REAL ESTATE: Provides relative to the Louisiana Real Estate Appraisers Law

AN ACT

To amend and reenact R.S. 37:3396(B), (D), and (F)(2), 3397(B)(1), (3)(introductory paragraph) and (d) through (f), (4), and (5), 3398(A), 3401(B), (C)(introductory paragraph) and (3), 3408(B), (C)(2), and (E), and 3410, to enact R.S. 37:3392(13), 3397.1, and 3409(E)(4), and to repeal R.S. 37:3397(B)(6), (C), and (D), 3398(D), and 3401(D), relative to the Louisiana Real Estate Appraisers Law; to provide for board terms; to provide relative to license qualifications; to provide relative to criteria for license classifications and continuing education requirements; to provide relative to examinations; to provide relative to nonresident licenses; to provide relative to disciplinary proceedings; to provide for standards for the development and communication of real estate appraisers; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 37:3396(B), (D), and (F)(2), 3397(B)(1), (3)(introductory paragraph) and (d) through (f), (4), and (5), 3398(A), 3401(B), (C)(introductory paragraph) and (3), 3408(B), (C)(2), and (E), and 3410 are hereby amended and reenacted and R.S. 37:3392(13), 3397.1, and 3409(E)(4) are hereby enacted to read as follows:

§3392. Definitions

As used in this Chapter, the following words have the meaning ascribed to them in this Section unless the context clearly indicates otherwise:

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CODING: Words in **struck through** type are deletions from existing law; words **underscored** are additions.
(13) "In good standing" means the status of a licensee who has complied with all explicit license obligations thereby having unabated authority to conduct license activities.

§3396. Applications

B. Appropriate fees, as set forth in R.S. 37:3407, shall accompany all applications for examination, experience review, and license renewal certification.

D.(1) Licenses shall be granted only to persons who have attained the age of eighteen years, who hold a high school diploma or its equivalent, and who bear a good reputation for honesty, trustworthiness, integrity, and competence to perform real estate appraisals and only after satisfactory proof of such qualifications has been presented to the board; satisfied the minimum education, examination, and experience requirements mandated by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation and published in the most current version of the Real Property Appraiser Qualification Criteria, or any subsequent amendments and regulations issued pursuant thereto.

(2) All applicants for a real estate appraiser license shall undergo a background screening, as mandated by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation and prescribed by the board.

(2)(3) When an applicant has been convicted of forgery, embezzlement, obtaining money under false pretense, larceny, extortion, conspiracy to defraud, or theft, or has been convicted of a felony or a crime of moral turpitude in any court of competent jurisdiction, such untrustworthiness of the applicant or the conviction itself may be sufficient grounds for refusal to issue a license.
(4) When an applicant has made a false statement of material fact on his application, such false statement may in itself be sufficient grounds for refusal to issue a license.

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(2) An applicant whose license, or its equivalent, has been revoked shall meet all requirements of an initial applicant and shall present evidence of completion of fifteen hours of continuing education for each renewal period, or portion thereof, following the date on which the license, or its equivalent, was revoked.

§3397. License classifications; criteria

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B.(1)(a) Applicants for a real estate appraiser trainee license shall be subject to the following training and direct supervision by a certified appraiser who meets all of the following qualifications:

(i) Has been licensed as a certified real estate appraiser for at least three years prior to becoming a supervising appraiser.

(ii) Is in good standing as a certified residential or certified general real estate appraiser.

(a) The Competency Provision of the Uniform Standards of Professional Appraisal Practice (USPAP):

(b) Training and direct supervision by an appraiser who is licensed and in good standing as a residential real estate appraiser or a general real estate appraiser.

Both the trainee applicant and the supervising appraiser shall be required to complete a course that complies, at minimum, with the specifications for course content established by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation. The course shall be oriented toward the requirements and responsibilities of supervising appraisers and expectations for trainee appraisers.

The course shall be completed by the trainee appraiser prior to obtaining a trainee
appraiser license and by the supervising appraiser prior to supervising a trainee appraiser. The supervising appraiser shall not have been subject to any disciplinary action within the last three years that affects the supervisor’s legal eligibility to engage in appraiser practice. The appraiser trainee is permitted to have more than one supervising appraiser. The scope of work for the real estate appraiser trainee is limited to the appraisal of those properties that the supervising real estate appraiser is licensed to appraise.

