

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 485 Session of
2007INTRODUCED BY BROWNE, FERLO, BOSCOLA, ERICKSON, RHOADES, COSTA,
BAKER AND STACK, MARCH 15, 2007SENATOR ARMSTRONG, APPROPRIATIONS, RE-REPORTED AS AMENDED,
FEBRUARY 11, 2008

AN ACT

1 Amending the act of July 10, 1990 (P.L.404, No.98), entitled "An
2 act providing for the certification of real estate
3 appraisers; specifying requirements for certification;
4 providing for sanctions and penalties; and making an
5 appropriation," further providing for real estate appraiser
6 certification required, for State Board of Certified Real
7 Estate Appraisers, FOR APPLICATION AND QUALIFICATIONS, for
8 disciplinary and corrective measures and for penalties. <—

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Section 3 of the act of July 10, 1990 (P.L.404,
12 No.98), known as the Real Estate Appraisers Certification Act,
13 amended July 2, 1996 (P.L.460, No.71), is amended to read:

14 Section 3. Real estate appraiser certification required.

15 [It shall be unlawful, on or after January 1, 1993, for any
16 person to hold himself out as a State-certified real estate
17 appraiser or to perform appraisals required by the Financial
18 Institutions Reform, Recovery, and Enforcement Act of 1989
19 (Public Law 101-73, 103 Stat. 183) to be performed by a State-
20 certified or State-licensed real estate appraiser unless that

1 person holds an appropriate, current and valid certification
2 from the board to perform real estate appraisals. It shall be
3 unlawful two years after the effective date of this act for any
4 person to perform real estate appraisals in nonfederally related
5 transactions unless that person holds a valid certificate from
6 the board to perform real estate appraisals.] It shall be
7 unlawful for any person to do any of the following:

8 (1) To hold himself out as a State-certified real estate
9 appraiser or to perform appraisals required by the Financial
10 Institutions Reform, Recovery, and Enforcement Act of 1989
11 (Public Law 101-73, 103 Stat. 183) to be performed by a
12 State-certified or State-licensed real estate appraiser
13 unless that person holds an appropriate, current and valid
14 certificate from the board to perform real estate appraisals.

15 (2) To perform real estate appraisals in nonfederally
16 related transactions unless that person holds an appropriate,
17 current and valid certificate or license from the board to
18 perform real estate appraisals.

19 (3) To hold himself out as a real estate appraiser OR <—
20 APPRAISER TRAINEE without an appropriate, current and valid
21 certificate or license from the board.

22 Section 2. Section 4(a) of the act is amended to read:

23 Section 4. State Board of Certified Real Estate Appraisers.

24 (a) Creation.--There is hereby created the State Board of
25 Certified Real Estate Appraisers as a departmental
26 administrative board in the Department of State. The board shall
27 consist of [seven members who are citizens of the United States
28 and who have been residents of this Commonwealth for a two-year
29 period immediately prior to appointment, two of whom shall be
30 public members, four of whom shall be persons who are State-

1 certified real estate appraisers and one of whom shall be the
2 Secretary of the Commonwealth or his or her designee. For the
3 initial board appointments, the four professional members need
4 not be certified at the time of appointment but shall have
5 appropriate appraisal experience and education and shall have
6 demonstrated adherence to standards of professional practice.]
7 the following members:

8 (1) The Secretary of the Commonwealth or a designee.

9 (2) The Attorney General or a designee.

10 (3) The Secretary of Banking or a designee.

11 (4) Eight members who are citizens of the United States
12 and who have been residents of this Commonwealth for a two-
13 year period immediately prior to appointment, two of whom
14 shall be public members and six of whom shall be persons who
15 are State-certified real estate appraisers.

