

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 756 Session of
1989INTRODUCED BY SHUMAKER, O'PAKE, LOEPER, PETERSON, REIBMAN,
ANDREZESKI AND BELL, MARCH 23, 1989

AS AMENDED ON THIRD CONSIDERATION, JUNE 18, 1990

AN ACT

1 Providing for the certification of real estate appraisers;
2 creating the Real Estate Appraisers Subcommittee and imposing
3 powers and duties; providing additional powers and duties for
4 the Bureau of Professional and Occupational Affairs; fixing
5 civil and criminal penalties for violations; and making an
6 appropriation.

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17 Section 1901. Effective date.

18 The General Assembly of the Commonwealth of Pennsylvania
19 hereby enacts as follows:

20 CHAPTER 1

21 GENERAL PROVISIONS

22 Section 101. Short title.

23 This act shall be known and may be cited as the State-
24 Certified Real Estate Appraisers Law.

25 Section 102. Definitions.

26 The following words and phrases when used in this act shall
27 have the meanings given to them in this section unless the
28 context clearly indicates otherwise:

29 "Applicant." A natural person.

30 "Appraisal assignment." An engagement for which an appraiser

1 is employed or retained to act, or would be perceived by third
2 parties or the public as acting, as a disinterested third party
3 in rendering an unbiased analysis, opinion or conclusion
4 relating to the nature, quality, value or utility of specified
5 interests in, or aspects of, identified real estate.

6 "Appraisal Foundation." The Appraisal Foundation
7 incorporated as an Illinois Not for Profit Corporation on
8 November 30, 1987.

9 "Appraisal report." Any communication, written or oral, of
10 an analysis, opinion or conclusion relating to the nature,
11 quality, value or utility of specified interests in, or aspects
12 of, identified real estate, including, but not limited to,
13 valuation reports, real estate counseling reports, real estate
14 tax counseling reports, real estate offering memoranda, mortgage
15 banking offers, highest and best use studies, market demand and
16 economic feasibility studies, and all other reports
17 communicating an appraisal analysis, opinion or conclusion,
18 regardless of title, including reviews of any appraisal reports
19 as defined in this act.

20 "Commission." The State Real Estate Commission.

21 "Commissioner." The Commissioner of Professional and
22 Occupational Affairs in the Department of State.

23 "Department." The Department of State of the Commonwealth.

24 "Real estate." An identified parcel or tract of land,
25 including improvements, if any.

26 "Real estate appraisal" or "appraisal." An analysis, opinion
27 or conclusion relating to the nature, quality, value or utility
28 of specified interests in, or aspects of, identified real
29 estate, for or in expectation of compensation.

30 "Real property." One or more defined interests in a parcel

1 of real estate, whether an unencumbered fee or a lesser estate.

2 "State-certified real estate appraiser." A person who holds
3 a current valid certificate issued to him under the provisions
4 of this act. A State-certified real estate appraiser may
5 designate or identify appraisals rendered by him as certified
6 appraisals.

7 "Subcommittee." The Real Estate Appraiser Subcommittee of
8 the State Real Estate Commission established pursuant to the
9 provisions of this act.

10 CHAPTER 3

11 SCOPE OF REGULATIONS

12 Section 301. Compliance.

13 A State-certified real estate appraiser must comply with the
14 standards provided in this act, the Financial Institutions
15 Reform, Recovery and Enforcement Act of 1989 (Public Law 101-73)
16 and applicable regulations for the development and communication
17 of real estate appraisals for any appraisals of real estate
18 located in this Commonwealth.

19 Section 302. Real estate appraiser certification required.

20 It shall be unlawful, on or after July 1, 1991, for any
21 person to hold himself out as a State-certified real estate
22 appraiser or to perform appraisals required by the Financial
23 Institutions Reform, Recovery and Enforcement Act of 1989
24 (Public Law 101-73), to be performed by a State-certified or
25 State-licensed real estate appraiser who has not been certified
26 by the subcommittee to perform real estate appraisals. Nothing
27 in this act shall prohibit a person who is licensed under the
28 act of February 19, 1980 (P.L.15, No.9), known as the Real
29 Estate Licensing and Registration Act, from performing a real
30 property appraisal pursuant to that act without being a State-

1 certified real estate appraiser if that appraisal is not
2 required by the Financial Institutions Reform, Recovery and
3 Enforcement Act of 1989 to be performed by a State-certified or
4 a State-licensed real estate appraiser. The subcommittee shall
5 postpone the prohibition on the performance of appraisals
6 without certification from on or after July 1, 1991, to on or
7 after a later date upon notice that such prohibition has been
8 postponed pursuant to the Financial Institutions Reform,
9 Recovery and Enforcement Act of 1989.

10 CHAPTER 5

11 REAL ESTATE APPRAISERS SUBCOMMITTEE

12 Section 501. Subcommittee creation.

13 There is hereby created within the State Real Estate
14 Commission the Real Estate Appraisers Subcommittee which shall
15 consist of the commissioner OR A DESIGNEE OF THE COMMISSIONER <—
16 and six members appointed by the Governor, with the advice and
17 consent of a majority of the members elected to the Senate, two
18 of whom shall be public members and four of whom shall be real
19 estate appraisers.

