

3-17-97 Amend / Do Pass w/ S. 3138
4-7-97 Referred Back State Gov.
FILED FEB 25 1997

SENATE FILE 211
BY LUNDBY and GRONSTAL

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

A BILL FOR

1 An Act relating to licensing and certification of certain
2 occupations relating to real estate, by providing for
3 appraiser certification, discipline of brokers and
4 salespersons, and related matters, and making a penalty
5 applicable.

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

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S.F. 211

1 Section 1. Section 543B.29, unnumbered paragraph 1, Code
2 1997, is amended to read as follows:

3 A license to practice the profession of real estate broker
4 and salesperson may be revoked or suspended, or a licensee may
5 be otherwise disciplined by the commission, when the licensee
6 is guilty of the following acts or offenses:

7 Sec. 2. Section 543B.29, Code 1997, is amended by adding
8 the following new subsection:

9 NEW SUBSECTION. 12. Noncompliance with the appraisal
10 requirements in chapter 543D when providing an appraisal.

11 Sec. 3. Section 543B.29, unnumbered paragraph 3, Code
12 1997, is amended to read as follows:

13 A real estate broker or salesperson who is an owner or
14 lessor of property or an employee of an owner or lessor may
15 have the broker's or salesperson's license revoked or
16 suspended, or may be otherwise disciplined by the commission,
17 for violations of this section or section 543B.34, except
18 subsections 4, 5, 6, and 9, with respect to that property.

19 Sec. 4. Section 543B.34, Code 1997, is amended by adding
20 the following new subsection:

21 NEW SUBSECTION. 10A. Not complying with the appraisal
22 requirements in chapter 543D when providing an appraisal.

23 Sec. 5. Section 543D.1, Code 1997, is amended to read as
24 follows:

25 543D.1 SHORT TITLE.

26 This chapter shall be known and may be cited as the "Iowa
27 Voluntary Appraisal Standards and Appraiser Certification
28 Law".

29 Sec. 6. Section 543D.3, Code 1997, is amended to read as
30 follows:

31 543D.3 PURPOSES -- VOLUNTARY CERTIFICATION.

32 The purpose of this chapter is to establish standards for
33 real estate appraisals and a procedure for the voluntary
34 certification of real estate appraisers.

35 A Except as otherwise provided in this chapter, only a

1 person who is not a certified real estate appraiser under this
2 chapter may ~~shall~~ appraise real estate for compensation if
3 ~~certification-is-not-required-by-this-chapter-or-by-federal-or~~
4 ~~state-law,-rule,-or-policy.~~

5 Sec. 7. Section 543D.4, subsections 3 and 4, Code 1997,
6 are amended to read as follows:

7 3. Each A real estate appraiser member of the board
8 ~~appointed-after-January-17-1997,~~ must be a certified real
9 estate appraiser. The governor shall attempt to represent
10 each class of certified appraisers in making the appointments.

11 4. The term of each member is three years; ~~except-that,-of~~
12 ~~the-members-first-appointed,-two-shall-be-appointed-for-two~~
13 ~~years-and-two-shall-be-appointed-for-one-year.~~

14 Sec. 8. Section 543D.16, subsection 2, Code 1997, is
15 amended to read as follows:

16 2. The basic continuing education requirement for renewal
17 of certification shall be the completion, ~~during-the~~
18 immediately-preceding-term before June 30 of the year in which
19 the appraiser's certificate expires, of the number of
20 classroom hours of instruction required by the board in
21 courses or seminars which have received the ~~approval~~
22 preapproval of the appraiser qualification board of the
23 appraisal foundation. Instructional hours by correspondence
24 and home study courses claimed by an appraiser shall not
25 exceed fifty percent of the required hours of instruction
26 necessary for renewal.

27 Sec. 9. NEW SECTION. 543D.20 EXCLUSIONS FROM
28 APPLICABILITY OF CHAPTER.

29 This chapter does not apply to the following:

30 1. An individual licensed under chapter 543B who does not
31 provide an appraisal, but who in the ordinary course of
32 business provides an opinion of value, valuation, analysis, or
33 a recommendation of price or pricing of real estate in the
34 pursuit of a listing, when the opinion is provided to assist a
35 potential purchaser in developing a purchase offer or to

1 provide a broker's price opinion, whether or not the opinion
2 is provided for a fee. Providing an opinion pursuant to this
3 subsection is not subject to the uniform standard of
4 professional appraisal practices adopted by the appraisal
5 foundation.

6 2. A broker associate, or a designated broker, as defined
7 in section 543B.5, who renders an appraisal or opinion of
8 value which does not conform to the uniform standards of
9 professional appraisal practices adopted by the appraisal
10 foundation, and for purposes of federally related transactions
11 as defined in Title XI of the Federal Financial Institutions
12 Reform, Recovery, and Enforcement Act of 1989, or as defined
13 in the United States office of management and budget circular
14 A-129, as amended, or the rules or regulations adopted
15 pursuant to that circular.