16 * * *

17 SECTION 2.1. SECTION 6 OF THE ACT, AMENDED JULY 2, 1996
18 (P.L.460, NO.71) AND OCTOBER 18, 2000 (P.L.600, NO.77), IS
19 AMENDED TO READ:

20 SECTION 6. APPLICATION AND QUALIFICATIONS.

21 (A) CLASSES OF CERTIFICATION.--THERE SHALL BE THREE CLASSES
22 OF [CERTIFICATION FOR CERTIFIED] CERTIFIED REAL ESTATE
23 APPRAISERS AS FOLLOWS:

24 (1) [RESIDENTIAL] CERTIFIED RESIDENTIAL APPRAISER, WHICH
25 SHALL CONSIST OF THOSE PERSONS APPLYING FOR AND GRANTED
26 CERTIFICATION RELATING SOLELY TO THE APPRAISAL OF RESIDENTIAL
27 REAL PROPERTY [AS] IN ACCORDANCE WITH THE CRITERIA
28 ESTABLISHED BY THE APPRAISER QUALIFICATIONS BOARD OF THE
29 APPRAISAL FOUNDATION REQUIRED PURSUANT TO THE FINANCIAL
30 INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989

(PUBLIC LAW 101-73, 103 STAT. 183).

(2) [GENERAL] CERTIFIED GENERAL APPRAISER, WHICH SHALL CONSIST OF THOSE PERSONS APPLYING FOR AND GRANTED CERTIFICATION RELATING TO THE APPRAISAL OF BOTH RESIDENTIAL AND NONRESIDENTIAL REAL PROPERTY WITHOUT LIMITATION [AS] IN ACCORDANCE WITH THE CRITERIA ESTABLISHED BY THE APPRAISER QUALIFICATIONS BOARD OF THE APPRAISAL FOUNDATION REQUIRED PURSUANT TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989 (PUBLIC LAW 101-73, 103 STAT. 183).

(3) BROKER/APPRaiser, WHICH SHALL CONSIST OF THOSE PERSONS WHO, [ON THE EFFECTIVE DATE OF THIS ACT, ARE] AS OF SEPTEMBER 3, 1996, WERE LICENSED REAL ESTATE BROKERS UNDER THE ACT OF FEBRUARY 19, 1980 (P.L.15, NO.9), KNOWN AS THE REAL ESTATE LICENSING AND REGISTRATION ACT, AND WHO, [WITHIN TWO YEARS OF THE EFFECTIVE DATE OF THIS ACT, MAKE] BY SEPTEMBER 3, 1998, MADE APPLICATION TO THE BOARD AND [ARE] WERE GRANTED WITHOUT EXAMINATION A BROKER/APPRaiser CERTIFICATE. A HOLDER OF A BROKER/APPRaiser CERTIFICATE SHALL ONLY BE PERMITTED TO PERFORM THOSE REAL PROPERTY APPRAISALS THAT WERE PERMITTED TO BE PERFORMED BY A LICENSED REAL ESTATE BROKER UNDER THE REAL ESTATE LICENSING AND REGISTRATION ACT AS OF [THE EFFECTIVE DATE OF THIS ACT] SEPTEMBER 3, 1996. A HOLDER OF A BROKER/APPRaiser CERTIFICATE IS NOT AUTHORIZED TO PERFORM REAL ESTATE APPRAISALS PURSUANT TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.

(A.1) APPRAISER TRAINEE LICENSE.--IN ADDITION TO THE CERTIFICATES AUTHORIZED IN SUBSECTION (A), THE BOARD SHALL ISSUE AN APPRAISER TRAINEE LICENSE, WITHOUT EXAMINATION, TO ANY PERSON WHO MEETS THE APPRAISER TRAINEE EDUCATIONAL REQUIREMENTS SET BY THE BOARD AND WHO DOES NOT ALREADY HOLD AN APPRAISER CREDENTIAL