20 Section 502. Terms.

21 (a) General rule.--The term of each professional and public
22 member shall be four years. Upon expiration of their terms,
23 members of the subcommittee shall continue to hold office until
24 the appointment and qualification of their successors but not
25 longer than six months beyond the four-year period. In the event
26 that any of the members shall die or resign or otherwise become
27 disqualified during his or her term, a successor shall be
28 appointed in the same way and with the same qualifications and
29 shall hold office for the unexpired term. No member shall be
30 eligible for appointment to serve more than two consecutive

1 terms.

2 (b) Initial appointments.--Within 90 days of the effective
3 date of this act, the Governor shall nominate ~~one~~ TWO <—
4 professional ~~member~~ MEMBERS to serve a four-year term; one <—
5 public member and one professional member to serve three-year
6 terms; AND one public member and one professional member to <—
7 serve two-year terms. ~~and one professional member to serve a~~ <—
8 ~~one year term.~~

9 Section 503. Qualifications.

10 (a) Real estate appraisers.--The real estate appraiser
11 members of the subcommittee shall be members in good standing of
12 a nationally recognized appraisal organization that requires
13 appraisal experience, education and testing, as well as
14 adherence to standards of professional practice, to qualify for
15 and retain membership in good standing.

16 (b) Public members.--The public members of the subcommittee
17 shall not be licensees of the department nor real estate
18 appraisers nor employees of any institution engaged in mortgage
19 lending.

20 (c) Certification after 1991.--The real estate appraiser
21 members appointed after January 1, 1991, shall be State-
22 certified real estate appraisers actively engaged in the
23 practice of real estate appraising.

24 Section 504. Meetings.

25 The subcommittee shall meet at least once each calendar
26 quarter to conduct its business. Places of future meetings shall
27 be decided by the vote of members at meetings. The subcommittee
28 shall meet within 30 days after the appointment of its initial
29 members and set up operating procedures and an application form
30 for certifying appraisers. It shall be the responsibility of the

1 subcommittee to circulate these forms and educate the public to
2 the requirements of certification.

3 Section 505. Officers, quorum and removal.

4 (a) Annual selection of officers.--The members of the
5 subcommittee shall annually select, from among its members, a
6 chairman, a vice chairman and a secretary.

7 (b) Quorum.--A quorum of the subcommittee shall be four
8 members.

9 (c) Attendance at meetings.--A member who fails to attend
10 three consecutive meetings shall forfeit his seat unless the
11 commissioner, upon written request from the member, excuses the
12 member because of illness or death of a family member.

13 (d) Attendance at seminars.--A public member who fails to
14 attend two consecutive statutorily mandated seminars in
15 accordance with section 813(e) of the act of April 9, 1929
16 (P.L.177, No.175), known as The Administrative Code of 1929,
17 shall forfeit his seat unless the commissioner, upon written
18 request from the public member, excuses the public member from a
19 meeting because of illness or the death of a family member.

20 (e) Sunset.--The subcommittee is subject to evaluation,
21 review and termination within the time and in the manner
22 provided in the act of December 22, 1981 (P.L.508, No.142),
23 known as the Sunset Act.

24 Section 506. Expenses.

25 Each member of the subcommittee other than the commissioner
26 shall receive reimbursement for reasonable traveling, hotel and
27 other necessary expenses incurred in the performance of their
28 duties in accordance with Commonwealth regulations and per diem
29 compensation at the rate of \$60 per day for the time actually
30 devoted to the business of the subcommittee.

1 Section 507. Rules and regulations.

2 The subcommittee shall promulgate rules and regulations in
3 aid or in furtherance of this act.

4 Section 508. Powers and duties of subcommittee.

5 The subcommittee shall have the following powers and duties:

6 (1) Establish educational programs and research projects
7 related to the appraisal of real estate.

8 (2) Establish the administrative procedures for
9 processing applications and issuing certificates for State-
10 certified real estate appraisers and for disciplinary
11 proceedings pursuant to the provisions of this act.

12 (3) To contract with a professional testing organization
13 for the preparation and administration of the examination for
14 each category of State-certified real estate appraisers, in
15 accordance with section 812.1(a) of the act of April 9, 1929
16 (P.L.177, No.175), known as The Administrative Code of 1929,
17 and the Financial Institutions Reform, Recovery and
18 Enforcement Act of 1989 (Public Law 101-73), and to establish
19 prior to the administration of each examination an
20 appropriate minimum passing score, in keeping with the
21 purposes of this act. The examination shall be a written
22 examination in accordance with the provisions of section 903.

23 (4) Further define by regulation and with respect to
24 each category of State-certified real estate appraisers the
25 type of educational experience, appraisal experience and
26 equivalent experience that will meet the statutory
27 requirements of this act.

28 (5) Further define by regulation and with respect to
29 each category of State-certified real estate appraisers the
30 continuing education requirements for the renewal of

1 certification that will meet the statutory requirements
2 provided in this act.

