

FILED JAN 26 2006

SENATE FILE 2098
BY HATCH

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

A BILL FOR

1 An Act relating to the certification and registration of real
2 estate appraisers and providing a penalty.

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

STATE GOVERNMENT

SC 2098

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1 Section 1. NEW SECTION. 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:

15 3. 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.

28 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:

1 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.

