

Regular Session, 2012

HOUSE BILL NO. 823

BY REPRESENTATIVE GREENE

VETOED
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Veto Message

1 AN ACT

2 To amend and reenact R.S. 37:3415.3(B)(10) and (11), 3415.13, and 3415.21 and to enact
3 R.S. 37:3415.2(11), (12), and (13), 3415.3(C) and (D), and 3415.15, relative to real
4 estate appraisals; to define certain terms; to require an appraiser's license to perform
5 appraisal reviews; to provide that administrative reviews of an appraisal do not
6 require an appraiser's license; to require a surety bond; to provide for the competency
7 of appraisers; to provide for customary and reasonable fees for appraisers; to provide
8 for disclosure of fees paid to appraisers by appraisal management companies; to
9 provide for the disclosure of administration fees charged by appraisal management
10 companies; to require that administrative rules receive affirmative approval from the
11 Louisiana Legislature; to repeal an outdated grandfathering clause; to provide for
12 applicability; and to provide for related matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 37:3415.3(B)(10) and (11), 3415.13, and 3415.21 are hereby
15 amended and reenacted and R.S. 37:3415.2(11), (12), and (13), 3415.3(C) and (D), and
16 3415.15 are hereby enacted to read as follows:

17 §3415.2. Definitions

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

20 * * *

21 (11) "Administrative review", "compliance review", "quality check", or
22 "QC" means a process that checks an appraisal report for compliance with the

1 Uniform Standards of Professional Appraisal Practice or other stipulated
2 requirements.

3 (12) "Appraisal review" means the act or process of developing and
4 communicating an opinion about the quality of another appraiser's work that was
5 performed as part of an appraisal assignment. The term shall not include an
6 examination of an appraisal for grammatical, typographical, mathematical, or other
7 similar administrative errors that do not involve the appraiser's professional
8 judgment, including compliance with the elements of the client's statement of work.

9 (13) "Fee appraiser" means a person who is not an employee of the mortgage
10 loan originator or appraisal management company engaging the appraiser and is one
11 of the following:

12 (a) A state-licensed or certified appraiser who receives a fee for performing
13 an appraisal and certifies that the appraisal has been prepared in accordance with the
14 Uniform Standards of Professional Appraisal Practice.

15 (b) A company not subject to the requirements of §1124 of the Financial
16 Institutions Reform, Recovery, and Enforcement Act of 1989, 12 U.S.C. 3331 et
17 seq., that utilizes the services of state-licensed or certified appraisers and receives a
18 fee for performing appraisals in accordance with the Uniform Standards of
19 Professional Appraisal Practice.

20 §3415.3. License required; bond required

21 * * *

22 B. The license required by Subsection A of this Section shall, at a minimum,
23 include the following information:

24 * * *

25 (10) Proof that the entity has obtained and maintains a surety bond that meets
26 the requirements of Subsection D of this Section.

27 (11) An irrevocable Uniform Consent to Service of Process, pursuant to this
28 Chapter.

29 ~~(11) Any other information required by the board.~~

1 the Senate Committee on Commerce, Consumer Protection and International Affairs.
 2 If the board submits its proposed rules for affirmative approval and the legislature
 3 is not in session, the proposed rules shall be deemed affirmatively approved if sixty
 4 days have elapsed from the date the proposed rules are received by the oversight
 5 committees and no hearing is held by either committee.

6 ~~C. Any appraisal management company doing business in this state at the~~
 7 ~~time of passage of this Act, may continue to perform such services without a license~~
 8 ~~until the earlier of either such time that the rules and regulations pertaining to this~~
 9 ~~Chapter have been approved in accordance with Subsections A and B of this Section~~
 10 ~~or January 1, 2011.~~

11 Section 2. The provisions of R.S. 37:3415.3(B)(10) and (C) shall apply to any new
 12 or renewed license after December 31, 2011, and only upon promulgation of rules by the
 13 board concerning the provisions of R.S. 37:3415.3(B)(10) and (C).

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____

VETO MESSAGE

House Bill No. 823 by Representative Greene conflicts with House Bill No. 1014 which became Act 429 of 2012.

The Louisiana Real Estate Appraisers Board has requested a veto on the basis that “Allowing HB 823 to become law would not only be duplicative of Act 429, but would undo the federally required technical amendments now part of Act 429.”

Additionally, the Louisiana Real Estate Appraisers Board states that “Act 429 represents the combined work and support of all stakeholders, including the Homebuilders Association, Louisiana Realtors Association, Louisiana Bankers Association, and both Federal and State Appraisal Institutes.”

For these reasons, I have vetoed House Bill No. 823 and hereby return it to the House of Representatives.