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COMMERCE

SENATE FILE 2159

BY DVORSKY and ANGELO

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

A BILL FOR

1 An Act relating to certification and licensing 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. 2159

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.34, Code 1997, is amended by adding
12 the following new subsection:

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

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

17 543D.1 SHORT TITLE.

18 This chapter shall be known and may be cited as the "Iowa
19 Voluntary Appraisal Standards and Appraiser Certification
20 Law".

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

23 543D.3 PURPOSES -- VOLUNTARY CERTIFICATION.

24 The purpose of this chapter is to establish standards for
25 real estate appraisals and a procedure for the voluntary
26 mandatory certification of real estate appraisers.

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

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

34 3. Each A real estate appraiser member of the board
35 appointed-after-January-17-1992, must be a certified real

1 estate appraiser. The governor shall attempt to represent
2 each class of certified appraisers in making the appointments.

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

6 Sec. 7. NEW SECTION. 543D.20 EXCLUSIONS FROM
7 APPLICABILITY OF CHAPTER.

8 1. This chapter does not apply to the following:

9 a. An individual licensed under chapter 543B who does not
10 provide an appraisal, but who in the ordinary course of
11 business provides an opinion of value, valuation, analysis, or
12 a recommendation of price or pricing of real estate in the
13 pursuit of a listing, when the opinion is provided to assist a
14 potential purchaser in developing a purchase offer or to
15 provide a broker's price opinion, whether or not the opinion
16 is provided for a fee. Providing an opinion pursuant to this
17 paragraph is not subject to the uniform standard of
18 professional appraisal practices adopted by the appraisal
19 foundation.

20 b. An employee of any of the following:

- 21 (1) The federal government.
22 (2) The state, or any agency, department, or political
23 subdivision of the state.

24 2. An employee under subsection 1, paragraph "a", may
25 render an estimate or opinion of value of real estate or an
26 interest in real estate when such estimate or opinion is
27 rendered for the purpose of real estate taxation. An estimate
28 or opinion of value rendered under this subsection must
29 contain, in bold print in a prominent location, and wherever
30 the dollar amount of the estimate or opinion appears: "This
31 opinion of value was NOT prepared by a certified appraiser."

32 Sec. 8. NEW SECTION. 543D.21 BROKER ASSOCIATE --
33 DESIGNATED BROKER -- LIMITED EXCEPTION TO CERTIFICATION
34 REQUIREMENTS.

35 1. Notwithstanding the provisions of this Act, a broker

1 associate or designated broker as defined in section 543B.5,
2 who is not certified under this chapter on July 1, 1998, may
3 continue to provide appraisals without becoming certified
4 until June 30, 2000. After June 30, 2000, such a person shall
5 not provide appraisals unless the person satisfies the
6 certification requirements in this chapter.

7 2. A broker associate or designated broker who renders an
8 appraisal or opinion of value pursuant to this section shall
9 provide such appraisal or opinion in a manner which conforms
10 to the uniform standards of professional appraisal practices
11 adopted by the appraisal foundation.

12 3. This section applies to nonfederal-related transactions
13 as defined in Title XI of the federal Financial Institutions
14 Reform, Recovery, and Enforcement Act of 1989, or as defined
15 in the United States office of management and budget circular
16 A-129, as amended, or the regulations adopted pursuant to that
17 circular.

18 4. A person who violates subsection 2 is subject to
19 sections 543B.29 and 543B.43.

20 Sec. 9. Section 543D.21, as enacted in this Act, is
21 repealed effective July 1, 2000.

22 EXPLANATION

23 This bill amends provisions relating to the regulation of
24 real estate brokers and salespersons, and to the certification
25 of real estate appraisers.

26 The bill provides that a real estate broker or salesperson
27 may be disciplined as otherwise provided by the real estate
28 commission for committing certain acts relating to real estate
29 appraisals identified under Code chapter 543B. Currently, the
30 commission may only revoke or suspend the broker's or
31 salesperson's license. The bill provides that a broker or
32 salesperson may be disciplined for the failure of the broker
33 or salesperson to comply with the appraisal requirements under
34 Code chapter 543D when providing an appraisal. A broker or
35 salesperson violating this provision would also be guilty of a

1 simple misdemeanor pursuant to Code section 543B.43.

2 The bill amends Code chapter 543D and requires appraisers
3 to be certified under that chapter. Currently, appraiser
4 certification is voluntary.

5 New Code section 543D.20 is created and excludes certain
6 individuals from the provisions of Code chapter 543D including
7 a licensed real estate broker or salesperson who does not
8 provide an appraisal, but who in the ordinary course of
9 business provides an opinion of value, valuation, analysis, or
10 a recommendation of price or pricing which is provided in the
11 pursuit of a listing, to assist a potential purchaser in
12 developing a purchase offer, or to provide a broker's price
13 opinion, whether or not such opinion is provided for a fee; a
14 noncertified broker associate who renders an appraisal for
15 purposes other than federally related transactions until June
16 30, 2000; and a salaried employee of the federal government,
17 state government, or any agency, department, or political
18 subdivision of the state.

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