Regular Session, 2014

HOUSE BILL NO. 1018

BY REPRESENTATIVE HOFFMANN

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

1	AN ACT
2	To amend and reenact R.S. 37:3396(B), (D), and (F)(2), 3397(B)(1), (3)(introductory
3	paragraph) and (d) through (f), (4), and (5), 3398(A), 3401(B), (C)(introductory
4	paragraph) and (3), 3408(B), (C)(2), and (E), and 3410, to enact R.S. 37:3392(13),
5	3397.1, and 3409(E)(4), and to repeal R.S. 37:3397(B)(6), (C), and (D), 3398(D),
6	and 3401(D), relative to the Louisiana Real Estate Appraisers Law; to provide for
7	board terms; to provide relative to license qualifications; to provide relative to
8	criteria for license classifications and continuing education requirements; to provide
9	relative to examinations; to provide relative to nonresident licenses; to provide
10	relative to disciplinary proceedings; to provide for standards for the development and
11	communication of real estate appraisers; and to provide for related matters.
12	Be it enacted by the Legislature of Louisiana:
13	Section 1. R.S. 37:3396(B), (D), and (F)(2), 3397(B)(1), (3)(introductory paragraph)
14	and (d) through (f), (4), and (5), 3398(A), 3401(B), (C)(introductory paragraph) and (3),
15	3408(B), (C)(2), and (E), and 3410 are hereby amended and reenacted and R.S.
16	37:3392(13), 3397.1, and 3409(E)(4) are hereby enacted to read as follows:
17	§3392. 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	* * *

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1	(13) "In good standing" means the status of a licensee who has complied
2	with all explicit license obligations thereby having unabated authority to conduct
3	license activities.
4	* * *
5	§3396. Applications
6	* * *
7	B. Appropriate fees, as set forth in R.S. 37:3407, must shall accompany all
8	applications for examination, experience review, and license renewal certification.
9	* * *
10	D.(1) Licenses shall be granted only to persons who have attained the age
11	of eighteen years, who hold a high school diploma or its equivalent, and who bear
12	a good reputation for honesty, trustworthiness, integrity, and competence to perform
13	real estate appraisals and only after satisfactory proof of such qualifications has been
14	presented to the board. satisfied the minimum education, examination, and
15	experience requirements mandated by the Appraiser Qualifications Board (AQB) of
16	the Appraisal Foundation and published in the most current version of the Real
17	Property Appraiser Qualification Criteria, or any subsequent amendments and
18	regulations issued pursuant thereto.
19	(2) All applicants for a real estate appraiser license shall undergo a
20	background screening, as mandated by the Appraiser Qualifications Board (AQB)
21	of the Appraisal Foundation and prescribed by the board.
22	(2)(3) When an applicant has been convicted of forgery, embezzlement,
23	obtaining money under false pretense, larceny, extortion, conspiracy to defraud, or
24	theft, or has been convicted of a felony or a crime of moral turpitude in any court of
25	competent jurisdiction, such untrustworthiness of the applicant or the conviction
26	itself may be sufficient grounds for refusal to issue a license.

1	(3) (4) When an applicant has made a false statement of material fact on his
2	application, such false statement may in itself be sufficient grounds for refusal to
3	issue a license.
4	* * *
5	F.
6	* * *
7	(2) An applicant whose license, or its equivalent, has been revoked shall
8	meet all requirements of an initial applicant and shall present evidence of completion
9	of fifteen hours of continuing education for each renewal period, or portion thereof,
10	following the date on which the license, or its equivalent, was revoked.
11	§3397. License classifications; criteria
12	* * *
13	B.(1)(a) Applicants for a real estate appraiser trainee license shall be subject
14	to the following training and direct supervision by a certified appraiser who meets
15	all of the following qualifications:
16	(i) Has been licensed as a certified real estate appraiser for at least three
17	years prior to becoming a supervising appraiser.
18	(ii) Is in good standing as a certified residential or certified general real
19	estate appraiser.
20	(a) The Competency Provision of the Uniform Standards of Professional
21	Appraisal Practice (USPAP).
22	(b) Training and direct supervision by an appraiser who is licensed and in
23	good standing as a residential real estate appraiser or a general real estate appraiser.
24	Both the trainee applicant and the supervising appraiser shall be required to
25	complete a course that complies, at minimum, with the specifications for course
26	content established by the Appraiser Qualifications Board (AQB) of the Appraisal
27	Foundation. The course shall be oriented toward the requirements and
28	responsibilities of supervising appraisers and expectations for trainee appraisers.
29	The course shall be completed by the trainee appraiser prior to obtaining a trainee

