

HCS HB 1988 -- REAL ESTATE APPRAISERS AND APPRAISAL MANAGEMENT COMPANIES (Brandom)

COMMITTEE OF ORIGIN: Committee on Professional Registration and Licensing

This substitute changes the laws regarding real estate appraisers and appraisal management companies. In its main provisions, the substitute:

(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 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 appraisal management company that is a legal entity other than a natural 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.

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