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HOUSE FILE 2272 BY FORD

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2			ers, provid	ing a penalt	cy, and ma	King an
3		ropriation.				
	BE IT	ENACTED BY	THE GENERAL	ASSEMBLY OF	THE STAT	E OF IOWA:
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S.F. H.F. 2272

- Section 1. <u>NEW SECTION</u>. 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 annually with the board. The board shall
- 5 maintain a list of registrations at the board office,
- 6 available for public inspection.
- 7 Sec. 2. Section 543D.17, subsection 1, paragraph f, Code
- 8 2005, is amended to read as follows:
- 9 f. Negligence_ or incompetence in-developing-an-appraisal,
- 10 in-preparing-an-appraisal-report,-or-in-communicating-an
- 11 appraisal, or acting with advocacy or bias while involved in
- 12 valuation assignments in real property appraisal practice.
- 13 Sec. 3. Section 543D.17, subsection 3, Code 2005, is
- 14 amended to read as follows:
- Notwithstanding the limitations of section 272C.3,
- 16 subsection 2, paragraph "e", the board shall adopt a rule
- 17 providing for civil penalties in amounts and for the reasons
- 18 authorized by federal law where federal law requires the board
- 19 to have the authority to impose the civil penalties in order
- 20 to obtain or to retain the board's designation as a qualified
- 21 state appraiser certifying agency. An administrative penalty
- 22 imposed under this section shall not be more than one thousand
- 23 dollars in the case of a first violation and not more than
- 24 five thousand dollars for each second or subsequent violation.
- 25 All administrative penalties collected pursuant to this
- 26 chapter shall be deposited in the housing trust fund created
- 27 in section 16.181.
- Sec. 4. Section 543D.17, Code 2005, is amended by adding
- 29 the following new subsection:
- 30 NEW SUBSECTION. 4. The board may investigate complaints
- 31 and initiate complaints against compensated real estate
- 32 appraisers who are not certified pursuant to this chapter and
- 33 may impose a penalty as provided in this chapter.
- 34 Sec. 5. NEW SECTION. 543D.20 EXCLUSIONS.
- 35 1. This chapter does not apply to any of the following:

- a. An individual licensed under chapter 543B who does not
- 2 provide an appraisal, but who in the ordinary course of a real
- 3 estate brokerage business provides a recommendation of price
- 4 or pricing of real estate in connection with the listing of
- 5 property for sale or lease, or to assist a potential purchaser
- 6 or lessee in developing an offer to purchase or lease
- 7 property. No compensation, fee, or other consideration shall
- 8 be charged for such recommendation other than a real estate
- 9 commission or brokerage fee unless the recommendation is in
- 10 writing and includes a prominent disclosure stating that the
- 11 recommendation is not an appraisal, is intended only for the
- 12 benefit of the addressee in connection with the listing, sale,
- 13 lease, or purchase of real estate, and is not intended for any
- 14 other purpose, including, but not limited to, lending
- 15 purposes. Providing a recommendation pursuant to this
- 16 paragraph is not subject to the uniform standards of
- 17 professional appraisal practice adopted by the appraisal
- 18 foundation.
- 19 b. An individual who provides administrative services to a
- 20 certified real estate appraiser, such as taking photographs,
- 21 preparing charts, or typing reports, who is not an associate
- 22 real estate appraiser and who does not provide any assistance
- 23 in developing the analysis, valuation, opinions, or
- 24 conclusions associated with the appraisal assignment.
- 25 c. Unless otherwise required by federal, state, or local
- 26 law, rule, ordinance, or policy, an employee of any of the
- 27 following:
- 28 (1) The federal government.
- 29 (2) The state, or any agency, department, or political
- 30 subdivision of the state, except as provided for an employee
- 31 of the state department of transportation pursuant to section
- 32 543D.3.
- 33 (3) A financial institution as defined in section 535A.1.
- 34 (4) An insurance company authorized to transact the
- 35 business of insurance in this state.

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An individual under subsection 1, paragraph "a", may
 2 provide a recommendation of price or pricing of real estate if
 3 rendered solely for the purpose of real estate taxation.
          An employee under subsection 1, paragraph "c", shall
 5 not provide appraisal services or complete an appraisal
 6 assignment for anyone other than the person's employer unless
 7 certified under this chapter.
      Sec. 6. APPROPRIATION. There is appropriated from the
 9 general fund of the state to the real estate appraiser
10 examining board for the fiscal year beginning July 1, 2006,
11 and ending June 30, 2007, the following amount, or so much
12 thereof as is necessary, to be used for the purpose
13 designated:
      For the purpose of funding full-time equivalent positions
15 for enforcement of the provisions of chapter 543D:
                                                           150,000
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                             EXPLANATION
      This bill requires that any person who provides real estate
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19 appraisal services in this state, for compensation, must
20 register with the board. The board shall maintain a list of
21 registrations at the board office, available for public
22 inspection. The bill provides, in new Code section 543D.20, a
23 list of persons who are not subject to the provisions of Code
24 chapter 543D.
      The bill also prohibits an appraiser from acting with
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26 advocacy or bias while involved in valuation assignments in
27 real property appraisal practice and imposes a penalty.
      The bill appropriates $150,000 for the purpose of funding
29 staff positions to enforce these licensing provisions.
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