1	appraiser license and by the supervising appraiser prior to supervising a trainee
2	appraiser. The supervising appraiser shall not have been subject to any disciplinary
3	action within the last three years that affects the supervisor's legal eligibility to
4	engage in appraiser practice. The appraiser trainee is permitted to have more than
5	one supervising appraiser. The scope of work for the real estate appraiser trainee is
6	limited to the appraisal of those properties that the supervising real estate appraiser
7	is licensed to appraise.
8	(c) Completion of seventy-five classroom hours of qualifying education, or
9	its equivalent, in core education subjects that include thirty hours of basic appraisal
10	principles, thirty hours of basic appraisal procedures, and the fifteen-hour National
11	Uniform Standards of Professional Appraisal Practice course, or its equivalent, and
12	passage of a final examination in each course. These hours may be credited toward
13	the educational requirement for all appraiser license classifications.
14	* * *
15	(3) The real estate appraiser trainee shall maintain a separate appraisal log
16	for each supervising licensed appraiser that includes, at a minimum, the following
17	information for each appraisal:
18	* * *
19	(d) Description of work performed by the appraiser trainee and supervisor
20	appraiser.
21	(e) Number of <u>actual</u> work hours.
22	(f) Name, signature, and state license number of the supervising licensed
23	appraiser.
24	(4) All As a prerequisite to license renewal, all appraiser trainees who have
25	been licensed in excess of two years shall be required to obtain continuing education
26	that is the equivalent to fifteen of fourteen classroom hours of instruction continuing
27	education per calendar for each year.
28	(5) The real estate appraiser trainee shall be entitled to obtain copies of
29	appraisal reports prepared by the trainee. The supervising appraiser shall keep

1	copies of the trainee appraisal reports for a period of at least five years or at least two
2	years after final disposition of any judicial proceeding in which testimony is given,
3	whichever period expires last.
4	§3397.1. Certified residential and certified general appraisers; continuing education
5	As a prerequisite to license renewal, all certified residential and certified
6	general appraisers shall be required to complete the equivalent of fourteen hours of
7	continuing education instruction per calendar year.
8	§3398. Examination
9	A. A license as a real estate appraiser shall not be issued in any class other
10	than real estate appraiser trainee unless the applicant demonstrated through a written
11	examination process that he or she possesses the following: has passed a qualifying
12	examination approved by the Appraiser Qualifications Board (AQB) of the Appraisal
13	Foundation for such license.
14	(1) Knowledge of technical terms commonly used in or related to real estate
15	appraising, appraisal report writing, and economic concepts applicable to real estate
16	appropriate to the type of license sought.
17	(2) Basic understanding of real estate law.
18	(3) Adequate knowledge of theories of depreciation, cost estimating,
19	methods of capitalization, and the mathematics of real estate appraisal.
20	(4) Understanding of the principles of land economics, real estate appraisal
21	processes, and of problems likely to be encountered in the gathering, interpreting,
22	and processing of data in carrying out appraisal disciplines.
23	(5) Understanding of the standards for the development and communication
24	of real estate appraisals as provided in this Chapter.
25	(6) Understanding of the types of misconduct for which disciplinary
26	proceedings may be initiated against a state licensed real estate appraiser, as set forth
27	in this Chapter.
28	* * *

