

FILED MAR 7 2005

SENATE FILE 288  
BY HATCH

COMMERCE

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act relating to the registration of residential real estate  
2 appraisers and providing a penalty.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 288  
COMMERCE

1 Section 1. Section 543B.5, Code 2005, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 18A. "Residential real estate appraiser"  
4 means a person who, for a fee, provides an analysis, opinion,  
5 or conclusion relating to the nature, quality, value, or  
6 utility of specified interests in, or aspects of, identified  
7 residential real estate.

8 Sec. 2. Section 543B.30, Code 2005, is amended to read as  
9 follows:

10 543B.30 ACTIONS -- LICENSE OR REGISTRATION AS  
11 PREREQUISITE.

12 A person engaged in the business or acting in the capacity  
13 of a real estate broker, or a real estate salesperson, or a  
14 residential real estate appraiser within this state shall not  
15 bring or maintain any action in the courts of this state for  
16 the collection of compensation for services performed as a  
17 real estate broker, or salesperson, or a residential real  
18 estate appraiser without alleging and proving that the person  
19 was a duly licensed real estate broker or real estate  
20 salesperson, or registered as a residential real estate  
21 appraiser at the time the alleged cause of action arose.

22 Sec. 3. NEW SECTION. 543B.55A REGISTRATION OF  
23 RESIDENTIAL REAL ESTATE APPRAISERS.

24 1. As a condition of doing business in this state, a  
25 residential real estate appraiser shall register with the  
26 commission on a biennial basis.

27 2. The registration application shall be in the form  
28 prescribed by the commission and shall be accompanied by a  
29 registration fee set by rule in an amount calculated to offset  
30 the cost of the registration. The application shall contain  
31 information which is substantially complete and accurate,  
32 including the name, principal place of business, address, and  
33 telephone number of the appraiser.

34 3. This registration requirement shall not apply to a  
35 county assessor, a financial institution making real estate

1 valuations for its own internal lending purposes, a licensed  
2 real estate broker, licensed broker associate, or a licensed  
3 real estate salesperson who provides valuation services for  
4 the listing and sale of property.

5 Sec. 4. NEW SECTION. 543B.55B PROHIBITION AGAINST  
6 INFLATED APPRAISALS.

7 1. The commission may revoke a registration or impose an  
8 administrative penalty if a residential real estate appraiser  
9 subject to section 543B.55A provides an appraisal that  
10 inflates the value of the property being appraised, if the  
11 appraiser knew or should have known the true value of the  
12 property. Prior to final action, the commission shall provide  
13 the appraiser an opportunity for a contested case hearing  
14 under chapter 17A.

15 2. An administrative penalty imposed under this section  
16 shall be not more than five hundred dollars in the case of a  
17 first violation and not more than five thousand dollars for  
18 each violation in the case of a second or subsequent  
19 violation. All administrative penalties collected pursuant to  
20 this chapter shall be deposited in the general fund of the  
21 state.

22 3. The commission shall report any action under this  
23 section to the real estate appraiser examining board.

24 Sec. 5. Section 543D.17, subsection 1, paragraph f, Code  
25 2005, is amended to read as follows:

26 f. Negligence, or incompetence, or providing an inflated  
27 appraisal as described in section 543B.55B, subsection 1, in  
28 developing an appraisal, in preparing an appraisal report, or  
29 in communicating an appraisal.

30 EXPLANATION

31 This bill requires that as a condition of doing business in  
32 Iowa, a residential real estate appraiser must register, on a  
33 biennial basis, with the real estate commission. The  
34 commission may revoke a registration or impose an  
35 administrative penalty if a residential real estate appraiser

1 provides an appraisal which inflates the value of the  
2 property, if the appraiser knew or should have known the true  
3 value of the property. The bill also adds the provision of  
4 such an inflated appraisal as a ground for the revocation of  
5 appraiser certification by the real estate appraiser examining  
6 board.

7 Current law provides for a voluntary certification process  
8 for real estate appraisers administered by the real estate  
9 appraiser examining board under Code chapter 543D.

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