(c) Completion of seventy-five classroom hours of qualifying education, or its equivalent, in core education subjects that include thirty hours of basic appraisal principles, thirty hours of basic appraisal procedures, and the fifteen-hour National Uniform Standards of Professional Appraisal Practice course, or its equivalent, and passage of a final examination in each course. These hours may be credited toward the educational requirement for all appraiser license classifications:

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(3) The real estate appraiser trainee shall maintain a separate appraisal log for each supervising licensed appraiser that includes, at a minimum, the following information for each appraisal:

* * *

(d) Description of work performed by the appraiser trainee and supervisor appraiser.

(e) Number of actual work hours.

(f) Name, signature, and state license number of the supervising licensed appraiser.

(4) All appraiser trainees who have been licensed in excess of two years shall be required to obtain continuing education that is the equivalent to fifteen of fourteen classroom hours of instruction continuing education per calendar year.

(5) The real estate appraiser trainee shall be entitled to obtain copies of appraisal reports prepared by the trainee. The supervising appraiser shall keep
copies of the trainee appraisal reports for a period of at least five years or at least two
years after final disposition of any judicial proceeding in which testimony is given,
whichever period expires last.

§3397.1. Certified residential and certified general appraisers; continuing education

As a prerequisite to license renewal, all certified residential and certified
general appraisers shall be required to complete the equivalent of fourteen hours of
continuing education instruction per calendar year.

§3398. Examination

A. A license as a real estate appraiser shall not be issued in any class other
than real estate appraiser trainee unless the applicant demonstrated through a written
examination process that he or she possesses the following: has passed a qualifying
examination approved by the Appraiser Qualifications Board (AQB) of the Appraisal
Foundation for such license.

(1) Knowledge of technical terms commonly used in or related to real estate
appraising, appraisal report writing, and economic concepts applicable to real estate
appropriate to the type of license sought:

(2) Basic understanding of real estate law:

(3) Adequate knowledge of theories of depreciation, cost estimating,
methods of capitalization, and the mathematics of real estate appraisal:

(4) Understanding of the principles of land economics, real estate appraisal
processes, and of problems likely to be encountered in the gathering, interpreting,
and processing of data in carrying out appraisal disciplines:

(5) Understanding of the standards for the development and communication
of real estate appraisals as provided in this Chapter.

(6) Understanding of the types of misconduct for which disciplinary
proceedings may be initiated against a state licensed real estate appraiser, as set forth
in this Chapter.

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§3401. Nonresident license; temporary registration; reciprocity

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B. A nonresident An applicant who has complied with the provisions of Subsection A of this Section may apply for a license as a real estate appraiser in this state by conforming to all of the provisions of this Chapter relating to real estate appraisers in accordance with Subsection (B) of Section 1122 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

C. A nonresident real estate appraiser certified or licensed in another jurisdiction may make appraisals on a temporary basis only if each all of the following conditions are met:

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(3) The nonresident appraiser has registered with the board on the prescribed form and has provided the board with each of the following:

(a) A license or certification history from the jurisdiction in which he is currently certified or licensed verifying that his certification or license is valid and in good standing:

(c) Payment payment of the temporary registration fee specified in R.S. 37:3407(A)(7).

(d) Written recognition of the fact that this registration is of a temporary nature:

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§3408. Continuing education requirements

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B. The basic continuing education requirements for renewal of a license shall be the completion of not less than thirty classroom hours twenty-eight hours, or its equivalent, in courses which that have received the approval of the board. As part of this requirement, the applicant shall complete a minimum of seven classroom hours of instruction covering the Uniform Standards of Professional Appraisal Practice every renewal period.
C. In lieu of meeting the requirements of Subsection B of this Section, an applicant for renewal may present evidence of the following:

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(2)(a) Participation, other than as a student, in educational processes and programs in real property appraisal theory, practices, or techniques; including but not limited to teaching, program development, and preparation of textbooks, monographs, articles, and other instructional materials, all to be approved by the board.

(b) No more than half of the continuing education credit shall be granted for participation pursuant to this Paragraph.

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E. In making recommendations pursuant to Paragraph D(1) of this Section, the board shall give favorable consideration to courses of instruction, seminars, and other real property appraisal education courses or programs previously or hereafter developed by or under the auspices of professional appraisal organizations and utilized by those associations for purposes of designation, certification, or recertification of the members of the association.

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§3409. Disciplinary proceedings

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E. It shall be the duty of each licensed real estate appraiser to notify the board within ten days by registered or certified mail or by hand delivery of the following actions:

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(4) Any sanction imposed on the appraiser by another jurisdiction.