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1	§3401. Nonresident license; temporary registration; reciprocity
2	* * *
3	B. A nonresident An applicant who has complied with the provisions of
4	Subsection A of this Section may apply for a license as a real estate appraiser in this
5	state by conforming to all of the provisions of this Chapter relating to real estate
6	appraisers. in accordance with Subsection (B) of Section 1122 of the Financial
7	Institutions Reform, Recovery, and Enforcement Act of 1989.
8	C. A nonresident real estate appraiser certified or licensed in another
9	jurisdiction may make appraisals on a temporary basis only if each all of the
10	following conditions are met:
11	* * *
12	(3) The nonresident appraiser has registered with the board on the prescribed
13	form and has provided the board with each of the following:
14	(a) A license or certification history from the jurisdiction in which he is
15	currently certified or licensed verifying that his certification or license is valid and
16	in good standing.
17	(c) Payment payment of the temporary registration fee specified in R.S.
18	37:3407(A)(7).
19	(d) Written recognition of the fact that this registration is of a temporary
20	nature.
21	* * *
22	§3408. Continuing education requirements
23	* * *
24	B. The basic continuing education requirements for renewal of a license shall
25	be the completion of not less than thirty classroom hours twenty-eight hours, or its
26	equivalent, in courses which that have received the approval of the board. As part
27	of this requirement, the applicant shall complete a minimum of seven classroom
28	hours of instruction covering the Uniform Standards of Professional Appraisal
29	Practice every renewal period.

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1	C. In lieu of meeting the requirements of Subsection B of this Section, an
2	applicant for renewal may present evidence of the following:
3	* * *
4	(2)(a) Participation, other than as a student, in educational processes and
5	programs in real property appraisal theory, practices, or techniques; including but not
6	limited to teaching, program development, and preparation of textbooks,
7	monographs, articles, and other instructional materials, all to be approved by the
8	board.
9	(b) No more than half of the continuing education credit shall be granted for
10	participation pursuant to this Paragraph.
11	* * *
12	E. In making recommendations pursuant to Paragraph $\frac{D(1)}{D(1)}$ of this
13	Section, the board shall give favorable consideration to courses of instruction,
14	seminars, and other real property appraisal education courses or programs previously
15	or hereafter developed by or under the auspices of professional appraisal
16	organizations and utilized by those associations for purposes of designation,
17	certification, or recertification of the members of the association.
18	* * *
19	§3409. Disciplinary proceedings
20	* * *
21	E. It shall be the duty of each licensed real estate appraiser to notify the
22	board within ten days by registered or certified mail or by hand delivery of the
23	following actions:
24	* * *
25	(4) Any sanction imposed on the appraiser by another jurisdiction.
26	* * *
27	§3410. Standards for the development and communication of real estate appraisals
28	A. A licensed real estate appraiser shall comply with generally accepted
29	standards of professional practice in the development and communication of

1	appraisals of real estate located in this state and with generally accepted ethical rules
2	of conduct as contained in the "Uniform Standards of Professional Appraisal
3	Practice", or its successor, as approved by the Appraisal Subcommittee of the
4	Federal Financial Institutions Examination Council, Standards Board of the
5	Appraisal Foundation or its successor.
6	* * *
7	Section 2. R.S. 37:3397(B)(6), (C), and (D), 3398(D), and 3401(D) are hereby
8	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

HB No. 1018

Abstract: Amends the La. Real Estate Appraisers Law.

<u>Present law</u> 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.

<u>Proposed law</u> repeals provisions of <u>present law</u> 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.

<u>Proposed law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> 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.

<u>Present law</u> 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.

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Proposed law makes changes to requirements in present law.

<u>Present law</u> 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.

<u>Proposed law</u> 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.

<u>Present law</u> provides requirements for continuing education.

<u>Proposed law</u> makes changes to requirements for continuing education.

<u>Proposed law</u> 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.

<u>Present law</u> 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.

<u>Proposed law</u> 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 <u>House Committee on Commerce</u> to the <u>original</u> 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.