16 3. a. A salaried employee of any of the following:
17 (1) The federal government.
18 (2) The state, or any agency, department, or political
19 subdivision of the state.
20 (3) A financial institution as defined in section 535A.1.
21 (4) An insurance company authorized to transact the
22 business of insurance in this state.

23 b. Notwithstanding paragraph "a", an employee of an entity
24 identified in paragraph "a" who also practices as an
25 independent real estate appraiser is subject to this chapter
26 and shall comply with the requirements of this chapter prior
27 to engaging in such other real estate appraising.

28 4. A person, or an employee of such person, who renders an
29 estimate or opinion of value of real estate or any interest in
30 real estate when such estimate or opinion is for the purpose
31 of real estate taxation. An opinion or appraisal of market
32 value rendered under this subsection must contain the
33 following language in bold print in a prominent location:
34 "This opinion of value was not prepared by a certified
35 appraiser."

1 EXPLANATION

2 This bill amends provisions relating to the regulation of
3 real estate brokers and salespersons, and to the certification
4 of real estate appraisers.

5 The bill provides that a real estate broker or salesperson
6 may be disciplined as otherwise provided by the real estate
7 commission for committing certain acts identified under Code
8 chapter 543B. Currently, the commission may only revoke or
9 suspend the broker's or salesperson's license. The bill
10 provides that a broker or salesperson may be disciplined for
11 the failure of the broker or salesperson to comply with the
12 appraisal requirements under chapter 543D when providing an
13 appraisal. A broker or salesperson violating this provision
14 would also be guilty of a simple misdemeanor pursuant to Code
15 section 543B.43.

16 The bill amends Code chapter 543D and requires appraisers
17 to be certified under that chapter. Currently, appraiser
18 certification is voluntary. Code section 543D.16 is amended
19 to provide that continuing education requirements for renewal
20 of the appraiser's certification must be completed by June 30
21 of the year in which the certificate expires. The section is
22 also amended to provide that instructional hours by
23 correspondence or home study courses shall not exceed 50
24 percent of the required number of instructional hours.

25 New Code section 543D.20 is created and excludes certain
26 individuals from the provisions of Code chapter 543D including
27 a licensed real estate broker or salesperson who does not
28 provide an appraisal, but who in the ordinary course of
29 business provides an opinion of value, valuation, analysis, or
30 a recommendation of price or pricing which is provided in the
31 pursuit of a listing, to assist a potential purchaser in
32 developing a purchase offer, or to provide a broker's price
33 opinion, whether or not such opinion is provided for a fee; a
34 broker associate who renders an appraisal for purposes other
35 than federally related transactions; and a salaried employee

1 of the federal government, state government, or any agency,
2 department, or political subdivision of the state, a financial
3 institution, or an insurance company.

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SENATE FILE 211

S-3146

- 1 Amend Senate File 211 as follows:
- 2 1. Page 3, line 16, by striking the words
- 3 "salaried employee of" and inserting the following:
- 4 "person employed by".

By RICHARD F. DRAKE
DERRYL McLAREN

S-3146 FILED MARCH 18, 1997

SENATE FILE 211

S-3138

- 1 Amend Senate File 211 as follows:
- 2 1. Page 3, by striking lines 6 through 15.
- 3 2. Page 3, by inserting after line 35 the
- 4 following:
- 5 "Sec. ____ . NEW SECTION. 543D.21 APPLICABILITY TO
- 6 BROKER ASSOCIATE AND DESIGNATED BROKER.
- 7 In addition to other individuals as provided, this
- 8 chapter applies to a broker associate, or a designated
- 9 broker, as defined in section 543B.5, who renders an
- 10 appraisal or opinion of value, which must conform to
- 11 the uniform standards of professional appraisal
- 12 practices adopted by the appraisal foundation, and for
- 13 purposes other than federally related transactions as
- 14 defined in Title XI of the federal Financial
- 15 Institutions Reform, Recovery, and Enforcement Act of
- 16 1989, or as defined in the United States office of
- 17 management and budget circular A-129, as amended, or
- 18 the rules or regulations adopted pursuant to that
- 19 circular."
- 20 3. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
JIM LIND, Chairperson

S-3138 FILED MARCH 17, 1997

SEVENTY-SEVENTH GENERAL ASSEMBLY
1997 REGULAR SESSION
DAILY
SENATE CLIP SHEET

APRIL 2, 1997

SENATE FILE 211

S-3305

1 Amend Senate File 211 as follows:

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

4 "Section 1. Section 543B.29, unnumbered paragraph
5 1, Code 1997, is amended to read as follows:

