

REFERENCE TITLE: state board of appraisal

State of Arizona
Senate
Forty-eighth Legislature
First Regular Session
2007

SB 1291

Introduced by
Senator Leff

AN ACT

AMENDING SECTIONS 32-3601, 32-3602, 32-3603, 32-3604, 32-3605, 32-3607 AND 32-3608, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 36, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-3609; AMENDING SECTIONS 32-3611, 32-3614, 32-3615, 32-3617, 32-3618, 32-3619, 32-3621, 32-3622, 32-3625 AND 32-3626, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 36, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 32-3627 AND 32-3628; AMENDING SECTIONS 32-3631, 32-3636, 32-3652 AND 32-3654, ARIZONA REVISED STATUTES; AMENDING TITLE 32, CHAPTER 36, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 32-3656; AMENDING SECTIONS 43-1089.02 AND 43-1181, ARIZONA REVISED STATUTES; RELATING TO THE STATE BOARD OF APPRAISAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 32-3601, Arizona Revised Statutes, is amended to
3 read:

4 32-3601. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Appraisal" or "real estate appraisal" means ~~a statement~~
7 ~~independently and impartially prepared by an individual setting forth an~~
8 ~~opinion as to the market value of real property as of a specific date and~~
9 ~~supported by the presentation and analysis of relevant market information~~ ANY
10 OF THE FOLLOWING:

11 (a) THE ACT OR PROCESS OF DEVELOPING AN OPINION OF VALUE.

12 (b) AN OPINION OF VALUE.

13 (c) PERTAINING TO APPRAISING AND RELATED FUNCTIONS SUCH AS APPRAISAL
14 PRACTICE OR APPRAISAL SERVICES.

15 2. "Appraisal assignment" means an engagement for which a real estate
16 appraiser is employed or retained to act, or would be perceived by third
17 parties or the public in acting, as a disinterested third party in rendering
18 an unbiased analysis, opinion or conclusion relating to the nature, quality,
19 value or utility of specified interests in or aspects of identified real
20 estate.

21 3. "Appraisal foundation" means the appraisal foundation incorporated
22 as an Illinois not-for-profit corporation on November 30, 1987.

23 4. "Appraisal report" means any communication, written or oral, of an
24 appraisal.

25 5. "Appraisal review" means the act of reviewing or the report that
26 follows a review of an appraisal assignment or appraisal report in which a
27 real estate appraiser forms an opinion as to the adequacy and appropriateness
28 of the report being reviewed.

29 6. "APPRAISAL STANDARDS BOARD" MEANS THE APPRAISAL STANDARDS BOARD
30 APPOINTED BY THE BOARD OF TRUSTEES OF THE APPRAISAL FOUNDATION TO DEVELOP,
31 INTERPRET AND AMEND THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.

32 ~~6-~~ 7. "Appraisal subcommittee" means the subcommittee of the federal
33 financial institutions examination council created pursuant to 12 United
34 States Code section 3310 and chapter 34A, as amended.

35 ~~7-~~ 8. "Appraiser qualifications board" means the appraiser
36 qualifications board appointed by the board of trustees of the appraisal
37 foundation to establish the minimum education, experience and examination
38 requirements for real estate appraisers.

39 ~~8-~~ 9. "Board" means the state board of appraisal.

40 ~~9-~~ ~~"Certified appraisal" or "certified appraisal report" means an~~
41 ~~appraisal or appraisal report given or signed and certified as such by a~~
42 ~~state certified appraiser.~~

43 10. "Complex one to four residential units" means property that is
44 atypical for the marketplace. Atypical factors may include architectural
45 style, age of improvements, size of improvements, size of lot, neighborhood

1 land use, potential environmental hazard liability, leasehold interests,
2 limited readily available comparable sales data or other unusual factors.

3 11. "Course ~~review~~ APPROVAL" means the act of the board reviewing
4 course materials to form an opinion as to the adequacy and appropriateness of
5 the course for LICENSING PURSUANT TO SECTION 32-3613, CERTIFICATION PURSUANT
6 TO SECTION 32-3614 AND continuing education as prescribed in section 32-3625
7 in accordance with the appraiser qualifications board and this chapter.

8 12. "Federal financial institutions examination council" means that
9 agency of the federal government created pursuant to 12 United States Code
10 chapters 34 and 34A, as amended.

11 13. "Federally related transaction" means any real estate related
12 financial transaction that a federal financial institution's regulatory
13 agency or the resolution trust corporation engages in, contracts for or
14 regulates and that requires an appraisal.

15 ~~14. "Licensed appraisal" or "licensed appraisal report" means an~~
16 ~~appraisal or appraisal report given or signed by a state licensed appraiser.~~

17 ~~15.~~ 14. "Property tax agent" means an individual who is designated by
18 a person or is an employee of an entity designated as an agent pursuant to
19 section 42-16001, who acts on behalf of a person who owns, controls or
20 possesses property valued by a county assessor and who receives a fee for the
21 analysis of any matter relating to the review of the valuation of the
22 person's property before the assessor. Property tax agent does not include a
23 person who is admitted to practice law in this state, an employee of the
24 person owning, controlling or possessing the property or an employee of an
25 entity designated pursuant to section 42-16001, if the employee is performing
26 a secretarial, clerical or administrative support function.

27 ~~16.~~ 15. "Real estate" means an identified parcel or tract of land,
28 including improvements, if any.

29 ~~17.~~ 16. "Real estate related financial transaction" means any
30 transaction involving the sale, lease, purchase, investment in or exchange of
31 real property, including interests in property or the financing of property,
32 the refinancing of real property or interests in real property and the use of
33 real property or interests in property as security for a loan or investment
34 including mortgage-backed securities.

