

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1219 Session of  
2001

INTRODUCED BY GERLACH, KUKOVICH, LAVALLE AND THOMPSON,  
NOVEMBER 27, 2001

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,  
NOVEMBER 27, 2001

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," defining "appraiser trainee"; providing for  
6 licensing appraiser trainees; and further providing for the  
7 powers and duties of the State Board of Certified Real Estate  
8 Appraisers, for applications, for renewals, for disciplinary  
9 measures and for surrender of registration.

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

12 Section 1. Section 2 of the act of July 10, 1990 (P.L.404,  
13 No.98), known as the Real Estate Appraisers Certification Act,  
14 is amended by adding a definition to read:

15 Section 2. Definitions.

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

19 \* \* \*

20 "Appraiser trainee." A person who holds a current, valid  
21 registration issued by the State Board of Certified Real Estate

1 Appraisers which authorizes that person to assist in the  
2 preparation of appraisals under the direct supervision of a  
3 certified appraiser.

4 \* \* \*

5 Section 2. Sections 5(1) and (6) and 6(f) of the act are  
6 amended to read:

7 Section 5. Powers and duties of board.

8 The board shall have the following powers and duties:

9 (1) To pass upon the qualifications and fitness of  
10 applicants for certification and registration and to adopt  
11 and revise rules and regulations requiring applicants for  
12 certification to pass examinations relating to their  
13 qualifications for certification.

14 \* \* \*

15 (6) To establish fees for the operation of the board,  
16 including fees for the issuance and renewal of certificates  
17 and registrations and for examinations.

18 \* \* \*

19 Section 6. Application and qualifications.

20 \* \* \*

21 (f) Definition of subjects.--The board shall prescribe and  
22 define the subjects related to real property appraisal and the  
23 experience in real property appraisal which will satisfy the  
24 requirements of subsections (d) and (e). The qualifying  
25 education obtained to meet the requirements of section 6.1 shall  
26 be credited by the board to an applicant for certification under  
27 subsections (d) and (e). To the extent permitted pursuant to the  
28 Financial Institutions Reform, Recovery, and Enforcement Act of  
29 1989, the board may give credit to an applicant for classroom  
30 hours of academic experience successfully completed prior to the

board's prescription and definition of subjects pursuant to this subsection.

\* \* \*

Section 3. The act is amended by adding a section to read:

Section 6.1. Appraiser trainees.

(a) General rule.--A person who meets the preliminary educational requirements under this act may assist certified appraisers in the performance of appraisals of real property to the extent permitted pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (Public Law 101-73, 103 Stat. 183).

(b) Application.--An applicant for registration as an appraiser trainee under this section shall submit a written application on forms provided by the board evidencing that:

(1) The applicant is of good moral character.

(2) The application has been accompanied by the application fee.

(3) The applicant meets the preliminary educational requirements established pursuant to the Financial Institutions Reform, Recovery and Enforcement Act of 1989.

(c) Appraiser responsibility.--An appraiser who supervises appraiser trainees shall be certified in good standing under this act and shall accept full responsibility for all appraisal reports and for the direct supervision and training of each appraiser trainee, under Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation, to be adopted by the board. Such standards shall include, but are not limited to, the following:

(1) The appraiser shall sign all appraisal reports and certify each report to be in compliance with professional

standards adopted by the board.

(2) The appraiser shall review all appraiser trainee work products and personally inspect each appraised property with an appraiser trainee during the first 300 hours of training and until the supervising appraiser determines that an appraiser trainee is competent in accordance with standards adopted by the board.

(d) Separate logs to be maintained.--An appraiser trainee shall maintain a separate appraisal log for each supervising appraiser, to include, at a minimum, the following information for each:

(1) Name of client.

(2) Property identifying information, including type of property, description of the work performed and the amount of time spent on each report and property.

(3) The signature and State certification number of the supervising appraiser.

Section 4. Section 10 of the act, amended December 20, 2000 (P.L.733, No.103), is amended to read:

Section 10. Certification and registration renewal; records.

(a) Renewal term.--Renewal of certification and registration as an appraiser trainee shall be on a biennial basis. The board shall adopt regulations, subject to the provisions of the Financial Institutions Reform, Recovery and Enforcement Act (Public Law 101-73, 103 Stat. 183), establishing the maximum and minimum number of biennial renewal periods within which an appraiser trainee may gain experience required under section 6.

(b) Continuing education for residential and general appraisers.--The board shall by regulation require evidence of professional activity or continuing education as a condition of

1 certification or registration renewal of residential and general  
2 appraisers if, and only to the minimum extent, required pursuant  
3 to the Financial Institutions Reform, Recovery, and Enforcement  
4 Act of 1989 (Public Law 101-73, 103 Stat. 183). No credit shall  
5 be given for any course in office management or practice  
6 building.