3 (6) Adopt standards for the development and
4 communication of real estate appraisals, and adopt
5 regulations explaining and interpreting the standards of the
6 Appraisal Foundation.

7 (7) Perform such other functions and duties as may be
8 necessary in carrying out this act including, but not limited
9 to, the review from time to time the standards for the
10 development and communication of real estate appraisals.

11 (8) To deny, approve, issue, revoke, suspend or renew
12 certifications of real estate appraisers pursuant to this act
13 and to conduct hearings in connection therewith.

14 (9) To establish fees for the operation of the
15 subcommittee, including fees for the issuance and renewal of
16 certificates and for examinations.

17 (10) To conduct hearings upon complaints concerning
18 violations of the provisions of this act and the rules and
19 regulations adopted pursuant to this act and seek the
20 prosecution and enjoinder of all such violations.

21 (11) To expend moneys necessary to the proper carrying
22 out of its assigned duties.

23 (12) To submit annually a report to the Professional
24 Licensure Committee of the House of Representatives and to
25 the Consumer Protection and Professional Licensure Committee
26 of the Senate containing a description of the types of
27 complaints received, status of the cases, subcommittee action
28 which has been taken and length of time from the initial
29 complaint to final subcommittee resolution.

30 (13) To submit annually to the department an estimate of

1 the financial requirement of the subcommittee for its
2 administrative, investigative, legal and miscellaneous
3 expenses.

4 (14) To submit annually to the Appropriations Committees
5 of the House of Representatives and the Senate, 15 days after
6 the Governor has submitted his budget to the General
7 Assembly, a copy of the budget request for the upcoming
8 fiscal year which the subcommittee previously submitted to
9 the department.

10 Section 509. Registry.

11 The subcommittee shall maintain a registry of the names and
12 addresses of people certified under this act. The subcommittee
13 shall retain these records and all application materials
14 submitted to it.

15 Section 510. Annual reports.

16 The subcommittee shall file with the department an annual
17 report of its activities, including a complete statement of the
18 receipts and disbursements of the subcommittee.

19 CHAPTER 7

20 REVENUE

21 Section 701. Funding.

22 All fees shall be paid into the subcommittee's operating
23 account.

24 Section 702. Fees.

25 (a) Establishment.--All fees required under this act shall
26 be fixed by the subcommittee by regulation and shall be subject
27 to review in accordance with the act of June 25, 1982 (P.L.633,
28 No.181), known as the Regulatory Review Act. If the projected
29 revenues to be generated by fees, fines and civil penalties
30 imposed in accordance with the provisions of this act are not

1 sufficient to match expenditures over a two-year period, the
2 subcommittee shall increase those fees by regulation, subject to
3 review in accordance with the Regulatory Review Act, so that the
4 projected revenues will meet or exceed projected expenditures.

5 (b) Power of bureau to increase fees.--If the Bureau of
6 Professional and Occupational Affairs determines that the fees
7 established by the subcommittee are inadequate to meet the
8 minimum enforcement efforts required, then the bureau, after
9 consultation with the subcommittee, shall increase the fees by
10 regulation, subject to review in accordance with the Regulatory
11 Review Act, so that adequate revenue is raised to meet the
12 required enforcement effort.

13 (c) Additional fees.--In addition to fees established
14 pursuant to this act, the subcommittee is authorized to collect
15 and transmit to the appraisal subcommittee established pursuant
16 to the Financial Institutions Reform, Recovery and Enforcement
17 Act of 1989 (Public Law 101-73 § 1011) fees required under that
18 act.

19 CHAPTER 9

20 CERTIFICATION PROCESS

21 Section 901. Examinations.

22 (a) Applications.--Applications for examinations, original
23 certification and renewal certification made pursuant to this
24 act shall be made in writing to the subcommittee, on forms
25 provided by the subcommittee, evidencing that:

26 (1) He or she is of good moral character.

27 (2) His or her application has been accompanied by the
28 application fee.

29 (3) He or she has not been convicted of a felony under
30 the act of April 14, 1972 (P.L.233, No.64), known as The

1 Controlled Substance, Drug, Device and Cosmetic Act, or of an
2 offense under the laws of another jurisdiction, which, if
3 committed in this Commonwealth, would be a felony under The
4 Controlled Substance, Drug, Device and Cosmetic Act, unless:

5 (i) at least ten years have elapsed from the date of
6 conviction;

7 (ii) the applicant satisfactorily demonstrates to
8 the subcommittee that he or she has made significant
9 progress in personal rehabilitation since the conviction,
10 such that licensure of the applicant should not be
11 expected to create a substantial risk of harm to the
12 health and safety of his or her clients or the public or
13 a substantial risk of further criminal violations; and

14 (iii) the applicant otherwise satisfies the
15 qualifications contained in or authorized by this act. As
16 used in this paragraph, the term "convicted" shall
17 include a judgment, an admission of guilt or a plea of
18 nolo contendere.

