

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. 37:3394(D), 3396(B), (D), and (F)(2), 3397(B)(1),

3 (3)(introductory paragraph) and (d) through (f),(4), and (5), 3398(A), 3401(B) and

4 (C)(3), 3408(B), (C)(2), and (E), and 3410, and to enact R.S. 37:3392(13), 3397.1,

5 and 3409(E)(4), and to repeal R.S. 37:3397(B)(6), (C), and (D), 3398(D), and

6 3401(D), relative to the Louisiana Real Estate Appraisers Law; to provide for board

7 terms; to apply for license qualifications; to provide relative to criteria for license

8 classifications and continuing education requirements; to provide relative to

9 examinations; to provide relative to nonresident licenses; to provide relative to

10 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. 37:3394(D), 3396(B), (D), and (F)(2), 3397(B)(1), (3)(introductory

14 paragraph) and (d) through (f),(4), and (5), 3398(A), 3401(B) and (C)(3), 3408(B), (C)(2)

15 and 3410 are hereby amended and reenacted and R.S. 37:3392(13), 3397.1, and 3409(E)(4)

16 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 * * *

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 §3394. Louisiana Real Estate Appraisers Board

6 * * *

7 D. All members shall be appointed for three-year terms. All terms shall
8 commence thirty days after the appointment, and all members shall serve until their
9 successors have been appointed and qualified. Vacancies occurring in the
10 membership of the board for any reason shall be filled by appointment by the
11 governor for the unexpired term. Upon expiration of their terms, members of the
12 board shall continue to hold office until the appointment and qualification of their
13 successors. No person shall be appointed for more than ~~two~~ three consecutive terms.
14 The appointing authority may remove a member for cause.

15 * * *

16 §3396. Applications

17 * * *

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

20 * * *

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

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

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

9 ~~(3)~~(4) When an applicant has made a false statement of material fact on his
10 application, such false statement may in itself be sufficient grounds for refusal to
11 issue a license.

* * *

13 F.

* * *

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

19 §3397. License classifications; criteria

* * *

21 B.(1)(a) Applicants for a real estate appraiser trainee license shall be subject
22 to ~~the following:~~ training and direct supervision by a certified appraiser who has
23 been licensed for at least three years prior to becoming a supervising appraiser and
24 is in good standing as a certified residential or certified general real estate appraiser.

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

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

1 Both the trainee applicant and the supervising appraiser shall be required to
 2 complete a course that complies, at minimum, with the specifications for course
 3 content established by the Appraiser Qualifications Board (AQB) of the Appraisal
 4 Foundation. The course shall be oriented toward the requirements and
 5 responsibilities of supervising appraisers and expectations for trainee appraisers.
 6 The course shall be completed by the trainee appraiser prior to obtaining a trainee
 7 appraiser license and by the supervising appraiser prior to supervising a trainee
 8 appraiser. The supervising appraiser shall not have been subject to any disciplinary
 9 action within the last three years that affects the supervisor's legal eligibility to
 10 engage in appraiser practice. The appraiser trainee is permitted to have more than
 11 one supervising appraiser. The scope of work for the ~~real-estate~~ appraiser trainee is
 12 limited to the appraisal of those properties that the supervising ~~real-estate~~ appraiser
 13 is licensed to appraise.

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

20 * * *

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

24 * * *

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

27 (e) Number of actual work hours.

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

1 (4) ~~As a prerequisite to license renewal, all appraiser trainees who have~~
2 ~~been licensed in excess of two years shall be required to obtain continuing education~~
3 ~~that is the equivalent to fifteen of fourteen classroom hours of instruction continuing~~
4 ~~education per calendar for each year.~~

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

10 §3397.1. Certified residential and certified general appraisers; continuing education

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

14 §3398. Examination

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

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

23 (2) ~~Basic understanding of real estate law.~~

24 (3) ~~Adequate knowledge of theories of depreciation, cost estimating,~~
25 ~~methods of capitalization, and the mathematics of real estate appraisal.~~

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

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

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

6 * * *

7 §3401. Nonresident license; temporary registration; reciprocity

8 * * *

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

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

17 * * *

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

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

23 ~~(b) Repealed by Acts 2003, No. 341, §3.~~

24 ~~(c) Payment~~ payment of the temporary registration fee specified in R.S.
25 37:3407(A)(7).

26 ~~(d) Written recognition of the fact that this registration is of a temporary~~
27 ~~nature.~~

28 * * *

1 §3408. Continuing education requirements

2 * * *

3 B. The basic continuing education requirements for renewal of a license shall
4 be the completion of not less than ~~thirty classroom hours~~ twenty-eight hours, or its
5 equivalent, in courses ~~which~~ that have received the approval of the board. As part
6 of this requirement, the applicant shall complete a minimum of seven classroom
7 hours of instruction covering the Uniform Standards of Professional Appraisal
8 Practice every renewal period.

9 C. In lieu of meeting the requirements of Subsection B of this Section, an
10 applicant for renewal may present evidence of the following:

11 * * *

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

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

19 * * *

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

26 * * *

27 §3409. Disciplinary proceedings

28 * * *

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

4 * * *

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

6 * * *

7 §3410. Standards for the development and communication of real estate appraisals

8 A. A licensed real estate appraiser shall comply with generally accepted
9 standards of professional practice in the development and communication of
10 appraisals of real estate located in this state and with generally accepted ethical rules
11 of conduct as contained in the "Uniform Standards of Professional Appraisal
12 Practice", or its successor, as approved by the ~~Appraisal Subcommittee of the~~
13 ~~Federal Financial Institutions Examination Council~~, Standards Board of the
14 Appraisal Foundation or its successor.

15 * * *

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

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.

Present law provides that no member of the La. Real Estate Appraisers Board shall be appointed for more than 2 consecutive terms.

Proposed law provides that no member of the La. Real Estate Appraisers Board shall be appointed for more than 3 consecutive terms.

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 Appraisal 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 Appraiser Qualifications Board (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 Appraiser Qualifications Board (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. 37:3394(D), 3396(B), (D), and (F)(2), 3397(B)(1), (3)(intro. para.) and (d)-(f), (4), and (5), 3398(A), 3401(B) and (C)(3), 3408(B), (C)(2) and (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))