7 (b.1) Continuing education for broker/appraisers.--  
8 Broker/appraisers shall be subject to the same continuing  
9 education requirements for certification renewal as residential  
10 and general appraisers. The board shall have the power and  
11 authority to promulgate regulations to prescribe evidence of  
12 continuing education required for certification renewal pursuant  
13 to this section.

14 (c) Records.--A record of all persons certified as real  
15 estate appraisers in this Commonwealth shall be kept in the  
16 office of the board and shall be open to public inspection and  
17 copying upon payment of a nominal fee for copying the record.  
18 Each certificateholder shall advise the board of the address of  
19 his or her principal place of business.

20 Section 5. Section 11 of the act, amended July 2, 1996  
21 (P.L.460, No.71), is amended to read:

22 Section 11. Disciplinary and corrective measures.

23 (a) Authority of board.--The board may deny, suspend or  
24 revoke certificates and registrations, or limit, restrict or  
25 reprimand a certificateholder or registrant for any of the  
26 following causes:

27 (1) Procuring or attempting to procure or renew a  
28 certificate [or renewal of a certificate] or registration  
29 pursuant to this act by knowingly making a false statement,  
30 submitting false information or refusing to provide complete

1 information in response to a question in an application for  
2 the issuance of or renewal of a certification [or renewal]  
3 through any form of fraud or misrepresentation.

4 (2) Failing to meet the minimum qualifications  
5 established by this act.

6 (3) Paying, or offering to pay, any valuable  
7 consideration other than provided for by this act to any  
8 member or employee of the board to procure a certificate or  
9 registration under this act.

10 (4) Being convicted of or pleading guilty to a crime  
11 which is substantially related to the qualifications,  
12 functions and duties of a person developing real property  
13 appraisals and communicating real property appraisals to  
14 others.

15 (5) Performing an act or omitting an act when such  
16 performance or omission involves dishonesty, fraud or  
17 misrepresentation with intent to substantially benefit the  
18 certificateholder or registrant in his profession or with the  
19 intent to substantially injure another person.

20 (6) Violating any of the standards for the development  
21 or communication of real property appraisals as required  
22 pursuant to this act or the Financial Institutions Reform,  
23 Recovery, and Enforcement Act of 1989 (Public Law 101-73, 103  
24 Stat. 183).

25 (7) Failing or refusing, without good cause, to exercise  
26 reasonable diligence in developing an appraisal, preparing an  
27 appraisal report or communicating an appraisal.

28 (8) Negligently or incompetently developing an  
29 appraisal, preparing an appraisal report or communicating an  
30 appraisal.

1           (9) Willfully disregarding or violating any of the  
2 provisions of this act or the guidelines or regulations of  
3 the board for the administration and enforcement of the  
4 provisions of this act.

5           (10) Accepting an appraisal assignment when the  
6 employment itself is contingent upon the appraiser's  
7 reporting a predetermined analysis or opinion, or where the  
8 fee to be paid for the performance of the appraisal  
9 assignment is contingent upon the opinion, conclusion or  
10 valuation reached, or upon the consequence resulting from the  
11 appraisal assignment.

12           (11) Violating the confidential nature of records to  
13 which the appraiser gained access through employment or  
14 engagement as an appraiser.

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

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

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

23           (15) Having a license or certificate to perform  
24 appraisals suspended, revoked or refused by an appraisal  
25 licensure or certification authority of another state,  
26 territory or country, or receiving other disciplinary actions  
27 by the appraisal licensure or certification authority of  
28 another state, territory or country.

29           (b) Board action.--When the board finds that the  
30 certification, registration or application for the issuance or

1 renewal of certification [or renewal] or registration of any  
2 person may be denied, revoked, restricted or suspended under the  
3 terms of subsection (a), the board may:

4 (1) Deny the application for issuance or renewal  
5 certification [or renewal] or registration.

6 (2) Administer a public reprimand.

7 (3) Revoke, suspend, limit or otherwise restrict a  
8 certificate or registration as determined by the board.

9 (4) Suspend enforcement of its findings thereof and  
10 place a certificateholder or registrant on probation with the  
11 right to vacate the probationary order for noncompliance.

12 (5) Restore a suspended certification or registration  
13 and impose any disciplinary or corrective measure which it  
14 might originally have imposed.

15 (c) Hearing.--All actions of the board shall be taken  
16 subject to the right of notice, hearing and adjudication and the  
17 right of appeal therefrom in accordance with 2 Pa.C.S. (relating  
18 to administrative law and procedure). Appeals from actions of  
19 the board shall be taken to Commonwealth Court or to such other  
20 court as prescribed by law.

21 Section 6. Section 14 of the act is amended to read:

22 Section 14. Surrender of suspended or revoked certificate or  
23 registration.

24 The board shall require a person whose certification or  
25 registration has been suspended or revoked to return the  
26 certificate or registration in such manner as the board directs.  
27 Failure to do so shall be a misdemeanor of the third degree.

28 Section 7. This act shall take effect in 60 days.