

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 * * *

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 * * *

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

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.

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 ~~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.

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.