall waive  
19 the requirements of examination and of sec. 110(2) and (3) of this  
20 chapter for applicants who within that period submit satisfactory  
21 evidence of at least five years of appraisal experience satisfactory  
22 to the commission.

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

25           (1) initial license ..... \$100

26           (2) annual renewal ..... 50

27           Sec. 08.89.140. DENIAL OF LICENSE. When the commission determines  
28 that an applicant is not entitled to receive a license, it shall  
29 notify the applicant in writing of the cause for the denial, and shall

1 refund the application fee.

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

3 (1) maintain a regular place of business and shall maintain  
4 on file with the commission the licensee's place of business;

5 (2) comply with this chapter and with the regulations promul-  
6 gated by the commission under this chapter.

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

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

1 commission prescribes. However, in cases involving revocation of the  
2 license of a nonresident licensed under this chapter by the real  
3 estate commission of the state or district in which the nonresident  
4 licensee is a resident, or where there is a conviction by a court of  
5 competent jurisdiction of a licensee under this chapter of any act  
6 which constitutes a violation of this chapter and the order of the  
7 commission or court of competent jurisdiction is certified to the com-  
8 mission, a nonresident real estate license may be suspended by the  
9 commission without hearing.

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

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

21 (e) A member of the commission or its executive director has  
22 the power to administer oaths and to subpoena and bring before the  
23 commission any person in the state, or take testimony of any person by  
24 deposition with the same fees and mileage in the same manner as pre-  
25 scribed by law in judicial procedure in courts of the state in civil  
26 cases. A party to a hearing before the commission has the right to the  
27 attendance of witnesses, in his behalf at the hearing, upon making  
28 request to the commission and designating the person to be subpoenaed.

29 Sec. 08.89.170. GROUNDS FOR SUSPENSION OR REVOCATION. Grounds

1 for suspension or revocation are as follows:

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

4 (2) the license has been obtained or the holder of the  
5 license has obtained the license by fraud or misrepresentation;

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

8 (4) the holder of a license is falsely impersonating a  
9 practitioner or is practicing under an assumed, fictitious or corporate  
10 name;

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

13 (6) the holder of a license is guilty of perjury, fraud,  
14 deceit, or of gross negligence, incompetency or misconduct in the  
15 practice of real property appraising;

16 (7) the holder of a license permitted his signature to be  
17 affixed to an appraisal report that was not prepared by him or under  
18 his personal supervision by his regularly employed subordinates;

19 (8) the holder of a license accepted an engagement to  
20 appraise a property if his employment or fee is contingent upon his  
21 reporting a predetermined or specified value, or is otherwise contin-  
22 gent upon a finding to be reported; and

23 (9) in cases where monetary damages are involved, the holder  
24 of a license has made his compensation contingent upon the amount of,  
25 or fixed his compensation as a percentage of, the damages which may be  
26 agreed upon or finally decreed.

27 Sec. 08.89.180. ACTION TO COLLECT COMPENSATION. No person  
28 engaged in the business or acting in the capacity of a real estate  
29 appraiser may bring or maintain an action in any court of the state

1 for the collection of compensation for the performance of an act or  
2 contract for which a license is required by this chapter without  
3 alleging and proving that he was a duly licensed real estate appraiser  
4 at all times during the performance of the act or contract.

5 Sec. 08.89.190. PRACTICE WITHOUT LICENSE. A person required by  
6 this chapter to be licensed who engages in the profession of real  
7 estate appraising without obtaining a license as provided in this  
8 chapter, upon conviction, is guilty of a misdemeanor and is punishable  
9 by a fine of not more than \$1,000. He shall be ineligible to obtain  
10 a license for one year from the date of conviction of the offense,  
11 except that the commission, at its discretion, may grant a license to  
12 the person within the one-year period upon application and after a  
13 hearing on the application.

14 Sec. 08.89.200. LICENSE EXPIRATION AND RENEWAL. (a) A license,  
15 or renewal of it, issued under the provisions of this chapter shall  
16 remain in effect until January 31 following the date of issuance  
17 unless revoked, suspended or cancelled before that date.

18 (b) A licensee under this chapter who fails to apply for the  
19 renewal of his license, and pay the fee for renewal on or before the  
20 date of its expiration each year, and who continues to perform or  
21 offers to perform the services of a licensed real estate appraiser,  
22 shall pay in addition to the fees prescribed in this chapter the sum  
23 of \$5 for each month or part of a month after the first month the  
24 licensee fails to apply for renewal of his license.

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

29 (d) On the first day of March of each year or as soon thereafter

1 as is practical, the commission shall publish and mail to every licensed  
2 real estate appraiser a printed list of real estate appraisers duly  
3 registered under this section.  
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