

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(A), to enact R.S.  
5 37:3392(13), 3397.1, and 3409(E)(4), and to repeal R.S. 37:3397(B)(6), (C), and (D),  
6 3398(D), and 3401(D), relative to the Louisiana Real Estate Appraisers Law; to  
7 provide for board terms; to provide relative to license qualifications; to provide  
8 relative to criteria for license classifications and continuing education requirements;  
9 to provide relative to examinations; to provide relative to nonresident licenses; to  
10 provide relative to disciplinary proceedings; to provide for standards for the  
11 development and communication of real estate appraisers; and to provide for related  
12 matters.

13 Be it enacted by the Legislature of Louisiana:

14 Section 1. R.S. 37:3396(B), (D), and (F)(2), 3397(B)(1), (3)(introductory paragraph)  
15 and (d) through (f), (4), and (5), 3398(A), 3401(B), (C)(introductory paragraph) and (3),  
16 3408(B), (C)(2), and (E), and 3410(A) are hereby amended and reenacted and R.S.  
17 37:3392(13), 3397.1, and 3409(E)(4) are hereby enacted to read as follows:

18 §3392. Definitions

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

21 \* \* \*

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, including 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) of  
21            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 complete a  
 25 course that complies, at minimum, with the specifications for course content  
 26 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

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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 supervising  
20        appraiser.

21                (e) Number of actual 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

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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 complete the equivalent of fourteen hours of continuing  
7 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.

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, Appraisal Standards Board of~~  
 5 the 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, including 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 demonstrates 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 Appraisal 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(A); 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.

House Floor Amendments to the engrossed bill.

1. Made technical amendments.