

HCS SB 667 -- PROFESSIONAL REGISTRATION AND RESIDENTIAL
CONSTRUCTION REGULATIONS

SPONSOR: Wasson (Korman)

COMMITTEE ACTION: Voted "do pass" by the Committee on
Professional Registration and Licensing by a vote of 13 to 7.

This substitute changes the laws regarding residential
construction regulatory systems, certified school social workers,
real estate appraisers and appraisal management companies, and
peer review for certain design professionals.

RESIDENTIAL CONSTRUCTION REGULATORY SYSTEMS

The substitute specifies that if any city, town, village, or
county adopts, implements, and enforces a residential
construction regulatory system applicable to residential
construction within its jurisdiction, any fire protection
district wholly or partially located therein is prohibited from
enforcing or implementing a residential construction regulatory
system. Any regulatory system adopted by a fire protection
district must be treated as advisory only and cannot be enforced.
Fire protection districts will have final regulatory authority
regarding the location and specifications of fire hydrants, fire
hydrant flow rates, and fire lanes and can inspect residential
dwellings but cannot charge a fee for the services.

CERTIFIED SCHOOL SOCIAL WORKERS

Beginning with the 2012-2013 school year, the substitute requires
the Department of Elementary and Secondary Education, State Board
of Education, and Office of Educator Quality to recognize
certified school social workers. The State Committee for Social
Workers within the Department of Insurance, Financial
Institutions and Professional Registration must issue a
certificate to any person making application if the person has
obtained a degree in social work from an accredited college or
university and holds a valid professional license of social work
issued by the state committee and a credential in school social
work issued by a nationally recognized credentialing organization
in social work as a certified school social worker.

Certification under these provisions does not automatically
create eligibility for membership in the Public School Retirement
System of Missouri, and any person who otherwise meets the
eligibility requirements for membership in the system cannot be
disqualified solely because he or she is also certified.

REAL ESTATE APPRAISERS AND APPRAISAL MANAGEMENT COMPANIES

The substitute changes the laws regarding real estate appraisers and appraisal management companies.

(1) Renames the Missouri Certified and Licensed Real Estate Appraisers Act the Missouri Certified and Licensed Real Estate Appraisers and Appraisal Management Company Regulation Act;

(2) Prohibits a person from engaging in the business as an appraisal management company, engaging to perform appraisal management services, or holding himself or herself out as being an appraisal management company without first obtaining a registration issued by the Missouri Real Estate Appraisers Commission within the Department of Insurance, Financial Institutions and Professional Registration;

(3) Creates the classifications of licensure for appraiser trainees of state-certified general appraiser trainee, state-certified residential appraiser trainee, and state-licensed appraiser trainee. The commission is required to adopt rules and procedures for the issuing and regulating of appraiser trainee licenses;

(4) Requires state-certified and state-licensed trainees to comply with the Uniform Standards of Professional Appraisal Practice established by the Appraisal Standards Board of the Appraisal Foundation;

(5) Requires the commission to maintain a registry of the names and addresses of appraisal management companies and to establish by rule the requirements for obtaining a license as an appraisal management company;

(6) Renames the Missouri Real Estate Appraisers Fund to the Missouri Real Estate Appraisers and Appraisal Management Company Fund;

(7) Exempts an appraisal management company from specified licensing and examination requirements;

(8) Removes the provision requiring the signature of the chairman of the commission and a certificate or assigned license number to be on each certificate or license;

(9) Requires each appraiser trainee to place his or her license number on an appraisal report or contract and each appraisal management company to disclose its license number on every engagement letter utilized in assigning an appraisal request for assignments within the state;

(10) Exempts an appraisal management company from the

requirement that a certificate or license can only be issued to a natural person;

(11) Requires an appraisal management company to notify the commission within 30 days of any change in its controlling person, agent of record, ownership composition, or address;

(12) Authorizes the commission to cause complaints to be filed with the Administrative Hearing Commission against a state-licensed or state-certified trainee and a state-licensed appraisal management company that is a legal entity other than a natural person and any controlling person;

(13) Requires all appraisal management company records to be retained for five years and made promptly available to the commission for inspection and copying;

(14) Specifies that it will be a class B misdemeanor for any company or controlling person to practice any deception or fraud in its identity in connection with an application or holding out to the public or representation as a licensed appraisal management company when it is not;

(15) Requires the commission to take all action necessary to be able to issue licenses to qualified applicants seeking a license as an appraisal management company; and

(16) Repeals Sections 339.1100 to 339.1240, RSMo, regarding the Missouri Appraisal Management Company Registration and Regulation Act.

PEER REVIEW FOR CERTAIN DESIGN PROFESSIONALS

The substitute establishes a peer review process through which design professionals evaluate, maintain, or monitor the quality and utilization of services performed by a licensed architect, landscape architect, professional land surveyor, or professional engineer. The substitute specifies how a peer review process may be performed and the participants of a peer review process; authorizes immunity from civil liability for any participant of the process; and specifies the information or materials developed from the peer review process that are privileged and not subject to discovery, subpoena, or other legal compulsion. The provisions of the substitute cannot limit the authority of the Missouri Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects within the Department of Insurance, Financial Institutions and Professional Registration to obtain information by subpoena or other authorized process from a peer reviewer or to require disclosure of confidential information developed outside the peer review

process when conducting investigations regarding licensure.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that peer review is an important process providing an evaluation of design concepts for safety and quality control. It is becoming extremely difficult to find design professionals to participate in the peer review process without establishing certain immunities from liability.

Testifying for the bill were Senator Wasson; Bill Quatman; Missouri Society of Professional Engineers; American Institute of Architects of Missouri; and Missouri Association of Landscape Architects.

OPPOSERS: Those who oppose the bill say that the peer review process is not very successful and there is a need for disclosure. Peer review acts as a bar to discovery when there needs to be a thorough review. Peer reviewers need to be held accountable.

Testifying against the bill was Missouri Association of Trial Attorneys.