19 (b) Fee.--Appropriate fees, as fixed by the subcommittee
20 pursuant to section 702, shall accompany all applications for
21 examination, original certification and renewal certification.

22 (c) Statement.--At the time of filing an application for
23 certification, each applicant shall sign a pledge to comply with
24 the standards set forth in this act and state that the applicant
25 understands the types of misconduct for which disciplinary
26 proceedings may be initiated against a State-certified real
27 estate appraiser, as set forth in this act.

28 Section 902. Classes of certification.

29 There shall be two classes of certification for certified
30 real estate appraisers. One class shall consist of those persons

1 applying for certification relating solely to the appraisal of
2 residential real property of one to four units, and up to 12
3 units when a net income capitalization analysis is not required
4 by the terms of the assignment. The other class of certification
5 shall consist of those persons applying for a general
6 certification relating to the appraisal of both residential and
7 nonresidential real property without limitation. The application
8 for examination, original certification and renewal
9 certification shall specify the classification being applied
10 for.

11 Section 903. Written examination; contents.

12 An original certification as a State-certified real estate
13 appraiser shall not be issued to any person who has not
14 demonstrated through a written examination process that that
15 person possesses the following:

16 (1) Appropriate knowledge of technical terms commonly
17 used in or related to real estate appraising, appraisal
18 report writing and economic concepts applicable to real
19 estate.

20 (2) Basic understanding of real estate law.

21 (3) Adequate knowledge of theories of depreciation, cost
22 estimating, methods of capitalization and the mathematics of
23 real estate appraisal.

24 (4) Understanding of the principles of land economics,
25 real estate appraisal processes and of problems likely to be
26 encountered in the gathering, interpreting and processing of
27 data in carrying out appraisal disciplines.

28 (5) Understanding of the standards for the development
29 and communication of real estate appraisals as provided in
30 this act.

1 (6) Understanding the types of misconduct for which
2 disciplinary proceedings may be initiated against a State-
3 certified real estate appraiser, as set forth in this act.
4 Section 904. Prerequisites.

5 (a) General certification.--As a prerequisite to taking the
6 examination for the general certification relating to the
7 appraisal of real property, an applicant shall present evidence
8 satisfactory to the subcommittee that the applicant possesses
9 the equivalent of three years of full-time experience in real
10 property appraisal, acquired within a period of five years
11 immediately preceding the filing of the application for
12 certification, or the equivalent thereof, and either:

13 (1) has a college degree plus 15 classroom hours related
14 to standards of professional practice and the provisions of
15 this act; or

16 (2) has successfully completed not less than 150
17 classroom hours of academic experience in subjects related to
18 real estate appraisal plus 15 classroom hours related to
19 standards of professional practice and the provisions of this
20 act.

21 (b) Residential real estate appraisal.--As a prerequisite to
22 taking the examination for certification relating solely to the
23 appraisal of residential real property of one to four units, and
24 up to 12 units when a net income capitalization analysis is not
25 required by the terms of the assignment, an applicant shall
26 present evidence satisfactory to the subcommittee that the
27 applicant possesses the equivalent of two years of full-time
28 experience in real property appraisal, acquired within a period
29 of five years immediately preceding the filing of the
30 application for certification, or the equivalent thereof, and

1 either:

2 (1) has a college degree plus 15 classroom hours related
3 to standards of professional practice and the provisions of
4 this act; or

5 (2) has successfully completed not less than 60
6 classroom hours of academic experience in subjects related to
7 real estate appraisal plus 15 classroom hours related to
8 standards of professional practice and the provisions of this
9 act.

10 (c) Definition of subjects.--The subcommittee shall
11 prescribe and define the subjects related to real property
12 appraisal, and the full-time experience in real property
13 appraisal which will satisfy the requirements of subsections (a)
14 and (b).

15 (d) Statement of experience.--Each applicant for
16 certification shall furnish a detailed statement of the real
17 estate appraisal assignments for each year for which experience
18 is claimed by the applicant. Upon request, the applicant shall
19 furnish to the subcommittee, for examination, copies of
20 appraisal reports which the applicant has prepared in the course
21 of appraisal experience.

22 Section 905. False statements.

23 It is unlawful for any person to knowingly make any false
24 statements with respect to that person's identity in connection
25 with an application for examination or in the taking of an
26 examination for certification as a State-certified real estate
27 appraiser.

28 Section 906. Denial of certification.

29 The subcommittee may, in accordance with the provisions of
30 this act relating to hearings, deny the issuance of a

1 certificate as a State-certified real estate appraiser to an
2 applicant on any of the grounds enumerated in Chapter 13.

3 Section 907. Duration of certification.

4 The term of a certificate issued under the authority of this
5 act shall be two years from the date of issuance. The expiration
6 date of the certificate shall appear on the certificate, and no
7 other notice of its expiration need be given to its holder.

