

Original sponsor(s): REP. NAVARRE, Swackhammer, Sharp

1 IN THE HOUSE BY THE LABOR & COMMERCE COMMITTEE
2 CS FOR HOUSE BILL NO. 523 (L&C)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 SIXTEENTH LEGISLATURE - SECOND SESSION
5 A BILL
6 For an Act entitled: "An Act relating to certification of real estate
7 appraisers; and providing for an effective date."
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 87. REAL ESTATE APPRAISERS.
11 ARTICLE 1. BOARD OF CERTIFIED REAL ESTATE APPRAISERS.
12 Sec. 08.87.010. BOARD CREATED. There is created in the Depart-
13 ment of Commerce and Economic Development the Board of Certified Real
14 Estate Appraisers. The board is composed of four members appointed by
15 the governor and of the executive director of the Alaska Housing
16 Finance Corporation or the director's designee. One appointed member
17 shall be a person licensed under this chapter as a general real estate
18 appraiser, one appointed member shall be a person licensed under this
19 chapter as a residential real estate appraiser, one appointed member
20 shall be an executive in a mortgage banking entity, and one appointed
21 member shall represent the public. The board shall elect a chair from
22 among its membership.
23 Sec. 08.87.020. POWERS AND DUTIES OF BOARD. In addition to the
24 powers and duties conferred on the board by AS 08.01, the board shall
25 (1) establish the examination specifications for certifica-
26 tion as a general real estate appraiser and as a residential real
27 estate appraiser;
28 (2) adopt rules of professional conduct to establish and
29 maintain a high standard of integrity in the real estate appraisal

1 profession; and

2 (3) adopt regulations necessary to carry out the purposes
3 of this chapter.

4 ARTICLE 2. CERTIFICATION.

5 Sec. 08.87.100. CERTIFICATE REQUIRED. A person is guilty of a
6 class B misdemeanor who

7 (1) does not hold a certificate issued by the board, whose
8 certificate is suspended or revoked, or whose certificate has lapsed,
9 and holds out as a certified real estate appraiser in any way, orally
10 or in writing, directly or by implication; or

11 (2) is certified as a residential real estate appraiser and
12 holds out as certified to appraise real estate other than

13 (A) residential real property of four or fewer units;

14 or

15 (B) residential real property of 12 or fewer units
16 when a net income capitalization analysis is not required by the
17 terms of the appraisal assignment and a secondary mortgage market
18 form is used.

19 Sec. 08.87.110. REAL ESTATE APPRAISER CERTIFICATE. (a) The
20 board shall issue a general real estate appraiser certificate to a
21 person who presents evidence satisfactory to the board that the person

22 (1) has successfully completed 150 or more classroom hours
23 of instruction in subjects related to real estate appraisal from an
24 appraisal organization or academic institution approved by the board;

25 (2) has successfully completed 15 classroom hours of in-
26 struction related to standards of professional practice as a real
27 estate appraiser;

28 (3) has within the seven years immediately preceding the
29 filing of the application for certification four years of experience

1 in real property appraisal or three years of experience as a regis-
2 tered trainee under AS 08.87.310;

3 (4) successfully completes an examination prescribed by the
4 board;

5 (5) has not been convicted of a crime involving moral
6 turpitude; and

7 (6) has paid the required fees.

8 (b) The board shall issue a residential real estate appraiser
9 certificate to a person who presents evidence satisfactory to the
10 board that the person

11 (1) meets the requirements of (a)(2) and (4) - (6) of this
12 section;

13 (2) has successfully completed 60 hours of classroom in-
14 struction in subjects related to residential real estate appraisal
15 from an appraisal organization or academic institution approved by the
16 board; and

17 (3) has within the five years immediately preceding the
18 filing of the application for certification three years of experience
19 in real property appraisal or two years of experience as a registered
20 trainee under AS 08.87.310.

21 (c) Notwithstanding (a) and (b) of this section, the board
22 shall, without requiring the examination specified in (a)(4) of this
23 section, issue a general real estate appraiser or residential real
24 estate appraiser certificate to a person who can, by evidence satis-
25 factory to the board, show that the person

26 (1) has been certified in another state that has certifica-
27 tion requirements substantially equivalent to the requirements estab-
28 lished by this chapter and by regulations issued by the board under
29 this chapter, and that provides for certification of nonresidents

1 under conditions similar to those set out in this subsection and
2 without discriminatory costs;

3 (2) is not the subject of an unresolved complaint or disci-
4 plinary action before an authority regulating real estate appraisers
5 or a professional real estate appraisers' association;

6 (3) has not failed the examination for certification as a
7 real estate appraiser in this state;

8 (4) has not had certification as a real estate appraiser
9 revoked or suspended in this state or in another jurisdiction;

10 (5) has submitted proof of continued competency satisfac-
11 tory to the board;

12 (6) successfully completes an examination that may be
13 prescribed by the board relating to appraisal matters unique to
14 Alaska; and

15 (7) has paid the required fees.