1 UNDER SUBSECTION (A). AN APPRAISER TRAINEE SHALL OPERATE UNDER
2 THE DIRECT SUPERVISION OF ONE CERTIFIED RESIDENTIAL APPRAISER OR
3 CERTIFIED GENERAL APPRAISER FOR THE PURPOSE OF COMPLETING THE
4 EXPERIENCE REQUIREMENT FOR AN APPRAISER CREDENTIAL IN SUBSECTION
5 (A). AN APPRAISAL TRAINEE SHALL BE PERMITTED TO ASSIST IN THE
6 PERFORMANCE OF ANY APPRAISAL THAT IS WITHIN THE SUPERVISORY
7 APPRAISER'S SCOPE OF PRACTICE. THE SUPERVISORY APPRAISER SHALL
8 BE IN GOOD STANDING, HAVE AT LEAST FIVE YEARS OF EXPERIENCE AS A
9 CERTIFIED RESIDENTIAL APPRAISER OR CERTIFIED GENERAL APPRAISER
10 AND SHALL NOT SUPERVISE MORE THAN THREE APPRAISER TRAINEES.

11 (B) CLASSIFICATION TO BE SPECIFIED.--THE APPLICATION FOR
12 EXAMINATION, ORIGINAL CERTIFICATION OR LICENSE AND RENEWAL OF
13 CERTIFICATION OR LICENSE SHALL SPECIFY THE CLASSIFICATION BEING
14 APPLIED FOR.

15 (C) APPLICATION.--AN APPLICANT FOR CERTIFICATION OR LICENSE
16 [AS A CERTIFIED REAL ESTATE APPRAISER] SHALL SUBMIT A WRITTEN
17 APPLICATION ON FORMS PROVIDED BY THE BOARD. THE APPLICATION AND
18 ANY AND ALL DOCUMENTATION SUBMITTED WITH THE APPLICATION SHALL
19 BE SUBSCRIBED AND SWORN TO BEFORE A NOTARY PUBLIC. THE APPLICANT
20 SHALL BE HELD RESPONSIBLE FOR THE STATEMENTS CONTAINED IN THE
21 APPLICATION. THE MAKING OF A FALSE STATEMENT IN AN APPLICATION
22 MAY CONSTITUTE A GROUND FOR CERTIFICATION OR LICENSE DENIAL OR
23 REVOCATION. THE APPLICATION SHALL EVIDENCE THAT:

24 (1) HE OR SHE IS OF GOOD MORAL CHARACTER.

25 (2) HIS OR HER APPLICATION HAS BEEN ACCOMPANIED BY THE
26 APPLICATION FEE.

27 (D) RESIDENTIAL APPRAISER CERTIFICATION.--AS A PREREQUISITE
28 TO TAKING THE EXAMINATION FOR CERTIFICATION RELATING SOLELY TO
29 THE APPRAISAL OF RESIDENTIAL REAL PROPERTY, AN APPLICANT SHALL,
30 IN ADDITION TO MEETING THE REQUIREMENTS OF SUBSECTION (C), MEET

1 THE MINIMUM EDUCATION AND EXPERIENCE REQUIREMENTS ESTABLISHED
2 PURSUANT TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND
3 ENFORCEMENT ACT OF 1989.

4 (E) GENERAL APPRAISER CERTIFICATION.--AS A PREREQUISITE TO
5 TAKING THE EXAMINATION FOR THE GENERAL CERTIFICATION RELATING TO
6 THE APPRAISAL OF REAL PROPERTY, AN APPLICANT SHALL, IN ADDITION
7 TO MEETING THE REQUIREMENTS OF SUBSECTION (C), MEET THE MINIMUM
8 EDUCATION AND EXPERIENCE REQUIREMENTS ESTABLISHED PURSUANT TO
9 THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT
10 OF 1989.

11 (F) DEFINITION OF SUBJECTS.--THE BOARD SHALL PRESCRIBE AND
12 DEFINE THE SUBJECTS RELATED TO REAL PROPERTY APPRAISAL AND THE
13 EXPERIENCE IN REAL PROPERTY APPRAISAL WHICH WILL SATISFY THE
14 REQUIREMENTS OF SUBSECTIONS (A), (A.1), (D) AND (E). TO THE
15 EXTENT PERMITTED PURSUANT TO THE FINANCIAL INSTITUTIONS REFORM,
16 RECOVERY, AND ENFORCEMENT ACT OF 1989 WITH REGARD TO CERTIFIED
17 RESIDENTIAL AND GENERAL APPRAISERS, THE BOARD MAY GIVE CREDIT TO
18 AN APPLICANT FOR CLASSROOM HOURS OF ACADEMIC EXPERIENCE
19 SUCCESSFULLY COMPLETED PRIOR TO THE BOARD'S PRESCRIPTION AND
20 DEFINITION OF SUBJECTS PURSUANT TO THIS SUBSECTION.

