

SENATE FILE **2373**
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SF 2098)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the certification and registration of real
2 estate appraisers and providing a penalty.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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SF 2373

1 Section 1. NEW SECTION. 543D.3A REGISTRATION REQUIRED.

2 A person engaged in the business or acting in the capacity
3 of a real estate appraiser for compensation within this state
4 shall register biennially with the board. The board shall
5 maintain a list of registrations at the board office,
6 available for public inspection.

7 A person who has registered but has not been certified
8 under this chapter shall inform a client, prior to providing
9 any appraisal service, that the person is not a certified real
10 estate appraiser. The board may investigate complaints
11 against compensated real estate appraisers who are not
12 certified pursuant to this chapter and may impose a penalty as
13 provided in this chapter.

14 Sec. 2. Section 543D.17, subsection 1, paragraph f, Code
15 2005, is amended to read as follows:

16 f. Negligence, or incompetence, or bias in developing an
17 appraisal, in preparing an appraisal report, or in
18 communicating an appraisal, or acting with bias while involved
19 in valuation assignments in real property appraisal practice.

20 Sec. 3. Section 543D.17, subsection 3, Code 2005, is
21 amended to read as follows:

22 3. Notwithstanding the limitations of section 272C.3,
23 subsection 2, paragraph "e", the board shall adopt a rule
24 providing for civil penalties in amounts and for the reasons
25 authorized by federal law where federal law requires the board
26 to have the authority to impose the civil penalties in order
27 to obtain or to retain the board's designation as a qualified
28 state appraiser certifying agency. An administrative penalty
29 imposed under this section shall not be more than one thousand
30 dollars for each violation. All administrative penalties
31 collected pursuant to this chapter shall be deposited in the
32 housing trust fund created in section 16.181.

33 Sec. 4. NEW SECTION. 543D.20 EXCLUSIONS.

34 1. This chapter does not apply to any of the following:

35 a. An individual licensed under chapter 543B.

1 Code chapter 543D to \$1,000 for each violation.

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SENATE FILE 2373

S-5116

1 Amend Senate File 2373 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

4 "Section 1. NEW SECTION. 543D.3A REGISTRATION OF
5 UNCERTIFIED REAL ESTATE APPRAISERS REQUIRED.

6 1. REGISTRATION. A person who is engaged in the
7 business or acting in the capacity of a real estate
8 appraiser for compensation within this state and who
9 does not hold an unexpired certificate as a certified
10 real estate appraiser pursuant to this chapter or is
11 not working as an associate real estate appraiser
12 shall register biennially with the board. The board
13 shall maintain a separate registry of the names and
14 addresses of the uncertified appraisers who register
15 with the board pursuant to this section.

16 2. INELIGIBILITY. A person shall not be eligible
17 to register as an uncertified appraiser, except upon
18 such conditions as the board may specify by rule or
19 order, if the person has been issued a certificate
20 under this chapter and the board, in connection with a
21 disciplinary investigation or proceeding, has
22 suspended, revoked, or otherwise imposed discipline
23 against, or refused to renew or accepted the voluntary
24 surrender of the certificate.

25 3. EXEMPTIONS. This section shall not apply to
26 any of the following:

27 a. An individual licensed under chapter 543B.

28 b. An individual registered under chapter 535B.

29 c. An individual who provides administrative
30 services to a certified real estate appraiser, such as
31 taking photographs, preparing charts, or typing
32 reports, who is not an associate real estate appraiser
33 and who does not provide any assistance in developing
34 the analysis, valuation, opinions, or conclusions
35 associated with the appraisal assignment.

36 d. An employee of any of the following, so long as
37 the employee does not provide appraisal services or
38 complete an appraisal assignment for any person other
39 than the person's employer unless the person is in
40 compliance with this section:

41 (1) The federal government.

42 (2) The state, or any agency, department, or
43 political subdivision of the state, except as provided
44 for an employee of the state department of
45 transportation pursuant to section 543D.3.

46 (3) A financial institution as defined in section
47 527.2.

48 (4) An insurance company authorized to transact
49 the business of insurance in this state.

50 (5) A licensee or registrant under chapter 535B,

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1 536, or 536A.

2 e. An individual who holds an unexpired
3 certificate or license to practice as a real estate
4 appraiser under the laws of another jurisdiction who
5 acts in compliance with board rules on temporary
6 practice or who otherwise acts in conformance with
7 federal laws or regulations governing the cross-
8 jurisdictional practice of certified or licensed real
9 estate appraisers.