16 (d) A certificate may be issued to a natural person only. A
17 certified real estate appraiser may sign an appraisal report on behalf
18 of a corporation, partnership, firm, or group practice.

19 Sec. 08.87.120. CONTINUING EDUCATION REQUIREMENTS FOR RENEWAL OF
20 CERTIFICATE. (a) The board may not renew a certificate issued under
21 this chapter unless the person applying for renewal presents evidence
22 satisfactory to the board that the person has, within the two years
23 preceding the application for renewal, attended 40 classroom hours of
24 instruction in courses or seminars that have received the approval of
25 the board.

26 (b) The board may grant credit toward some or all of the re-
27 quirements of (a) of this section to a person who has

28 (1) successfully completed a program of study determined by
29 the board to be equivalent for continuing education purposes to a

1 course or seminar approved by the board for continuing education
2 credit; or

3 (2) participated, other than as a student, in educational
4 programs that related to real estate analysis or real property ap-
5 praisal theory, practice, or technique, including teaching, program
6 development, and preparation of textbooks, monographs, articles, and
7 other instructional materials.

8 (c) The board shall adopt regulations on continuing education to
9 ensure that persons applying for renewal of certificates have thorough
10 knowledge of current theories, practices, and techniques of real
11 estate analysis and appraisal. The regulations must provide for

12 (1) procedures for the sponsor of a course or seminar to
13 apply for board approval for continuing education credit; the regu-
14 lations must require the sponsor to show that claimed attendance at a
15 course or seminar can be verified; and

16 (2) procedures for evaluating equivalency claims for appli-
17 cants for certificate renewal under (b) of this section.

18 (d) In considering whether to approve courses and seminars under
19 this section, the board shall give special consideration to courses,
20 seminars, and other appraisal education programs developed by or under
21 the auspices of organizations or associations of professional real
22 estate appraisers that are utilized by those organizations or asso-
23 ciations for the purposes of awarding real estate appraisal desig-
24 nations or of indicating compliance with the continuing education
25 requirements of the organizations or associations.

26 (e) An amendment or repeal of a regulation adopted by the board
27 under this section shall not operate to deprive a person holding a
28 certificate under this chapter of credit toward renewal of the per-
29 son's certificate for a course of instruction or seminar that had been

1 completed by the person before the amendment or repeal of the regu-
2 lation.

3 ARTICLE 3. PROHIBITED PRACTICES AND
4 DISCIPLINARY PROCEEDINGS.

5 Sec. 08.87.200. PROHIBITED PRACTICES. A certified real estate
6 appraiser may not

7 (1) act negligently or incompetently or fail without good
8 cause to exercise reasonable diligence in developing an appraisal,
9 preparing an appraisal report, or communicating an appraisal;

10 (2) wilfully disregard or violate a provision of this
11 chapter or of a regulation adopted by the board under this chapter;

12 (3) fail to comply with the Uniform Standards of Profes-
13 sional Appraisal Practice adopted by the Appraisal Standards Board of
14 the Appraisal Foundation;

15 (4) accept a fee for an appraisal assignment that is con-
16 tingent upon the appraiser reporting a predetermined estimate, analy-
17 sis, or opinion or upon the opinion, conclusion, or valuation reached,
18 or upon the consequences resulting from the appraisal assignment;

19 (5) knowingly make a false statement, submit false informa-
20 tion, or fail to provide complete information in response to a ques-
21 tion in an application for certification or for renewal of a certifi-
22 cate; or

23 (6) violate the confidential nature of government records
24 to which the person gains access through retention as an appraiser by
25 the government agency.

26 Sec. 08.87.210. DISCIPLINARY PROCEEDINGS. The board may exer-
27 cise its disciplinary powers under AS 08.01.075 if, after hearing, the
28 board finds a certified real estate appraiser has

29 (1) violated a provision of this chapter or a regulation

1 adopted by the board under this chapter;

2 (2) been convicted of a crime that involves moral turpi-
3 tude; or

4 (3) committed, while acting as a real estate appraiser, an
5 act or omission involving dishonesty, fraud, or misrepresentation with
6 the intent to benefit the appraiser or another person or to injure
7 another person.

8 ARTICLE 4. GENERAL PROVISIONS.

9 Sec. 08.87.300. RETENTION OF RECORDS. (a) A certified real
10 estate appraiser shall retain for not less than three years copies of
11 all written contracts engaging the appraiser's services for real
12 property appraisal work, and all reports and supporting data assembled
13 and formulated by the appraiser in preparing the reports.

14 (b) The three-year period specified in (a) of this section for
15 retention of records is applicable to each engagement of the services
16 of the appraiser and commences upon the date of the submittal of the
17 appraisal reports to the client unless, within the three-year period,
18 the appraiser is notified that the appraisal report is involved in
19 litigation, in which case the three-year retention period commences
20 upon the date of the final disposition of the litigation.