8 Section 908. Nonresidents.

9 (a) Service of process.--Every applicant for certification
10 under this act who is not a resident of this Commonwealth shall
11 submit, with the application for certification, an irrevocable
12 consent that service of process upon the nonresident applicant
13 may be made by delivery of the process to the Secretary of the
14 Commonwealth if the plaintiff, in an action against the
15 applicant in a court of this Commonwealth arising out of the
16 applicant's activities as a State-certified real estate
17 appraiser, cannot, in the exercise of due diligence, effect
18 personal service upon the applicant.

19 (b) Certification of nonresident.--A nonresident of this
20 Commonwealth who has complied with the provisions of subsection
21 (a) may obtain a certificate as a State-certified real estate
22 appraiser by conforming to all the provisions of this act
23 relating to State-certified real estate appraisers.

24 Section 909. Recognition of other State certification.

25 The subcommittee shall issue a certificate as a State-
26 certified real estate appraiser to a holder of a certificate
27 issued by another state, upon a showing that both of the
28 following requirements are met:

29 (1) The applicant passed the examination required for
30 issuance of the applicant's certificate with passing grades

1 that would have been passing grades at the time in this
2 Commonwealth.

3 (2) If the applicant is applying for:

4 (i) general certification, the applicant shall meet
5 the requirements of section 904(a); or

6 (ii) certification relating solely to the appraisal
7 of residential real property of one to four units and up
8 to 12 units when a net income capitalization analysis is
9 not required by the terms of the assignment, the
10 applicant shall meet the requirements of section 904(b).

11 Section 910. Renewals.

12 (a) General rule.--To obtain a renewal certificate as a
13 State-certified real estate appraiser, the holder of a current,
14 valid certificate shall make application and pay the prescribed
15 fee to the subcommittee not earlier than 120 days nor later than
16 30 days prior to the expiration date of the certificate held.
17 With the application for renewal, the State-certified real
18 estate appraiser shall present evidence in the form prescribed
19 by the subcommittee of having completed the continuing education
20 requirements for renewal set forth in Chapter 11.

21 (b) Extension of time.--If the subcommittee determines that
22 an applicant has failed to meet the requirements for renewal of
23 certification through mistake, misunderstanding or circumstances
24 beyond the control of the applicant, the subcommittee may extend
25 the term of the certificate for a period not to exceed six
26 months, upon payment by the applicant of a prescribed fee for
27 the extension. If the applicant satisfies the requirement for
28 renewal during the extended time of certification, the beginning
29 date of the new renewal certificate shall be the day following
30 the expiration of the certificate previously held by the

1 applicant.

2 Section 911. Late renewals.

3 If the person fails to renew a certificate of a State-
4 certified real estate appraiser prior to its expiration or
5 within a period of extension granted by the subcommittee
6 pursuant to section 910, the person may obtain a renewal
7 certificate by satisfying all the requirements for renewal and
8 by the payment of a late renewal fee in an amount equal to one
9 and one-third times the renewal fee in effect at the time the
10 application is made for late renewal of the certificate.

11 Section 912. No corporate certification.

12 No certificate shall be issued under the provisions of this
13 act to a corporation, partnership, firm or group. Nothing herein
14 shall preclude a State-certified real estate appraiser from
15 rendering appraisals for or on behalf of a corporation,
16 partnership, firm or group practice, provided that the appraisal
17 report is prepared by, or under the immediate direction of, the
18 State-certified real estate appraiser and is signed by the
19 State-certified real estate appraiser.

20 Section 913. Address of principal office.

21 Each State-certified real estate appraiser shall advise the
22 subcommittee of the address of the appraiser's principal place
23 of business and all other addresses at which that appraiser is
24 currently engaged in the business of preparing real property
25 appraisal reports. Whenever a State-certified real estate
26 appraiser changes a place of business, the appraiser shall amend
27 the certificate issued by the subcommittee to reflect the change
28 and shall immediately give written notification of the change to
29 the subcommittee.

30 Section 914. Signatures of subcommittee members.

1 A certificate issued under the authority of this act shall
2 bear the signatures or facsimile signatures of the members of
3 the subcommittee and a certificate number assigned by the
4 subcommittee.

5 Section 915. Use of certification number.

6 Each State-certified real estate appraiser shall place the
7 certificate number adjacent to or immediately below the
8 designation "STATE-CERTIFIED RESIDENTIAL APPRAISER" OR "State-
9 Certified Real Estate Appraiser" when used in an appraisal
10 report or in a contract or other instrument used by the
11 certificate holder in conducting real property appraisal
12 activities.

13 Section 916. Limitation on use of term.

14 The term "State-Certified Real Estate Appraiser" may only be
15 used to refer to individuals who hold the certificate and may
16 not be used following or immediately in connection with the name
17 or signature of a firm, partnership, corporation or group, or in
18 such manner that it might be interpreted as referring to a firm,
19 partnership, corporation, group or anyone other than an
20 individual holder of the certificate.

21 Section 917. Reinstatement options.

22 Unless ordered to do so by Commonwealth Court or an appeal
23 therefrom, the subcommittee shall not reinstate the
24 certification of a person to appraise real estate, pursuant to
25 this act, which has been revoked. Any person whose certification
26 has been revoked may apply for reinstatement, after a period of
27 at least five years, but must meet all of the certification
28 qualifications of this act, including the examination
29 requirement, if he desires to appraise real estate as a
30 certified real estate appraiser pursuant to this act at any time

1 after such revocation.