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§3410. Standards for the development and communication of real estate appraisals

A. A licensed real estate appraiser shall comply with generally accepted standards of professional practice in the development and communication of

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appraisals of real estate located in this state and with generally accepted ethical rules of conduct as contained in the "Uniform Standards of Professional Appraisal Practice", or its successor, as approved by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council; Standards Board of the Appraisal Foundation or its successor.

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Section 2. R.S. 37:3397(B)(6), (C), and (D), 3398(D), and 3401(D) are hereby repealed in their entirety.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Hoffmann

Abstract: Amends the La. Real Estate Appraisers Law.

Present law provides that appraiser licenses shall be granted only to persons who have attained the age of 18 years, who hold a high school diploma or its equivalent, and who bear a good reputation for honesty, trustworthiness, integrity, and competence to perform real estate appraisals and only after satisfactory proof of such qualifications has been presented to the board.

Proposed law repeals provisions of present law and provides that appraiser licenses shall be granted to persons who satisfied the minimum education, examination, and experience requirements mandated by the Appraiser Qualifications Board (AQB) of the Appraisal Foundation and published in the most current version of the Real Property Appraiser Qualification Criteria, or any subsequent amendments and regulations issued pursuant thereto.

Proposed law provides that all applicants for a real estate appraiser license shall undergo a background screening, as mandated by the AQB of the Appraisal Foundation and prescribed by the board.

Present law provides that a licensee whose license, or its equivalent, has been revoked meet all requirements of an initial applicant and shall present evidence of completion of 15 hours of continuing education for each renewal period, or portion thereof, following the date on which the license, or its equivalent, was revoked.

Proposed law provides an applicant whose license has been revoked shall meet all requirements of an initial applicant and shall present evidence of completion of continuing education for each renewal period, or portion thereof, following the date on which the license was revoked.

Present law provides that applicants for a real estate appraiser trainee license, a certified residential real estate appraiser license, and a general real estate appraiser license shall be subject to certain standards, training, completion of qualifying education hours, and must undertake certain duties.
Proposed law makes changes to requirements in present law.

Present law provides that a license as a real estate appraiser shall not be issued in any class other than real estate appraiser trainee unless the applicant demonstrated through a written examination process that he or she possesses the following:

1. Knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate appropriate to the type of license sought.

2. Basic understanding of real estate law.

3. Adequate knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal.

4. Understanding of the principles of land economics, real estate appraisal processes, and of problems likely to be encountered in the gathering, interpreting, and processing of data in carrying out appraisal disciplines.

5. Understanding of the standards for the development and communication of real estate appraisals as provided in this Chapter.

6. Understanding of the types of misconduct for which disciplinary proceedings may be initiated against a state licensed real estate appraiser, as set forth in this Chapter.

Proposed law provides that a license as a real estate appraiser shall not be issued in any class other than real estate appraiser trainee unless the applicant has passed a qualifying examination approved by the AQB of the Appraisal Foundation for such license.

Present law provides requirements for continuing education.

Proposed law makes changes to requirements for continuing education.

Proposed law provides that it is the duty of each licensed real estate appraiser to notify the board within 10 days by registered or certified mail or by hand delivery of any sanction imposed on the appraiser by another jurisdiction.

Present law provides that a licensed real estate appraiser shall comply with generally accepted standards of professional practice in the development and communication of appraisals of real estate located in this state and with generally accepted ethical rules of conduct as contained in the "Uniform Standards of Professional Appraisal Practice", or its successor, as approved by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, or its successor.

Proposed law provides that a licensed real estate appraiser shall comply with generally accepted standards of professional practice in the development and communication of appraisals of real estate located in this state and with generally accepted ethical rules of conduct as contained in the "Uniform Standards of Professional Appraisal Practice", or its successor, as approved by the Standards Board of the Appraisal Foundation or its successor.

(Amends R.S. 37:3396(B), (D), and (F)(2), 3397(B)(1), (3)(intro. para.), and (d)-(f), (4), and (5), 3398(A), 3401(B), (C)(intro. para.) and (3), 3408(B), (C)(2), (E), and 3410; Adds R.S. 37:3392(13), 3397.1, and 3409(E)(4); Repeals R.S. 37:3397(B)(6), (C), and (D), 3398(D), and 3401(D))
Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Removed proposed changes to allow members of the La. Real Estate Appraisers Law to serve three consecutive terms.

2. Made technical corrections and changes to clarify language.