21 (G) EXAMINATIONS.--EXAMINATIONS FOR CERTIFICATION OR LICENSE
22 SHALL BE SELECTED IN ACCORDANCE WITH THE FINANCIAL INSTITUTIONS
23 REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989. EXAMINATIONS
24 SHALL BE PREPARED AND ADMINISTERED BY A QUALIFIED AND APPROVED
25 PROFESSIONAL TESTING ORGANIZATION IN ACCORDANCE WITH SECTION
26 812.1 OF THE ACT OF APRIL 9, 1929 (P.L.177, NO.175), KNOWN AS
27 THE ADMINISTRATIVE CODE OF 1929.

28 (I) REAL ESTATE BROKERS AS APPRAISERS.--

29 (1) NOTHING IN THIS SECTION SHALL PRECLUDE A LICENSED
30 REAL ESTATE BROKER FROM ALSO HOLDING AN APPRAISER LICENSE OR

1 CERTIFICATE UNDER SUBSECTION (A)(1) OR (2) OR (A.1).

2 (2) ALL PERSONS HOLDING A BROKER/APPRaiser CERTIFICATE
3 UNDER SUBSECTION (A)(3) SHALL BE ENTITLED TO HOLD THE
4 CERTIFICATE FOR THE ENTIRE TERM AND SHALL BE ENTITLED AND
5 SUBJECT TO THE PRIVILEGES, OBLIGATIONS AND RENEWALS WHICH
6 ACCOMPANY THE CERTIFICATE.

7 Section 3. Section 11(a) of the act is amended by adding
8 paragraphs to read:

9 Section 11. Disciplinary and corrective measures.

10 (a) Authority of board.--The board may deny, suspend or
11 revoke certificates or licenses, or limit, restrict or reprimand
12 a certificateholder or licensee for any of the following causes:

13 * * *

14 (16) Suspension or revocation of the right to practice
15 by a Federal or State governmental agency.

16 (17) Having been found by a civil court of competent
17 jurisdiction to have performed a fraudulent appraisal.

18 * * *

19 Section 4. Section 15(b) of the act is amended to read:
20 Section 15. Penalties.

21 * * *

22 (b) Civil penalty.--In addition to any other civil remedy or
23 criminal penalty provided for in this act, the board, by a vote
24 of the majority of the maximum number of the authorized
25 membership of the board as provided by law, or by a vote of the
26 majority of the duly qualified and confirmed membership or a
27 minimum of three members, whichever is greater, may levy a civil
28 penalty of up to [\$1,000] \$10,000 on any [current
29 certificateholder who violates any provision of this act or on
30 any person who holds himself or herself out as a certified real

1 estate appraiser or performs appraisals for which certification
2 or licensure is required pursuant to the Financial Institutions
3 Reform, Recovery, and Enforcement Act of 1989 (Public Law 101-
4 73, 103 Stat. 183) without being so certified pursuant to this
5 act.] certificateholder or licensee who violates any provision
6 of this act or any noncertificateholder who holds himself out as
7 a real estate appraiser in this Commonwealth or who performs an
8 appraisal for which certification or licensure is required under
9 the Financial Institutions Reform, Recovery, and Enforcement Act
10 of 1989 (Public Law 101-73, 103 Stat. 183) an appraisal in any
11 federally related or nonfederally related transaction or any
12 other appraisal. The board shall levy this penalty only after
13 affording the accused party the opportunity for a hearing, as
14 provided in 2 Pa.C.S. (relating to administrative law and
15 procedure).

16 * * *

17 Section 5. This act shall take effect in 60 days.