

HCS HB 1988 -- REAL ESTATE APPRAISERS AND APPRAISAL MANAGEMENT COMPANIES

SPONSOR: Brandom

COMMITTEE ACTION: Voted "do pass - federal mandate" by the Committee on Professional Registration and Licensure by a vote of 19 to 0.

This substitute changes the laws regarding real estate appraisers and appraisal management companies. In its main provisions, the substitute:

(1) Renames the Missouri Certified and Licensed Real Estate Appraisers Act the Missouri Certified and Licensed Real Estate Appraisers and Appraisal Management Company Regulation Act;

(2) Prohibits a person from engaging in the business as an appraisal management company, engaging to perform appraisal management services, or holding themselves out as being an appraisal management company without first obtaining a registration issued by the Missouri Real Estate Appraisers Commission within the Department of Insurance, Financial Institutions and Professional Registration;

(3) Creates the classifications of licensure for appraiser trainees of state-certified general appraiser trainee, state-certified residential appraiser trainee, and state-licensed appraiser trainee. The commission is required to adopt rules and procedures for the issuing and regulating appraiser trainee licenses;

(4) Requires state-certified and state-licensed trainees to comply with the Uniform Standards of Professional Appraisal Practice established by the Appraisal Standards Board of the Appraisal Foundation;

(5) Requires the commission to maintain a registry of the names and addresses of appraisal management companies and to establish by rule the requirements for obtaining a license as an appraisal management company;

(6) Renames the Missouri Real Estate Appraisers Fund to the Missouri Real Estate Appraisers and Appraisal Management Company Fund;

(7) Exempts an appraisal management company from specified licensing and examination requirements;

(8) Removes the provision requiring the signature of the

chairman of the commission and a certificate or assigned license number to be on each certificate or license;

(9) Requires each appraisal management company to disclose its license number on every engagement letter utilized in assigning an appraisal request for assignments within the state;

(10) Exempts an appraisal management company from the requirement that a certificate or license can only be issued to a natural person;

(11) Requires an appraisal management company to notify the commission within 30 days of any change in its controlling person, agent of record, ownership composition, or address;

(12) Authorizes the commission to cause complaints to be filed with the Administrative Hearing Commission against a state-licensed appraisal management company that is a legal entity other than a natural person;

(13) Requires all appraisal management company records to be retained for five years and made promptly available to the commission for inspection and copying;

(14) Specifies that it will be a class B misdemeanor for any company or controlling person to practice any deception or fraud in its identity in connection with an application or holding out to the public or representation as a licensed appraisal management company when it is not;

(15) Requires the commission to take all action necessary to be able to issue licenses to qualified applicants seeking a license as an appraisal management company; and

(16) Repeals Sections 339.1100 to 339.1240, RSMo, regarding the Missouri Appraisal Management Company Registration and Regulation Act.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that the bill is needed to bring real estate appraisers and appraisal management companies into compliance with the federal Dodd-Frank Wall Street Reform and Consumer Protection Act.

Testifying for the bill were Representative Brandom; Missouri Appraiser Advisory Counsel; and Missouri Association of Realtors.

OPPOSERS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill were there to answer any questions.

Testifying on the bill was Missouri Real Estate Appraisers Commission, Department of Insurance, Financial Institutions and Professional Registration.