2 Section 918. Reporting of multiple certification.

3 Any certified real estate appraiser of this Commonwealth who
4 is also certified as a real estate appraiser in any other state,
5 territory or country shall report this information to the
6 subcommittee on the biennial renewal application. Any
7 disciplinary action taken in any other state, territory or
8 country shall be reported to the subcommittee on the biennial
9 renewal application, or within 90 days of disposition, whichever
10 is sooner. Multiple certification shall be noted by the
11 subcommittee on the real estate appraiser's record, and such
12 state, territory or country shall be notified by the
13 subcommittee of any disciplinary actions taken against such
14 certified real estate appraiser in this Commonwealth.

15 Section 919. Surrender of suspended or revoked certification.

16 The subcommittee shall require a person whose certification
17 has been suspended or revoked to return the certification in
18 such manner as the subcommittee directs. Failure to do so shall
19 be a misdemeanor of the third degree.

20 CHAPTER 11

21 CONTINUING EDUCATION

22 Section 1101. General rule.

23 (a) Prerequisite.--As a prerequisite to renewal of
24 certification, a State-certified real estate appraiser shall
25 present evidence satisfactory to the subcommittee of having met
26 the continuing education requirements of this act.

27 (b) Basic continuing education requirement.--The basic
28 continuing education requirement for renewal of certification
29 shall be the completion by the applicant, during the immediately
30 preceding term of certification, of not less than 30 classroom

1 hours of instruction in courses which have received the approval
2 of the subcommittee. No credit shall be given for any course in
3 office management or practice building.

4 (c) Alternatives.--In lieu of meeting the requirements of
5 subsection (b), an applicant for recertification may satisfy all
6 or part of the requirements of the act by presenting evidence of
7 the following:

8 (1) Completion of courses of study determined by the
9 subcommittee to be equivalent, for continuing education
10 purposes, to courses approved by the subcommittee pursuant to
11 subsection (b).

12 (2) Participation other than as a student in educational
13 processes and programs in real property appraisal theory,
14 practices or techniques, including, but not necessarily
15 limited to, teaching, program development and preparation of
16 textbooks, monographs, articles and other instructional
17 materials.

18 Section 1102. Additional rules and regulations.

19 (a) Promulgation.--The subcommittee shall adopt regulations
20 for implementation of the provisions of this act to the end of
21 assuring that persons renewing their certifications as State-
22 certified real estate appraisers have current knowledge of real
23 property appraisal theories, practices and techniques which will
24 provide a high degree of service and protection to those members
25 of the public with whom they deal in a professional relationship
26 under authority of the certification. The regulation shall
27 prescribe the following:

28 (1) Policies and procedures for obtaining subcommittee
29 approval of courses of instruction in accordance with section
30 1101(b).

1 (2) Standards, policies and procedures to be applied by
2 the subcommittee in evaluating applicants' claims of
3 equivalency in accordance with section 1101(c).

4 (3) Standards, monitoring methods and systems for
5 recording attendance to be employed by course sponsors as a
6 prerequisite to subcommittee approval of courses for credit.

7 (b) Materials available to subcommittee.--In adopting
8 regulations pursuant to subsection (a)(1), the subcommittee may
9 utilize courses of instruction, seminars and other real property
10 appraisal education courses or programs previously or hereafter
11 developed by or under the auspices of professional appraisal
12 organizations and utilized by those associations for purposes of
13 designation, certification or recertification of the members of
14 the association.

15 (c) Effect of repeal on renewal credit.--No amendment or
16 repeal of a regulation adopted by the subcommittee pursuant to
17 this section shall operate to deprive a State-certified real
18 estate appraiser of credit toward renewal of certification for
19 any course of instruction completed by the applicant prior to
20 the amendment or repeal of the regulation which would have
21 qualified for continuing education credit under the regulation
22 as it existed prior to the repeal or amendment.

23 Section 1103. Mandatory requirement.

24 On and after January 1, 1991, a certification as a State-
25 certified real estate appraiser that has been revoked as a
26 result of disciplinary action by the subcommittee shall not be
27 reinstated unless the applicant presents evidence of completion
28 of the continuing education required by this act. This
29 requirement of evidence of continuing education shall not be
30 imposed upon an applicant for reinstatement who has been

1 required to successfully complete the examination for State-
2 certified real estate appraiser as a condition to reinstatement
3 of certification.

4 CHAPTER 13

5 DISCIPLINARY PROCEEDINGS

6 Section 1301. General rule.

7 The rights of any holder under a certificate as a State-
8 certified real estate appraiser may be revoked or suspended, or
9 the holder of the certificate may be otherwise disciplined in
10 accordance with the provisions of this act relating to hearings,
11 upon any of the grounds set forth in this act.