10 4. The board shall establish and collect fees for
11 the registration of uncertified real estate
12 appraisers, in an amount not to exceed twenty-five
13 dollars biennially.

14 5. UNLAWFUL ACTS, INJUNCTIONS, AND CIVIL
15 PENALTIES.

16 a. The board may investigate complaints or
17 initiate complaints against uncertified real estate
18 appraisers and in connection with such complaints or
19 investigations may issue subpoenas to compel witnesses
20 to testify or persons to produce evidence consistent
21 with the provisions of section 272C.6, subsection 3,
22 as needed to determine whether probable cause exists
23 to initiate proceedings under this section or to make
24 application to the district court for an order
25 enjoining violations of this chapter.

26 b. If as a result of an investigation the board
27 believes that an uncertified real estate appraiser has
28 engaged, or is about to engage, in an act or practice
29 which constitutes a violation of this chapter, the
30 board may make application to the district court for
31 an order enjoining such act or practice. Upon a
32 showing by the board that such uncertified real estate
33 appraiser has engaged, or is about to engage, in any
34 such act or practice, an injunction, restraining
35 order, or other order as may be appropriate shall be
36 granted by the court.

37 c. In addition to or as an alternative to making
38 application to the district court for an injunction,
39 the board may issue an order to an uncertified real
40 estate appraiser to require compliance with this
41 chapter and may impose a civil penalty against such
42 person for any violation of this chapter in an amount
43 up to one thousand dollars for each violation. All
44 civil penalties collected pursuant to this subsection
45 shall be deposited in the housing trust fund created
46 in section 16.181. An order issued pursuant to this
47 section may prohibit a person from registering under
48 this section if the person has engaged in willful or
49 repeated violations of this chapter.

50 d. The board may impose civil penalties against an

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- 1 uncertified real estate appraiser for engaging in any
2 of the following acts or practices, all of which are
3 unlawful acts under this chapter:
- 4 (1) A violation of subsection 1.
 - 5 (2) A violation of section 543D.15.
 - 6 (3) Acting with bias while involved in valuation
7 assignments in real property appraisal practice.
- 8 Sec. 2. Section 543D.17, subsection 1; paragraph
9 f, Code 2005, is amended to read as follows:
- 10 f. Negligence, ~~or~~ incompetence, or bias in
11 developing an appraisal, in preparing an appraisal
12 report, or in communicating an appraisal.
- 13 Sec. 3. EFFECTIVE DATE. This Act takes effect
14 January 1, 2007."
- 15 2. Title page, line 2, by adding after the word
16 "penalty" the following: "and an effective date".
 - 17 3. By renumbering as necessary.

By JACK HATCH

S-5116 FILED MARCH 21, 2006

SENATE FILE **2373**
BY COMMITTEE ON STATE GOVERNMENT

(SUCCESSOR TO SF 2098)

(AS AMENDED AND PASSED BY THE SENATE MARCH 22, 2006)

ALL New Langugae by the Senate

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the certification and registration of real
2 estate appraisers and providing a penalty and an effective
3 date.

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

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S.F. 2373

1 Section 1. NEW SECTION. 543D.3A REGISTRATION OF
2 UNCERTIFIED REAL ESTATE APPRAISERS REQUIRED.

3 1. REGISTRATION. A person who is engaged in the business
4 or acting in the capacity of a real estate appraiser for
5 compensation within this state and who does not hold an
6 unexpired certificate as a certified real estate appraiser
7 pursuant to this chapter or is not working as an associate
8 real estate appraiser shall register biennially with the
9 board. The board shall maintain a separate registry of the
10 names and addresses of the uncertified appraisers who register
11 with the board pursuant to this section.

12 2. INELIGIBILITY. A person shall not be eligible to
13 register as an uncertified appraiser, except upon such
14 conditions as the board may specify by rule or order, if the
15 person has been issued a certificate under this chapter and
16 the board, in connection with a disciplinary investigation or
17 proceeding, has suspended, revoked, or otherwise imposed
18 discipline against, or refused to renew or accepted the
19 voluntary surrender of the certificate.

20 3. EXEMPTIONS. This section shall not apply to any of the
21 following:

22 a. An individual licensed under chapter 543B.

23 b. An individual registered under chapter 535B.

