

1-29-96 State Gov.
FILED JAN 25 1996
2-27-96 Amend/also Pass W/S-5128
3-25-96 State Gov't.

SENATE FILE **2090**
BY MURPHY

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

A BILL FOR

1 An Act requiring certification of real estate appraisers and
2 providing for related matters.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
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SENATE FILE 2090

S-5247

1 Amend the amendment, S-5128, to Senate File 2090,
2 as follows:
3 1. Page 1, by striking lines 11 and 12 and
4 inserting the following: "original appraisal on such
5 property. However, a minimal administrative fee may
6 be charged for providing such subsequent appraisal."
7 2. Page 1, line 16, by inserting after the word
8 "appraiser" the following: ", or the different
9 financial institution,".
10 3. Page 1, line 26, by striking the word
11 "taxation" and inserting the following: "valuation".
12 4. Page 1, line 28, by inserting after the word
13 "subsection" the following: "by a person other than a
14 certified real estate appraiser".

By ROD HALVORSON

S-5247 FILED MARCH 7, 1996

S.F. 2090

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1 Section 1. Section 543B.34, Code Supplement 1995, is
2 amended by adding the following new subsection:

3 NEW SUBSECTION. 10A. Performing an appraisal in violation
4 of chapter 543D.

5 Sec. 2. Section 543D.1, Code 1995, is amended to read as
6 follows:

7 543D.1 SHORT TITLE.

8 This chapter shall be known and may be cited as the "Iowa
9 Voluntary Appraisal Standards and Appraiser Certification
10 Law".

11 Sec. 3. Section 543D.3, Code 1995, is amended to read as
12 follows:

13 543D.3 PURPOSES -- VOLUNTARY REQUIRED CERTIFICATION.

14 The purpose of this chapter is to establish standards for
15 real estate appraisals and a procedure for the voluntary
16 certification of real estate appraisers.

17 A Except as otherwise provided in this chapter, a person
18 who is not a certified real estate appraiser under this
19 chapter may shall not appraise real estate for compensation if
20 certification-is-not-required-by-this-chapter-or-by-federal-or
21 state-law,-rule,-or-policy.

22 Sec. 4. Section 543D.4, subsections 3 and 4, Code 1995,
23 are amended to read as follows:

24 3. Each A real estate appraiser member of the board
25 ~~appointed-after-January-17-1992,~~ must be a certified real
26 estate appraiser. The governor shall attempt to represent
27 each class of certified appraisers in making the appointments.

28 4. The term of each member is three years, ~~except-that,~~ of
29 ~~the-members-first-appointed,~~ two shall be appointed for two
30 years and two shall be appointed for one year.

31 Sec. 5. Section 543D.16, Code 1995, is amended by adding
32 the following new subsection:

33 NEW SUBSECTION. 3. A certified real estate appraiser
34 seeking a renewal of certification has until June 30 of the
35 year in which the appraiser's certificate expires to complete

1 the basic continuing education requirement.

2 Sec. 6. NEW SECTION. 543D.20 EXEMPTION FROM

3 APPLICABILITY OF CHAPTER -- FEE PROHIBITED.

4 This chapter does not apply to an opinion of value provided
5 by an individual licensed under chapter 543B which is rendered
6 for a purpose other than for a federally related transaction
7 as defined in Title XI of the federal Financial Institutions
8 Reform, Recovery, and Enforcement Act of 1989, Pub. L. No.
9 101-73, or as defined in the United States office of
10 management and budget circular A-129. A listing price or sale
11 price based upon an opinion of value given by a person in the
12 person's ordinary course of business as to the price of real
13 estate shall not be referred to as an appraisal. The person
14 providing the opinion of value shall not charge a fee or
15 require compensation or other consideration, other than a
16 commission or brokerage fee related to brokerage services
17 rendered in connection with the sale of such real estate.

18 EXPLANATION

19 This bill amends provisions relating to the certification
20 of real estate appraisers.

21 Section 543B.34 is amended to provide that a real estate
22 broker or salesperson who performs an appraisal in violation
23 of chapter 543D may be subject to the revocation or suspension
24 of the broker's or salesperson's license as determined by the
25 real estate commission.

26 Section 543D.1 is amended to reflect the change from a
27 voluntary certification process to a requirement for
28 certification.

29 Section 543D.3 is amended to reflect the change from a
30 voluntary certification process to a requirement for
31 certification, and to establish a prohibition on noncertified
32 persons from appraising real estate for compensation.

33 Section 543D.4 is amended to require that a real estate
34 appraiser member of the real estate appraiser examining board
35 must be a certified appraiser.

1 Section 543D.16 is amended to provide that a certified real
2 estate appraiser seeking a renewal of certification has until
3 June 30 of the year in which the appraiser's certification
4 expires to complete the basic continuing education
5 requirement.

6 New section 543D.20 is created and provides that chapter
7 543D does not apply to an opinion of value provided by an
8 individual licensed under chapter 543B which is rendered for a
9 purpose other than for a federally related transaction as
10 defined in Title XI of the federal Financial Institutions
11 Reform, Recovery, and Enforcement Act of 1989, or as defined
12 in the federal office of management and budget circular A-129.

13 A listing price or sale price based upon an opinion given
14 by a person in the person's ordinary course of business as to
15 the price of real estate is not to be referred to as an
16 appraisal and no fee, compensation, or other consideration
17 shall be charged by the person providing the opinion other
18 than a commission or brokerage fee related to brokerage
19 services rendered in connection with the sale of the real
20 estate.

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SENATE FILE 2090

S-5128

1 Amend Senate File 2090 as follows:

2 1. Page 2, by inserting after line 1 the
3 following:

4 "Sec. ____ . Section 543D.18, Code 1995, is amended
5 by adding the following new subsection:

6 NEW SUBSECTION. 7. A certified real estate
7 appraiser, for purposes of providing a subsequent
8 appraisal to a person on the same property for a
9 different financial institution, shall not charge a
10 person the fee which the appraiser would charge for an
11 original appraisal on such property if such subsequent
12 appraisal occurs within the same transaction chain.
13 For purposes of this subsection, minor changes made by
14 the appraiser in the appraisal do not constitute
15 sufficient reason for charging the fee which the
16 appraiser would charge for providing an original
17 appraisal on the property."

18 2. Page 2, line 4, by striking the word "This"
19 and inserting the following: "1. This".

20 3. Page 2, by inserting after line 17 the
21 following:

22 "2. This chapter does not apply to a person, or an
23 employee of such person, who renders an estimate or
24 opinion of value of real estate or any interest in
25 real estate when such estimate or opinion is for the
26 purpose of real estate taxation. An opinion or
27 appraisal of market value rendered under this
28 subsection must contain the following language in bold
29 print in a prominent location: "This opinion of value
30 was not prepared by a certified appraiser."

31 3. a. This chapter does not apply to a salaried
32 employee of any of the following:

- 33 (1) The federal government.
34 (2) The state, an agency or a political
35 subdivision of the state which appraises real estate.
36 (3) An insurance company authorized to engage in
37 the business of insurance in this state.
38 (4) A financial institution as defined in section
39 535A.1.

40 b. Notwithstanding paragraph "a", an employee of
41 an entity identified in paragraph "a", subparagraphs
42 (1) through (4), who also practices as an independent
43 real estate appraiser is subject to this chapter and
44 must comply with the requirements of this chapter
45 prior to engaging in such other real estate
46 appraising."

47 4. By renumbering as necessary.

By COMMITTEE ON STATE GOVERNMENT
MICHAEL GRONSTAL, Chairperson