

HB 967 -- Real Estate Appraisal Management Companies

Sponsor: Hobbs

This bill establishes laws to regulate real estate appraisal management companies. In its main provisions, the bill:

(1) Makes it unlawful, beginning January 1, 2010, for any person to act as a real estate appraisal management company, to directly or indirectly engage or assume to engage in the business of real estate appraisal management, or to advertise or hold himself or herself out as engaging in or conducting the business of real estate appraisal management without being registered with the Division of Finance within the Department of Insurance, Financial Institutions and Professional Registration;

(2) Allows the division to adopt rules necessary to implement, administer, and enforce the provisions of the bill and to:

(a) Prescribe forms and procedures for submitting information to the division;

(b) Prescribe standards of practice for registered companies; and

(c) Prescribe standards for the operation of real estate appraisal management companies;

(3) Requires appraisal management companies to make written application to the division for the registration of the company accompanied by the \$5,000 required fee. No company may be owned by a person who has had an appraiser license or certificate refused, denied, canceled, or revoked. Anyone with more than 10% ownership in an appraisal management company must be of good moral character and submit to a background investigation at his or her own expense. Once the division has received all the required information and fees, a certificate of registration authorizing the company to act as an appraiser management company will be issued unless the division finds reason to deny. An applicant who is denied will be given the opportunity for a hearing before the division;

(4) Allows the division to take disciplinary action for violations of the provisions of Sections 339.1000 - 339.1045, RSMo, as specified;

(5) Requires registrants who believe a real estate appraiser has violated any applicable law or the Uniform Standards of Professional Appraisal Practice (USPAP) to file a complaint with the division against the appraiser;

(6) Requires fees charged by a real estate appraiser to comply with USPAP standards and not to contain hidden charges. Fees must be paid within 30 days to the appraiser;

(7) Requires an applicant who is not a resident of this state to also submit with his or her application an irrevocable consent that service of process in any action against the applicant arising out of the applicant's activities as an appraisal management company be made by delivery of the process on the division director and to submit the name and address of its registered agent;

(8) Requires registrants to maintain complete records of all appraisal information and allows the division to inspect the records periodically without prior notice or when pertinent to an investigation;

(9) Requires each real estate appraisal management company to designate a managing principal who is responsible to assure that the company is in compliance with these provisions. An individual registrant operating as a sole proprietorship will be considered the managing principal. Anyone not complying with this provision will have his or her registration suspended until compliance has been achieved;

(10) Specifies that registrations will expire June 30 of every year and become invalid unless renewed by filing an application and paying a \$2,000 renewal fee. Additional fees will be charged if the application is late, except that any registrant failing to reinstate within six months will be required to file a new application for registration. Reinstatement is not retroactive;

(11) Prohibits anyone under a real estate appraisal management company, third party acting as joint venture partner, or independent contractor from influencing or attempting to influence the development, reporting, result, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, bribery, or any other manner as specified in the bill;

(12) Requires the division to keep records relating to all applicants for registration whether granted or refused. The division will also keep a current roster of all appraisal management companies registered and will file the roster with the Secretary of State on or before November 1 of each year; and

(13) Requires a surety bond of \$1 million to accompany each registration.

The bill contains an emergency clause.