24 c. An individual who provides administrative services to a
25 certified real estate appraiser, such as taking photographs,
26 preparing charts, or typing reports, who is not an associate
27 real estate appraiser and who does not provide any assistance
28 in developing the analysis, valuation, opinions, or
29 conclusions associated with the appraisal assignment.

30 d. An employee of any of the following, so long as the
31 employee does not provide appraisal services or complete an
32 appraisal assignment for any person other than the person's
33 employer unless the person is in compliance with this section:

34 (1) The federal government.

35 (2) The state, or any agency, department, or political

1 subdivision of the state, except as provided for an employee
2 of the state department of transportation pursuant to section
3 543D.3.

4 (3) A financial institution as defined in section 527.2.

5 (4) An insurance company authorized to transact the
6 business of insurance in this state.

7 (5) A licensee or registrant under chapter 535B, 536, or
8 536A.

9 e. An individual who holds an unexpired certificate or
10 license to practice as a real estate appraiser under the laws
11 of another jurisdiction who acts in compliance with board
12 rules on temporary practice or who otherwise acts in
13 conformance with federal laws or regulations governing the
14 cross-jurisdictional practice of certified or licensed real
15 estate appraisers.

16 4. The board shall establish and collect fees for the
17 registration of uncertified real estate appraisers, in an
18 amount not to exceed twenty-five dollars biennially.

19 5. UNLAWFUL ACTS, INJUNCTIONS, AND CIVIL PENALTIES.

20 a. The board may investigate complaints or initiate
21 complaints against uncertified real estate appraisers and in
22 connection with such complaints or investigations may issue
23 subpoenas to compel witnesses to testify or persons to produce
24 evidence consistent with the provisions of section 272C.6,
25 subsection 3, as needed to determine whether probable cause
26 exists to initiate proceedings under this section or to make
27 application to the district court for an order enjoining
28 violations of this section.

29 b. If as a result of an investigation the board believes
30 that an uncertified real estate appraiser has engaged, or is
31 about to engage, in an act or practice which constitutes a
32 violation of this section, the board may make application to
33 the district court for an order enjoining such act or
34 practice. Upon a showing by the board that such uncertified
35 real estate appraiser has engaged, or is about to engage, in

1 any such act or practice, an injunction, restraining order, or
2 other order as may be appropriate shall be granted by the
3 court.

4 c. In addition to or as an alternative to making
5 application to the district court for an injunction, the board
6 may issue an order to an uncertified real estate appraiser to
7 require compliance with this section and may impose a civil
8 penalty against such person for any violation of this section
9 in an amount up to one thousand dollars for each violation.
10 All civil penalties collected pursuant to this subsection
11 shall be deposited in the housing trust fund created in
12 section 16.181. An order issued pursuant to this section may
13 prohibit a person from registering under this section if the
14 person has engaged in willful or repeated violations of this
15 chapter.

16 d. The board may impose civil penalties against an
17 uncertified real estate appraiser for engaging in any of the
18 following acts or practices, all of which are unlawful acts
19 under this section:

- 20 (1) A violation of subsection 1.
21 (2) A violation of section 543D.15.
22 (3) Acting with bias while involved in valuation
23 assignments in real property appraisal practice.

24 Sec. 2. Section 543D.17, subsection 1, paragraph f, Code
25 2005, is amended to read as follows:

26 f. Negligence, or incompetence, or bias in developing an
27 appraisal, in preparing an appraisal report, or in
28 communicating an appraisal.

29 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,
30 2007.

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S-5117

1 Amend Senate File 2373 as follows:

2 1. By striking everything after the enacting
3 clause and inserting the following:

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37 the employee does not provide appraisal services or
38 complete an appraisal assignment for any person other
39 than the person's employer unless the person is in
40 compliance with this section:

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43 political subdivision of the state, except as provided
44 for an employee of the state department of
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49 the business of insurance in this state.

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31 an order enjoining such act or practice. Upon a
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41 section and may impose a civil penalty against such
42 person for any violation of this section in an amount
43 up to one thousand dollars for each violation. All
44 civil penalties collected pursuant to this subsection
45 shall be deposited in the housing trust fund created
46 in section 16.181. An order issued pursuant to this
47 section may prohibit a person from registering under
48 this section if the person has engaged in willful or
49 repeated violations of this chapter.

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14 January 1, 2007."

15 2. Title page, line 2, by adding after the word
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17 3. By renumbering as necessary.

By JACK HATCH

S-5117 FILED MARCH 22, 2006

ADOPTED