

**Senate Study Bill 1178 - Introduced**

SENATE/HOUSE FILE \_\_\_\_\_  
BY (PROPOSED DEPARTMENT OF  
COMMERCE/BANKING DIVISION  
BILL)

**A BILL FOR**

1 An Act modifying provisions relating to the certification of  
2 real estate appraisers and making penalties applicable.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 543D.2, Code 2019, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 05. "*Appraisal review*" means developing  
4 and communicating an opinion under the uniform standards of  
5 professional appraisal practice review standards regarding the  
6 quality of another appraiser's work product prepared as part  
7 of an appraisal assignment. An "*appraisal review*" does not  
8 include quality control solely to assure an appraisal report is  
9 complete, or to correct grammatical, typographical, or other  
10 similar errors.

11 Sec. 2. Section 543D.2, subsection 9, Code 2019, is amended  
12 to read as follows:

13 9. "*Review appraiser*" means a person who is responsible  
14 ~~for the administrative approval of the appraised value of~~  
15 ~~real property or assures that appraisal reports conform to~~  
16 ~~the requirements of law and policy, or that the value of~~  
17 ~~real property estimated by appraisers represents adequate~~  
18 ~~security, fair market value, or other defined value~~ conducting  
19 an appraisal review. A "review appraiser" does not include  
20 a person who performs quality control solely to assure an  
21 appraisal report is complete, or to correct grammatical,  
22 typographical, or other similar errors.

23 Sec. 3. Section 543D.15, subsection 1, Code 2019, is amended  
24 to read as follows:

25 1. a. The title or term "*certified real estate appraiser*",  
26 "*associate real estate appraiser*", or any other like title or  
27 term shall only be used to refer to individuals who hold the  
28 certificate or registration, as applicable, and shall not be  
29 used in connection with or as part of the name or signature  
30 of a firm, partnership, corporation, or group, or in a manner  
31 that it may be interpreted as referring to a firm, partnership,  
32 corporation, group, other business entity, or anyone other than  
33 an individual holder of the certificate or registration.

34 b. The title or term "*certified real estate appraiser*",  
35 "*associate real estate appraiser*", or any other like title or

1 term, including a title or term that suggests an individual is  
2 licensed or certified under the laws of another state, shall  
3 only be used to refer to individuals who hold a certificate  
4 or registration under this chapter, as applicable, or who are  
5 exercising a valid practice privilege pursuant to section  
6 543D.24, in connection with any appraisal assignment, other  
7 than an appraisal review, performed on real estate located in  
8 Iowa.

9 Sec. 4. Section 543D.21, subsection 4, Code 2019, is amended  
10 by adding the following new paragraph:

11 NEW PARAGRAPH. *0d.* A violation of section 543D.24.

12 Sec. 5. NEW SECTION. **543D.24 Practice privilege.**

13 1. A person whose principal place of business is not in this  
14 state shall be authorized to perform an appraisal assignment on  
15 real estate located in Iowa without certification under this  
16 chapter or notice to the board, under the following conditions:

17 a. The person must hold a valid, unexpired license or  
18 certificate in good standing in the state of the person's  
19 principal place of business that is substantially equivalent  
20 to a comparable certificate issued in Iowa, as provided by  
21 rules adopted by the board, and the person must be licensed or  
22 certified to lawfully perform in the person's principal place  
23 of business all appraisal services offered or rendered under  
24 a practice privilege in Iowa.

25 b. The person must not hold a lapsed Iowa certificate;  
26 have been subject to discipline or denial of licensure  
27 or certification in Iowa or any other jurisdiction; have  
28 previously surrendered an Iowa certificate or have otherwise  
29 held an Iowa certificate that is no longer valid, active, or  
30 in good standing; or have been convicted of a crime which is  
31 substantially related to the qualifications, functions, and  
32 duties of a person performing appraisal assignments.

33 c. The person shall comply with this chapter and board  
34 rules, including any uniform appraisal standards adopted by the  
35 board.

1     *d.* The person shall not use the title or term "*Iowa*  
2 *certified real estate appraiser*" or any other like title or  
3 term, which shall only be used to refer to individuals who hold  
4 the certificate under this chapter. The person may, however,  
5 use the title or term "*certified real estate appraiser*" or  
6 any other like title or term, to the extent that the person  
7 also identifies the state of the person's principal place of  
8 business in connection with the use of such title or term.

9     *e.* The person, upon a client's or prospective client's  
10 request, shall provide accurate information on the state or  
11 states of licensure or certification, principal place of  
12 business, contact information, and manner in which licensure or  
13 certification status can be verified.

14     2. As a condition of exercising the practice privilege  
15 authorized by this section, a person shall do all of the  
16 following:

17     *a.* Consent to the personal and subject matter jurisdiction  
18 and regulatory authority of the board, including but not  
19 limited to the board's jurisdiction to revoke the practice  
20 privilege or otherwise take action for any violation of  
21 this chapter or board rules, including any uniform appraisal  
22 standards adopted by the board.

23     *b.* Appoint the regulatory body of the state that issued the  
24 certificate or license as the agent upon whom process may be  
25 served in any action or proceeding by the board against the  
26 person.