21 (c) All records that a certified appraiser must maintain under
22 (a) of this section shall be made available to the board or department
23 for inspection and copying upon reasonable notice to the appraiser.

24 Sec. 08.87.310. REGISTERED TRAINEES. (a) A person engaged in
25 the practice of real estate appraisal who is employed by or under the
26 direct supervision of a certified real estate appraiser may become a
27 registered trainee by submitting proof to the board that the person
28 has successfully completed at least 30 classroom hours of courses in
29 subjects related to real estate appraisal from an appraisal

1 organization or academic institution approved by the board.

2 (b) A registered trainee may prepare or assist in the prepara-
3 tion of an appraisal report issued by a certified real estate apprais-
4 er if the report is also signed by the certified real estate appraiser
5 and if the certified real estate appraiser accepts full responsibility
6 for the report.

7 Sec. 08.87.320. ACTIONS BY UNCERTIFIED REAL ESTATE APPRAISERS
8 PROHIBITED. A person may not bring an action in a court of this state
9 for compensation for an act done or service rendered as a certified
10 real estate appraiser if the person did not hold a certificate under
11 this chapter at the time that the person performed the act or service
12 or offered to perform the act or service.

13 Sec. 08.87.330. EXEMPTIONS. This chapter does not apply to a
14 person who appraises real estate as part of the tax assessment process
15 of a municipality.

16 Sec. 08.87.900. DEFINITIONS. In this chapter

17 (1) "analysis assignment" means an analysis, opinion, or
18 conclusion prepared by a real estate appraiser that relates to the
19 nature, quality, or utility of certified real estate or real property;

20 (2) "appraisal" means an analysis, opinion, or conclusion
21 prepared by a real estate appraiser relating to the nature, quality,
22 value, or utility of specified interests in, or aspects of, identified
23 real estate, and includes a valuation appraisal, an analysis assign-
24 ment, and a review assignment;

25 (3) "appraisal assignment" means an engagement for which an
26 appraiser is employed or retained to act, or would be perceived by
27 third parties or the public as acting, as a disinterested person
28 rendering an unbiased analysis, opinion, or conclusion relating to the
29 nature, quality, value, or utility of specified interests in, or

1 aspects of, identified real estate;

2 (4) "appraisal report" means any communication, written or
3 oral, of an appraisal;

4 (5) "board" means the Board of Certified Real Estate Ap-
5 praisers;

6 (6) "department" means the Department of Commerce and
7 Economic Development;

8 (7) "general real estate appraiser" means a real estate
9 appraiser certified to appraise all types of real property;

10 (8) "real estate" means an identified parcel or tract of
11 land, including improvements, but excluding subsurface natural re-
12 source values;

13 (9) "real property" means one or more defined interests,
14 benefits, and rights inherent in the ownership of real estate;

15 (10) "residential real estate appraiser" means a real estate
16 appraiser certified to appraise residential real property, subject to
17 the limitations of AS 08.87.100(2);

18 (11) "review assignment" means an analysis, opinion, or
19 conclusion prepared by a real estate appraiser that forms an opinion
20 as to the adequacy and appropriateness of a valuation appraisal or an
21 analysis assignment;

22 (12) "valuation appraisal" means an analysis, opinion, or
23 conclusion prepared by a real estate appraiser that estimates the
24 value of an identified parcel of real estate, or identified real
25 property at a particular time.

26 * Sec. 2. AS 08.01.010 is amended by adding a new paragraph to read:

27 (31) Board of Certified Real Estate Appraisers (AS 08.87.-
28 010).

29 * Sec. 3. AS 08.03.010(c) is amended by adding a new paragraph to read:

1 (24) Board of Certified Real Estate Appraisers (AS 08.87.-
2 010) -- June 30, 1994.

3 * Sec. 4. AS 44.62.330(a) is amended by adding a new paragraph to read:
4 (55) Board of Certified Real Estate Appraisers.

5 * Sec. 5. INITIAL APPOINTMENTS TO THE BOARD OF CERTIFIED REAL ESTATE
6 APPRAISERS. Notwithstanding AS 08.87.010, as enacted by sec. 1 of this
7 Act, a person is eligible for an initial appointment as an appraiser member
8 of the Board of Certified Real Estate Appraisers if the person has at least
9 10 years of experience as a real estate appraiser or if the person is a
10 designated member in good standing of a real estate appraisal organization
11 that, as of January 1, 1989, required appraisal experience, appraisal
12 education, and testing to become a member, and required adherence to gen-
13 erally accepted standards of professional practice in order to retain
14 designated membership.

15 * Sec. 6. AS 08.87.100, enacted by sec. 1 of this Act, takes effect
16 July 1, 1991.

17 * Sec. 7. Except for AS 08.87.100, enacted by sec. 1 of this Act, this
18 Act takes effect July 1, 1990.