12 Section 1302. Disciplinary action.

13 (a) Investigation.--The subcommittee may investigate the
14 actions of a State-certified real estate appraiser, and may
15 revoke or suspend the rights of a certificate holder or
16 otherwise discipline a State-certified real estate appraiser for
17 any of the following acts:

18 (1) Procuring or attempting to procure a certificate
19 pursuant to this act by knowingly making a false statement,
20 submitting false information, refusing to provide complete
21 information in response to a question in an application for
22 certification or through any form of fraud or
23 misrepresentation.

24 (2) Failing to meet the minimum qualifications
25 established by this act.

26 (3) Paying, or offering to pay, any valuable
27 consideration other than provided for by this act to any
28 member or employee of the subcommittee to procure a
29 certificate under this act.

30 (4) A conviction, including a conviction based upon a

1 plea of guilty or nolo contendere, of a crime which is
2 substantially related to the qualifications, functions and
3 duties of a person developing real estate appraisals and
4 communicating real estate appraisals to others.

5 (5) An act or omission involving dishonesty, fraud or
6 misrepresentation with intent to substantially benefit the
7 certificate holder in his profession or with the intent to
8 substantially injure another person.

9 (6) Violation of any of the standards for the
10 development or communication of real estate appraisals as
11 provided in this act and the Uniform Standards of
12 Professional Appraisal Practice promulgated by the Appraisal
13 Standards Board of the Appraisal Foundation.

14 (7) Failure or refusal, without good cause, to exercise
15 reasonable diligence in developing an appraisal, preparing an
16 appraisal report or communicating an appraisal.

17 (8) Negligence or incompetence in developing an
18 appraisal, in preparing an appraisal report or in
19 communicating an appraisal.

20 (9) Willfully disregarding or violating any of the
21 provisions of this act or the regulations of the subcommittee
22 for the administration and enforcement of the provisions of
23 this act.

24 (10) Accepting an appraisal assignment when the
25 employment itself is contingent upon the appraiser reporting
26 a predetermined analysis or opinion, or where the fee to be
27 paid for the performance of the appraisal assignment is
28 contingent upon the opinion, conclusion or valuation reached,
29 or upon the consequence resulting from the appraisal
30 assignment.

1 (11) Violating the confidential nature of records to
2 which the appraiser gained access through employment or
3 engagement as an appraiser.

4 (12) Making the fee or compensation contingent upon an
5 award or recovery in any case where the amount of the award
6 or recovery would be affected by the appraisal.

7 (13) Basing the fee or compensation on a percentage of
8 the final estimate of value.

9 (14) Contracting for or accepting compensation for
10 appraisal services in the form of a commission, rebate,
11 division of brokerage commissions or any other similar form.

12 (b) Basis for action.--An act, omission or crime that is a
13 ground for disciplinary action under this section shall
14 constitute a basis for disciplinary action against another
15 license of the State-certified real estate appraiser if the act
16 or omission involved is substantially related to the
17 qualification, functions or duties required of a person acting
18 under authority of the other license.

19 Section 1303. Effect of civil suit.

20 The subcommittee may suspend or revoke the certificate of a
21 State-certified real estate appraiser based upon a final civil
22 judgment against the person on grounds of fraud,
23 misrepresentation or deceit in making of an appraisal of real
24 property. In a disciplinary proceeding based upon the judgment,
25 the State-certified real estate appraiser shall be afforded
26 notice and the opportunity to present matters in mitigation and
27 extenuation, but may not collaterally attack the civil judgment.

28 Section 1304. Conduct of proceedings.

29 Disciplinary proceedings before the subcommittee shall be
30 conducted in accordance with 2 Pa.C.S. (relating to

1 administrative law and procedure).

2 Section 1305. Subpoenas.

3 (a) Power to issue.--The subcommittee shall have the
4 authority to issue subpoenas, upon application of an attorney
5 responsible for representing the Commonwealth in disciplinary
6 matters before the subcommittee, for the purpose of
7 investigating alleged violations of the disciplinary provisions
8 administered by the subcommittee. The subcommittee shall have
9 the power to subpoena witnesses, to administer oaths, to examine
10 witnesses and to take such testimony or compel the production of
11 such books, records, papers and documents as it may deem
12 necessary or proper in, and pertinent to, any proceeding,
13 investigation or hearing held or had by it. Client records may
14 not be subpoenaed without consent of the client or without order
15 of a court of competent jurisdiction on a showing that the
16 records are reasonably necessary for the conduct of the
17 investigation. The court may impose such limitations on the
18 scope of the subpoena as are necessary to prevent unnecessary
19 intrusion into client confidential information. The subcommittee
20 is authorized to apply to Commonwealth Court to enforce its
21 subpoenas.

22 (b) Notification of subcommittee.--An attorney responsible
23 for representing the Commonwealth in disciplinary matters before
24 the subcommittee shall notify the subcommittee immediately upon
25 receiving notification of an alleged violation of this act. The
26 subcommittee shall maintain current records of all reports of
27 alleged violations and periodically review the records for the
28 purpose of determining that each alleged violation has been
29 resolved in a timely manner.