6 A license to practice the profession of real estate
7 broker and salesperson may be revoked or suspended, or
8 a licensee may be otherwise disciplined by the
9 commission, when the licensee is guilty of the
10 following acts or offenses:

11 Sec. 2. Section 543B.29, Code 1997, is amended by
12 adding the following new subsection:

13 NEW SUBSECTION. 12. Noncompliance with the
14 appraisal requirements in chapter 543D when providing
15 an appraisal.

16 Sec. 3. Section 543B.29, unnumbered paragraph 3,
17 Code 1997, is amended to read as follows:

18 A real estate broker or salesperson who is an owner
19 or lessor of property or an employee of an owner or
20 lessor may have the broker's or salesperson's license
21 revoked or suspended, or may be otherwise disciplined
22 by the commission, for violations of this section or
23 section 543B.34, except subsections 4, 5, 6, and 9,
24 with respect to that property.

25 Sec. 4. Section 543D.1, Code 1997, is amended to
26 read as follows:

27 543D.1 SHORT TITLE.

28 This chapter shall be known and may be cited as the
29 "Iowa Voluntary Appraisal Standards and Appraiser
30 Certification Law".

31 Sec. 5. Section 543D.3, Code 1997, is amended to
32 read as follows:

33 543D.3 PURPOSES -- VOLUNTARY CERTIFICATION.

34 The purpose of this chapter is to establish
35 standards for real estate appraisals and a procedure
36 for the voluntary certification of real estate
37 appraisers.

38 ~~A person who is not a certified real estate~~
39 ~~appraiser under this chapter may appraise real estate~~
40 ~~for compensation if certification is not required by~~
41 ~~this chapter or by federal or state law, rule, or~~
42 ~~policy~~ Except as otherwise provided in this chapter,
43 only a certified appraiser, designated broker, or
44 broker associate as defined in section 543B.5 may
45 charge a fee for conducting an appraisal.

46 Sec. 6. Section 543D.4, subsections 3 and 4, Code
47 1997, are amended to read as follows:

48 3. Each A real estate appraiser member of the
49 board ~~appointed after January 17, 1992,~~ must be a
50 certified real estate appraiser. The governor shall

S-3305

S-3305

Page 2

1 attempt to represent each class of certified
2 appraisers in making the appointments.

3 4. The term of each member is three years, except
4 that, of the members first appointed, two shall be
5 appointed for two years and two shall be appointed for
6 one year.

7 Sec. 7. Section 543D.16, subsection 2, Code 1997,
8 is amended to read as follows:

9 2. The basic continuing education requirement for
10 renewal of certification shall be the completion,
11 during the immediately preceding term before June 30
12 of the year in which the appraiser's certificate
13 expires, of the number of classroom hours of
14 instruction required by the board in courses or
15 seminars which have received the approval preapproval
16 of the board. Instructional hours by correspondence
17 and home study courses claimed by an appraiser shall
18 not exceed fifty percent of the required hours of
19 instruction necessary for renewal.

20 Sec. 8. NEW SECTION. 543D.20 EXCLUSIONS FROM
21 APPLICABILITY OF CHAPTER.

22 This chapter does not apply to the following:

23 1. An individual licensed under chapter 543B who
24 does not provide an appraisal, but who in the ordinary
25 course of business provides an opinion of value,
26 valuation, analysis, or a recommendation of price or
27 pricing of real estate in the pursuit of a listing,
28 when the opinion is provided to assist a potential
29 purchaser in developing a purchase offer or to provide
30 a broker's price opinion, whether or not the opinion
31 is provided for a fee. Providing an opinion pursuant
32 to this subsection is not subject to the uniform
33 standard of performance appraisal procedures.

34 2. A broker associate, or a designated broker, as
35 defined in section 543B.5, who renders an appraisal of
36 value for purposes other than federally related
37 transactions as defined in Title XI of the federal
38 Financial Institutions Reform, Recovery, and
39 Enforcement Act of 1989, or as defined in the United
40 States office of management and budget circular A-129,
41 as amended, or the rules or regulations adopted
42 pursuant to that circular.

43 3. a. An employee of any of the following:

44 (1) The federal government.

45 (2) The state, or any agency, department, or
46 political subdivision of the state.

47 (3) A financial institution as defined in section
48 535A.1, if the appraisal is associated with a loan of
49 less than fifty thousand dollars.

50 b. Notwithstanding paragraph "a", an employee of

S-3305

-2-

S-3305

Page 3

1 an entity identified in paragraph "a" who also
2 practices as an independent real estate appraiser is
3 subject to this chapter and shall comply with the
4 requirements of this chapter prior to engaging in such
5 other real estate appraising.

6 Sec. 9. EFFECTIVE DATE. Sections 1 through 6 and
7 8 of this Act are effective July 1, 1998."

By MICHAEL E. GRONSTAL

S-3305 FILED APRIL 1, 1997