

BY SEN. DUNCAN

1 IN THE SENATE

2

SENATE BILL NO. 470

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 REAL ESTATE APPRAISERS.

12

13 Sec. 08.87.010. BOARD CREATED. There is created in the Depart-
14 ment of Commerce and Economic Development the Board of Real Estate
15 Appraisers. The board is composed of three members appointed by the
16 governor. Two members shall be persons licensed under this chapter
and one shall represent the public.

17

18 Sec. 08.87.020. POWERS AND DUTIES OF BOARD. In addition to the
powers and duties conferred on the board by AS 08.01, the board shall

19

20 (1) establish the examination specifications for certifica-
21 tion as a general real estate appraiser and as a residential real
estate appraiser;

22

23 (2) set requirements for continuing education that must be
satisfied if a real estate appraiser certificate is to be renewed; and

24

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

26

ARTICLE 2. CERTIFICATION.

27

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

29

(1) does not hold a certificate issued by the board, whose

1 certificate is suspended or revoked, or whose certificate has lapsed,
2 and holds out as a certified real estate appraiser in any way, orally
3 or in writing, directly or by implication; or

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

6 (A) residential real property of up to four units; or

7 (B) residential real property of up to 12 units when a
8 net income capitalization analysis is not required by the terms
9 of the appraisal assignment and a secondary mortgage market form
10 is used.

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

14 (1) has

15 (A) a baccalaureate degree from a four-year college or
16 has successfully completed not less than 150 classroom hours of
17 instruction in subjects related to real estate appraisal from an
18 appraisal organization or academic institution approved by the
19 board; and

20 (B) 15 classroom hours of instruction related to
21 standards of professional practice as a real estate appraiser;

22 (2) has two years of experience in real property appraisal
23 within the five years immediately preceding the filing of the applica-
24 tion for certification;

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

27 (4) has not been convicted of a crime involving moral
28 turpitude; and

29 (5) has paid the required fees.

1 (b) The board shall issue a residential real estate appraiser
2 certificate to a person who

3 (1) meets the requirements of (a)(1)(B) and (2) - (5) of
4 this section; and

5 (2) either has a baccalaureate degree from a four-year
6 college or has successfully completed 60 hours of classroom instruc-
7 tion in subjects related to residential real estate appraisal.

8 (c) Notwithstanding (a) and (b) of this section, the board shall
9 without requiring an examination issue a general real estate appraiser
10 or residential real estate appraiser certificate to a person who can,
11 by evidence satisfactory to the board, show that the person

12 (1) has been certified in another state having certifica-
13 tion requirements substantially equivalent to the requirements estab-
14 lished by this chapter and by regulations issued by the board under
15 this chapter;

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

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

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

23 (5) has submitted proof of continued competency satisfac-
24 tory to the board; and

25 (6) has paid the required fees.

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

29 ARTICLE 3. PROHIBITED PRACTICES AND

1 DISCIPLINARY PROCEEDINGS.

2 Sec. 08.87.200. PROHIBITED PRACTICES. A certified real estate
3 appraiser may not

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

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

9 (3) fail to comply with the Uniform Standards of Profes-
10 sional Appraisal Practice adopted by the Appraisal Standards Board of
11 the Appraisal Foundation;

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

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

20 (6) violate the confidential nature of government records
21 to which the person gains access through retention as an appraiser by
22 the government agency.

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

26 (1) violated a provision of this chapter or a regulation
27 adopted by the board under this chapter;

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

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

5 ARTICLE 4. GENERAL PROVISIONS.

6 Sec. 08.87.300. APPRAISALS BY UNCERTIFIED APPRAISERS PERMITTED.
7 Nothing in this chapter precludes a person who is not certified as a
8 real estate appraiser from appraising real estate for compensation if
9 the person does not hold out to be a certified real estate appraiser.

10 Sec. 08.87.310. RETENTION OF RECORDS. (a) A certified real
11 estate appraiser shall retain for not less than three years copies of
12 all written contracts engaging the appraiser's services for real
13 property appraisal work, and all reports and supporting data assembled
14 and formulated by the appraiser in preparing the reports.

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

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

25 Sec. 08.87.900. DEFINITIONS. In this chapter

26 (1) "appraisal" means an analysis, opinion, or conclusion
27 prepared by a real estate appraiser relating to the nature, quality,
28 value, or utility of specified interests in, or aspects of, identified
29 real estate;

1 (2) "appraisal assignment" means an engagement for which an
2 appraiser is employed or retained to act, or would be perceived by
3 third parties or the public as acting, as a disinterested person
4 rendering an unbiased analysis, opinion, or conclusion relating to the
5 nature, quality, value, or utility of specified interests in, or
6 aspects of, identified real estate;

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

9 (4) "board" means the Board of Real Estate Appraisers;

10 (5) "department" means the Department of Commerce and
11 Economic Development;

12 (6) "general real estate appraiser" means a real estate
13 appraiser certified to appraise all types of real property;

14 (7) "real estate" means an identified parcel or tract of
15 land, including improvements;

16 (8) "real property" means one or more defined interests,
17 benefits, and rights inherent in the ownership of real estate;

18 (9) "residential real estate appraiser" means a real estate
19 appraiser certified to appraise residential real property, subject to
20 the limitations of AS 08.87.100(2).

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

22 (31) Board of Real Estate Appraisers (AS 08.87.010).

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

24 (24) Board of Real Estate Appraisers (AS 08.87.010) --
25 June 30, 1994.

26 * Sec. 4. AS 44.62.330(a) is amended by adding a new paragraph to read:

27 (55) Board of Real Estate Appraisers.

28 * Sec. 5. INITIAL APPOINTMENTS TO THE BOARD OF REAL ESTATE APPRAISERS.

29 Notwithstanding AS 08.87.010, as enacted by sec. 1 of this Act, a person is

1 eligible for an initial appointment as a professional member of the Board
2 of Real Estate Appraisers if the person is eligible for transitional certi-
3 fication as a real estate appraiser under sec. 6 of this Act.

4 * Sec. 6. TRANSITIONAL CERTIFICATION. Notwithstanding AS 08.87.110, as
5 enacted by sec. 1 of this Act, the Board of Real Estate Appraisers shall
6 certify as a real estate appraiser a person who

- 7 (1) applies for certification before July 1, 1991; and
8 (2) satisfies the requirements listed in AS 08.87.110(a) and (b)
9 with the exception of the examination requirement of AS 08.87.110(a)(3).

10 * Sec. 7. This Act takes effect July 1, 1990.

11