

3-17-97 amend/Do Pass w H. 1181
4-1-97 Referred to Local Gov.

MAR 5 1997
LOCAL GOVERNMENT

HOUSE FILE 428
BY CARROLL

Passed House, Date _____ Passed Senate, 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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HOUSE FILE 428

H-1181

1 Amend House File 428 as follows:

2 1. Page 3, line 21, by striking the words "An
3 employee of either" and inserting the following: "A
4 person employed by any".

5 2. Page 3, by inserting after line 24 the
6 following:

7 "(3) A financial institution as defined in section
8 535A.1.

9 (4) An insurance company authorized to transact
10 the business of insurance in this state."

By COMMITTEE ON LOCAL GOVERNMENT
VANDE HOEF of Osceola, Chairperson

H-1181 FILED MARCH 17, 1997

HF 428

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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 543D.1, Code 1997, is amended to read as
20 follows:

21 543D.1 SHORT TITLE.

22 This chapter shall be known and may be cited as the "Iowa
23 Voluntary Appraisal Standards and Appraiser Certification
24 Law".

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

27 543D.3 PURPOSES -- VOLUNTARY CERTIFICATION.

28 The purpose of this chapter is to establish standards for
29 real estate appraisals and a procedure for the voluntary
30 certification of real estate appraisers.

31 A Except as otherwise provided in this chapter, only a
32 person who is not a certified real estate appraiser under this
33 chapter may shall appraise real estate for compensation if
34 certification-is-not-required-by-this-chapter-or-by-federal-or
35 state-law,-rule,-or-policy.

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

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

7 4. The term of each member is three years, ~~except that, of~~
8 ~~the members first appointed, two shall be appointed for two~~
9 ~~years and two shall be appointed for one year.~~

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

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

22 Sec. 8. Section 543D.18, Code 1997, is amended by adding
23 the following new subsection:

24 NEW SUBSECTION. 7. A certified real estate appraiser
25 providing a subsequent appraisal on the same property, within
26 the same transaction chain, to a person for a different
27 financial institution, shall not charge the person the same
28 fee which the appraiser would charge for an original appraisal
29 on such property. Minor administrative changes made by the
30 appraiser in the appraisal do not constitute sufficient reason
31 for charging the fee which the appraiser, or the other
32 financial institution, can charge for providing an original
33 appraisal on the property. A minimal administrative fee only
34 may be charged for this service.

35 Sec. 9. NEW SECTION. 543D.20 EXCLUSIONS FROM

1 APPLICABILITY OF CHAPTER.

2 This chapter does not apply to the following:

3 1. An individual licensed under chapter 543B who does not
4 provide an appraisal, but who in the ordinary course of
5 business provides an opinion of value, valuation, analysis, or
6 a recommendation of price or pricing of real estate in the
7 pursuit of a listing, when the opinion is provided to assist a
8 potential purchaser in developing a purchase offer or to
9 provide a broker's price opinion, whether or not the opinion
10 is provided for a fee. Providing an opinion pursuant to this
11 subsection is not subject to the uniform standard of
12 performance appraisal procedures.

13 2. A broker associate, or a designated broker, as defined
14 in section 543B.5, who renders an appraisal of value for
15 purposes other than federally related transactions as defined
16 in Title XI of the federal Financial Institutions Reform,
17 Recovery, and Enforcement Act of 1989, or as defined in the
18 United States office of management and budget circular A-129,
19 as amended, or the rules or regulations adopted pursuant to
20 that circular.

21 3. a. An employee of either of the following:

22 (1) The federal government.

23 (2) The state, or any agency, department, or political
24 subdivision of the state.

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

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EXPLANATION

31 This bill amends provisions relating to the regulation of
32 real estate brokers and salespersons, and to the certification
33 of real estate appraisers.

34 The bill provides that a real estate broker or salesperson
35 may be disciplined as otherwise provided by the real estate

1 commission for committing certain acts identified under Code
2 chapter 543B. Currently, the commission may only revoke or
3 suspend the broker's or salesperson's license. The bill
4 provides that a broker or salesperson may be disciplined for
5 the failure of the broker or salesperson to comply with the
6 appraisal requirements under chapter 543D when providing an
7 appraisal. A broker or salesperson violating this provision
8 would also be guilty of a simple misdemeanor pursuant to Code
9 section 543B.43.

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

19 Code section 543D.18 is amended to prohibit a certified
20 real estate appraiser providing a subsequent appraisal on the
21 same property, within the same transaction chain, to a person
22 for a different financial institution, from charging the
23 person the same fee which the appraiser would charge for an
24 original appraisal on such property. The appraiser is
25 permitted to charge a minimal administrative fee for providing
26 such appraisal.

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

1 broker associate who renders an appraisal for purposes other
2 than federally related transactions; and an employee of the
3 federal government, state government, or any agency,
4 department, or political subdivision of the state.

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