

HB 2152 -- Missouri Appraisal Management Company Registration and Regulation Act

Sponsor: Hobbs

This bill establishes the Missouri Appraisal Management Company Registration and Regulation Act to regulate real estate appraisal management companies. In its main provisions, the bill:

(1) Makes it unlawful 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 Missouri Real Estate Appraisers Commission within the Department of Insurance, Financial Institutions and Professional Registration;

(2) Allows the commission 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 commission;

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

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

(3) Requires an appraisal management company to make written application to the commission for the registration of the company with the required fee as established by rule. No company may be owned by a person who has had an appraiser license or certificate refused, denied, canceled, or revoked in any state. 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 commission has received all the required information and fees, a certificate of registration authorizing the company to act as an appraisal management company will be issued unless the commission finds substantial reason to deny. An applicant who is denied will be given the opportunity for a hearing before the commission;

(4) Requires actual fees paid for appraisal services to not contain hidden charges. Fees must be paid to the appraiser within 30 days of the date the appraisal is transmitted;

(5) 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 may be made by delivery of the process on the commission and to submit the name and address of its registered agent;

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

(7) Requires each registered real estate appraisal management company to designate a managing principal who is responsible for assuring 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;

(8) Specifies that a registration will expire June 30 of every year and become invalid unless renewed by filing an application and paying a renewal fee as established by rule. 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 will not be retroactive;

(9) Prohibits anyone under a real estate appraisal management company, any third party acting as joint venture partner, or an 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;

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

(11) Requires a surety bond of \$250,000 to accompany each registration;

(12) Allows the commission, by order, to deny, suspend, revoke, or refuse to issue or renew a registration of an appraisal management company or to restrict or limit the activities of the company;

(13) Specifies that the provisions of the bill will become ineffective 60 days after the effective date of a federal law which mandates the registration or licensing of appraisal management companies with a federal regulator; and

(14) Allows appraisal management companies doing business in this state to continue to do business without a license until the state regulations pertaining to the provisions of the bill have been adopted.

The bill contains an emergency clause.