30 Section 1306. Unlawful practice.

1 (a) Unlawful practice prohibited.--It shall be unlawful for
2 any person to hold himself out as a certified real estate
3 appraiser without possessing a valid, unexpired, unrevoked and
4 unsuspended certification issued under this act.

5 (b) Injunction.--Unlawful practice may be enjoined by the
6 courts upon petition of the commissioner or the subcommittee. In
7 any proceeding under this section, it shall not be necessary to
8 show that any person is individually injured by the actions
9 complained of. If the court finds that the respondent has
10 violated this section, it shall enjoin him from so practicing
11 until he has been duly certificated. Procedure in such cases
12 shall be the same as in any other injunction suit.

13 (c) Remedy cumulative.--The injunctive relief provided in
14 this section shall be in addition to any other civil or criminal
15 prosecution and punishment.

16 CHAPTER 15

17 APPRAISAL REPORTS

18 Section 1501. Reports.

19 (a) Format.--Any certified appraisal report shall be
20 presented in clear and unequivocal terms with sufficient
21 information to enable the user of that report, or any person who
22 may be expected to rely on it, to understand it properly, and in
23 such a manner to avoid being misleading.

24 (b) Items covered.--Any written certified appraisal report
25 shall include, but not be limited to, all of the following:

26 (1) A discussion of any qualifications of the opinions
27 or conclusions contained in the report, or in contrast with
28 generally recognized appraisal practices, any limitations on
29 the scope of the report or omissions.

30 (2) A statement as to whether any person other than the

1 appraiser whose signature appears on the report prepared the
2 analysis, opinion or conclusions contained in the report, and
3 if so, the identity of that person.

4 (3) A statement as to whether the person signing the
5 report has a present or contemplated future interest in the
6 property which is the subject of the appraisal or has a
7 relationship with the owner of the property or with the
8 prospective user of the appraisal data which would constitute
9 a conflict of interest. If the report contains an affirmative
10 statement with respect to these factors, it shall also
11 include a conspicuous and accurate statement of the
12 relationship.

13 (4) A certification that the statements of fact
14 contained in the report are true and correct to the best
15 knowledge and belief of the appraiser.

16 (5) A certification that the analysis, opinion and
17 conclusions were developed and the report was prepared in
18 conformity with the requirements of this act or a statement
19 of the particulars for which that certification is not made.

20 CHAPTER 17

21 MISCELLANEOUS

22 Section 1701. Records.

23 A State-certified real estate appraiser shall retain, for two
24 years, appraisal reports and supporting data assembled and
25 formulated by the appraiser in preparing appraisal reports. The
26 period of retention of the records applicable to each engagement
27 of the services of the appraiser shall run from the date of the
28 submittal of the appraisal report to the client unless, within
29 such two-year period, the appraiser is notified that the
30 appraisal or report is involved in litigation. These records

1 shall be made available by the State-certified real estate
2 appraiser for inspection and copying by the subcommittee on
3 reasonable notice to the appraiser.

4 Section 1702. Penalties.

5 (a) Criminal penalty.--Any person who willfully violates or
6 knowingly participates in the violation of section 905 commits a
7 misdemeanor in the third degree.

8 (b) Civil penalty.--In addition to any other civil remedy or
9 criminal penalty provided for in this act, the subcommittee, by
10 a vote of the majority of the maximum number of the authorized
11 membership of the subcommittee as provided by law, or by a vote
12 of the majority of the duly qualified and confirmed membership
13 or a minimum of three members, whichever is greater, may levy a
14 civil penalty of up to \$1,000 on any current certificate holder
15 who violates any provision of this act or on any person who
16 holds himself out as a certified real estate appraiser without
17 being so certified pursuant to this act. The subcommittee shall
18 levy this penalty only after affording the accused party the
19 opportunity for a hearing as provided in 2 Pa.C.S. (relating to
20 administrative law and procedure).

21 (c) Disposition.--All fines and civil penalties imposed in
22 accordance with this section shall be paid into the Professional
23 Licensure Augmentation Account.

24 Section 1703. Action for damages.

25 Any person who has been damaged, or can demonstrate that he
26 will potentially be irreparable damaged, may bring any action
27 for damages, equitable relief, or both, against any person who
28 violates this act. The court may award costs and reasonable
29 attorney fees to the prevailing party, as determined by the
30 court. The rights and remedies provided in this act are not

1 exclusive of other rights or remedies provided by law.

2 Section 1704. Appropriation.

3 The sum of \$85,000, or as much thereof as may be necessary,
4 is hereby appropriated from the Professional Licensure
5 Augmentation Account within the General Fund to the Bureau of
6 Professional and Occupational Affairs in the Department of State
7 for the payment of costs of processing certificates and
8 renewals, for the operation of the subcommittee and for other
9 general costs of the bureau operations relating to this act. The
10 appropriation granted shall be repaid by the subcommittee within
11 six years of the beginning of issuance of certificates by the
12 subcommittee.

13 CHAPTER 19

14 EFFECTIVE DATE

15 Section 1901. Effective date.

16 This act shall take effect immediately.