27     *c.* Agree to supply the board, upon the board's request and  
28 without subpoena, such information or records as licensees are  
29 similarly required to provide the board under this chapter  
30 regarding themselves, including but not limited to licensure  
31 or certification status in all jurisdictions, criminal and  
32 disciplinary background, malpractice settlements and judgments,  
33 and timely response to inquiries regarding complaints and  
34 investigations conducted under this chapter.

35     3. The practice privilege authorized by this section is

1 temporary and shall cease if the license or certificate in the  
2 person's principal place of business expires, is no longer  
3 valid or in good standing, or otherwise no longer lawfully  
4 supports the conditions of the practice privilege described in  
5 this section.

6 4. The board may revoke a practice privilege, impose a civil  
7 penalty, issue an order to secure compliance with this chapter  
8 or board rules, including any uniform appraisal standards  
9 adopted by the board, or take such additional actions as are  
10 provided in this chapter if a person acting or purporting to  
11 act under a practice privilege violates this chapter or board  
12 rules. In addition, or as an alternative to such action, the  
13 board may refer a complaint to any state regulatory body that  
14 has issued a license or certificate to the person.

15 5. A violation of this chapter or board rules, including  
16 any uniform appraisal standards adopted by the board, by a  
17 person acting or purporting to act under a practice privilege  
18 is a ground to deny the violator's subsequent application for  
19 certification under this chapter.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 This bill modifies provisions in Code chapter 543D relating  
24 to the certification of real estate appraisers by the real  
25 estate appraiser examining board.

26 The bill defines "appraisal review" to mean developing  
27 and communicating an opinion under the uniform standards of  
28 professional appraisal practice review standards regarding the  
29 quality of another appraiser's work product prepared as part  
30 of an appraisal assignment, but not including quality control  
31 solely to assure an appraisal report is complete, or to correct  
32 certain errors.

33 The bill modifies the definition of "review appraiser"  
34 by providing that a "review appraiser" is a person who is  
35 responsible for conducting an appraisal review, but does not

1 include a person who performs quality control.

2 Current law provides that the term "certified real  
3 estate appraiser" shall only refer to individuals who hold a  
4 certificate pursuant to Code chapter 543D. The bill provides  
5 that such term, as well as "associate real estate appraiser"  
6 and any other like title or term, including a title or term  
7 that suggests an individual is licensed or certified under the  
8 laws of another state, shall only refer to individuals who  
9 hold a certificate or registration under Code chapter 543D, as  
10 applicable, or who are exercising a valid practice privilege  
11 pursuant to the bill.

12 The bill authorizes a person whose principal place of  
13 business is not in Iowa to perform appraisal assignments on  
14 real estate located in Iowa without certification under Code  
15 chapter 543D or notice to the board, under the following  
16 conditions: the person must hold a valid, unexpired license  
17 or certificate in good standing in another state that is  
18 substantially equivalent to a certificate issued in Iowa,  
19 as provided by rules, and such person must be licensed or  
20 certified to lawfully perform in the person's principal place  
21 of business all appraisal services offered or rendered under  
22 a practice privilege in Iowa; the person must not hold a  
23 lapsed Iowa certificate, have been subject to discipline or  
24 denial of licensure or certification in any jurisdiction, have  
25 previously surrendered or otherwise held an Iowa certificate  
26 that is no longer valid, or have been convicted of a crime  
27 which is substantially related to the functions of a person  
28 performing appraisal assignments; the person shall comply  
29 with Code chapter 543D and any board rules, including uniform  
30 appraisal standards adopted by the board; the person shall not  
31 use the title or term "Iowa certified real estate appraiser"  
32 or any other like title or term, but may use the title or term  
33 "certified real estate appraiser" to the extent that the person  
34 also identifies the state of the person's principal place of  
35 business in connection with such use; and the person, upon

1 request from a client or prospective client, shall provide  
2 accurate information regarding licensure or certification  
3 status.

4 The bill provides that, as a condition for exercising a  
5 practice privilege, a person shall consent to the regulatory  
6 authority of the board, appoint the regulatory body of the  
7 issuing state as the agent upon whom process may be served in  
8 any action or proceeding by the board, and agree to supply the  
9 board upon request and without subpoena any information or  
10 records as licensees are similarly required to provide to the  
11 board under Code chapter 543D.

12 The bill provides that the practice privilege is temporary  
13 and shall cease if the license or certificate in the person's  
14 principal place of business expires, is no longer valid or in  
15 good standing, or otherwise no longer lawfully supports the  
16 conditions of the practice privilege described in the bill.

17 The bill provides that the board may revoke a practice  
18 privilege, impose a civil penalty in an amount up to \$1,000  
19 in accordance with Code section 543D.21, issue an order for  
20 compliance, or take any other action as provided in Code  
21 chapter 543D if a person acting or purporting to act under  
22 a practice privilege violates Code chapter 543D or any board  
23 rules. The board may also refer a complaint to any applicable  
24 state regulatory body.

25 The bill provides that a violation of Code chapter 543D or  
26 board rules, including any uniform appraisal standards adopted  
27 by the board, by a person acting or purporting to act under a  
28 practice privilege, is grounds to deny such person's subsequent  
29 application for certification under Code chapter 543D.