



LAWS OF ALASKA

1990

Source

CSHB 523(Fin)

Chapter No.

177

AN ACT

Relating to certification of real estate appraisers; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 9

Approved by the Governor: June 21, 1990
Actual Effective Date: AS 08.87.100, enacted by sec. 1,
takes effect July 1, 1991; remainder of Act takes effect
July 1, 1990

AN ACT

Relating to certification of real estate appraisers;
and providing for an effective date.

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

CHAPTER 87. REAL ESTATE APPRAISERS.

ARTICLE 1. BOARD OF CERTIFIED REAL ESTATE APPRAISERS.

Sec. 08.87.010. BOARD CREATED. There is created in the Department of Commerce and Economic Development the Board of Certified Real Estate Appraisers. The board is composed of five members appointed by the governor. At least one member shall be a person licensed under this chapter as a general real estate appraiser, at least one member shall be a person licensed under this chapter as a residential real estate appraiser, at least one member shall be an executive in a mortgage banking entity, and at least one member shall represent the public. The board shall elect a chair from among its membership.

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

(1) establish the examination specifications for certification as a general real estate appraiser and as a residential real estate appraiser;

(2) adopt rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and

(3) adopt regulations necessary to carry out the purposes

1 of this chapter.

2 ARTICLE 2. CERTIFICATION.

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

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

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

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

12 or

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

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

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

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

26 (3) has within the seven years immediately preceding the
27 filing of the application for certification four years of experience
28 in real property appraisal or three years of experience as a regis-
29 tered trainee under AS 08.87.310;

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

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

5 (6) has paid the required fees.

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

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

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

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

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

24 (1) has been certified in another state that has certifica-
25 tion requirements substantially equivalent to the requirements estab-
26 lished by this chapter and by regulations issued by the board under
27 this chapter, and that provides for certification of nonresidents
28 under conditions similar to those set out in this subsection and
29 without discriminatory costs;
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1 (2) is not the subject of an unresolved complaint or discipli-
2 nary action before an authority regulating real estate appraisers
3 or a professional real estate appraisers' association;

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

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

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

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

13 (7) has paid the required fees.

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

17 (e) The board may provide for the limited certification of
18 persons not meeting the qualifications prescribed in this section and
19 may prescribe qualifications for limited certification. Persons
20 receiving limited certification under this subsection may perform an
21 appraisal that would otherwise require an appraiser certified under
22 (a) - (c) of this section only if

23 (1) the property being appraised is located in a sparsely
24 settled area of the state;

25 (2) the cost of an appraisal by an appraiser certified
26 under (a) - (c) of this section would be unreasonably high with regard
27 to the value of the property being appraised; and

28 (3) the appraisal by the person is consistent with federal
29 law.
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1 Sec. 08.87.120. CONTINUING EDUCATION REQUIREMENTS FOR RENEWAL OF
2 CERTIFICATE. (a) The board may not renew a certificate issued under
3 this chapter unless the person applying for renewal presents evidence
4 satisfactory to the board that the person has, within the two years
5 preceding the application for renewal, attended 40 classroom hours of
6 instruction in courses or seminars that have received the approval of
7 the board.

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

10 (1) successfully completed a program of study determined by
11 the board to be equivalent for continuing education purposes to a
12 course or seminar approved by the board for continuing education
13 credit; or

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

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

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

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

29 (d) In considering whether to approve courses and seminars under
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1 this section, the board shall give special consideration to courses,
2 seminars, and other appraisal education programs developed by or under
3 the auspices of organizations or associations of professional real
4 estate appraisers that are utilized by those organizations or asso-
5 ciations for the purposes of awarding real estate appraisal desig-
6 nations or of indicating compliance with the continuing education
7 requirements of the organizations or associations.

8 (e) An amendment or repeal of a regulation adopted by the board
9 under this section shall not operate to deprive a person holding a
10 certificate under this chapter of credit toward renewal of the per-
11 son's certificate for a course of instruction or seminar that had been
12 completed by the person before the amendment or repeal of the regu-
13 lation.

14 ARTICLE 3. PROHIBITED PRACTICES AND
15 DISCIPLINARY PROCEEDINGS.

16 Sec. 08.87.200. PROHIBITED PRACTICES. A certified real estate
17 appraiser may not

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

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

23 (3) fail to comply with the Uniform Standards of Profes-
24 sional Appraisal Practice adopted by the Appraisal Standards Board of
25 the Appraisal Foundation;

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

1 (5) knowingly make a false statement, submit false informa-
2 tion, or fail to provide complete information in response to a ques-
3 tion in an application for certification or for renewal of a certifi-
4 cate; or

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

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

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

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

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

19 ARTICLE 4. GENERAL PROVISIONS.

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

25 (b) The three-year period specified in (a) of this section for
26 retention of records is applicable to each engagement of the services
27 of the appraiser and commences upon the date of the submittal of the
28 appraisal reports to the client unless, within the three-year period,
29 the appraiser is notified that the appraisal report is involved in
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1 litigation, in which case the three-year retention period commences
2 upon the date of the final disposition of the litigation.

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

6 Sec. 08.87.310. REGISTERED TRAINEES. (a) A person engaged in
7 the practice of real estate appraisal who is employed by or under the
8 direct supervision of a certified real estate appraiser may become a
9 registered trainee by submitting proof to the board that the person
10 has successfully completed at least 30 classroom hours of courses in
11 subjects related to real estate appraisal from an appraisal orga-
12 nization or academic institution approved by the board.

13 (b) A registered trainee may prepare or assist in the prepara-
14 tion of an appraisal report issued by a certified real estate apprais-
15 er if the report is also signed by the certified real estate appraiser
16 and if the certified real estate appraiser accepts full responsibility
17 for the report.

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

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

27 Sec. 08.87.340. APPRAISALS BY UNCERTIFIED APPRAISERS PERMITTED.
28 Nothing in this chapter precludes a person who is not certified as a
29 real estate appraiser from appraising real estate for compensation if
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1 the person does not hold out to be a certified appraiser and if ap-
2 praisal by a certified appraiser is not required by federal law.

3 Sec. 08.87.900. DEFINITIONS. In this chapter

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

7 (2) "appraisal" means an analysis, opinion, or conclusion
8 prepared by a real estate appraiser relating to the nature, quality,
9 value, energy efficiency, or utility of specified interests in, or
10 aspects of, identified real estate, and includes a valuation ap-
11 praisal, an analysis assignment, and a review assignment;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(55) Board of Certified Real Estate Appraisers.

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

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1 designated membership.

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

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