35 ~~18.~~ 17. "Real property" means one or more defined interests, benefits
36 and rights inherent in the ownership of real estate.

37 ~~19.~~ 18. "Review appraiser" means a person who engages in the activity
38 of reviewing and evaluating the appraisal work of others from the perspective
39 of an appraiser, generally for compensation as a separate skill. This
40 includes the function of reviewing an appraisal report or a file memorandum
41 setting forth the results of the review process.

42 ~~20.~~ 19. "Standards of professional appraisal practice" means the
43 uniform standards of professional appraisal practice adopted by the board.

1 ~~21.~~ 20. "State licensed or state certified appraiser" means a person
2 who develops and communicates appraisals and who holds a current, valid
3 license or certificate issued to him under the provisions of this chapter.

4 ~~22. "Valuation" means an estimate of the value of property.~~

5 21. "VALUE" MEANS THE MONETARY RELATIONSHIP BETWEEN PROPERTIES AND
6 THOSE WHO BUY, SELL OR USE THOSE PROPERTIES.

7 Sec. 2. Section 32-3602, Arizona Revised Statutes, is amended to read:
8 32-3602. Applicability of chapter

9 This chapter does not apply to:

10 1. A real estate broker or salesperson who is licensed in this state
11 and who, when acting as such, gives an opinion as to the price of real estate
12 for the purpose of prospective listing or sale if this opinion is not
13 referred to as an appraisal.

14 2. A natural person, a corporation through its officers or a
15 partnership through its partners that ~~deals in~~ GIVES AN OPINION OF VALUE OF
16 that person's or its own property and does not receive special compensation
17 for the transaction IF THIS OPINION IS NOT REFERRED TO AS AN APPRAISAL.

18 3. An attorney in the performance of that person's duties as an
19 attorney.

20 4. A mortgage banker, mortgage broker or commercial mortgage banker
21 who is licensed in this state and who, when acting as such, prepares a report
22 analyzing real property if the report is not made for the primary purpose of
23 establishing the sale or market value of the property.

24 5. An individual who is otherwise subject to licensing or
25 certification by law and whose duties require appraisal of real property for
26 purposes of tax assessment.

27 6. ~~A professional~~ AN engineer or architect registered in this state or
28 a contractor or insurance producer licensed in this state who, when acting as
29 such, prepares a report analyzing real property if the report utilizes the
30 specialized knowledge of the registered ~~professional~~ engineer or architect or
31 the licensed contractor or insurance producer.

32 7. A property tax agent who is registered in this state and who, when
33 acting as such, prepares a report analyzing real estate if the report is made
34 for purposes of tax assessment or tax valuation of the real estate.

35 8. An individual ~~appraising real property only for the purpose of~~
36 providing an opinion OF VALUE in a judicial proceeding ~~or an individual~~
37 ~~providing an opinion in a judicial proceeding~~. An individual providing an
38 opinion under the exemption of this paragraph shall not represent or imply in
39 any report or testimony that the individual testifying is licensed or
40 certified under this chapter. THIS PARAGRAPH DOES NOT APPLY TO A PERSON WHO
41 IS LICENSED OR CERTIFIED PURSUANT TO THIS CHAPTER.

42 Sec. 3. Section 32-3603, Arizona Revised Statutes, is amended to read:
43 32-3603. License or certificate use; exception

44 A. All real estate appraisals and appraisal reviews performed ON REAL
45 PROPERTY in this state shall be performed only by individuals licensed or

1 certified in accordance with the requirements of this chapter. No person,
2 other than a state licensed or state certified appraiser, may assume or use
3 that title or any title, designation or abbreviation likely to create the
4 impression of licensure or certification as an appraiser by this state.

5 B. No person other than a state licensed or state certified appraiser
6 may receive a fee for a real estate appraisal or an appraisal review **OF REAL**
7 **PROPERTY IN THIS STATE.**

8 Sec. 4. Section 32-3604, Arizona Revised Statutes, is amended to read:
9 **32-3604. State board of appraisal**

10 A. A state board of appraisal is established and is composed of nine
11 members who are appointed by the governor pursuant to section 38-211.

12 B. The membership of the board consists of:

13 1. ~~Four~~ **FIVE** members who are state certified or state licensed
14 appraisers under this chapter, ~~one~~ **TWO** of whom ~~is a~~ **ARE** state certified
15 general ~~appraiser,~~ **APPRAISERS,** ~~one~~ **TWO** of whom ~~is a~~ **ARE** state certified
16 residential ~~appraiser,~~ ~~one of whom is a state licensed appraiser~~ **APPRAISERS**
17 and one of whom is any state certified or state licensed appraiser.
18 Membership in a professional appraisal organization or association is not a
19 prerequisite to service on the board.

20 2. ~~Three~~ **TWO** public members who are not related within the third
21 degree of consanguinity or affinity to any real estate appraiser.

22 3. A registered property tax agent.

23 4. One member, who is not a certified or licensed appraiser, who is
24 employed by a lending institution that purchases or makes use of either
25 commercial or residential appraisals and whose position of employment relates
26 to the use of appraisals by that institution.

27 C. Members shall serve for staggered terms of three years.

28 D. ~~No person may serve as a member of the board for more than two~~
29 ~~consecutive terms.~~ Not more than two persons from the same professional
30 appraisal organization or association may serve on the board concurrently.
31 The governor may remove a member for cause. **NO PERSON MAY SERVE AS A MEMBER**
32 **OF THE BOARD FOR MORE THAN TWO CONSECUTIVE TERMS UNLESS BOTH OF THE FOLLOWING**
33 **APPLY:**

34 1. **THE PERSON IS APPOINTED TO SERVE THE REMAINDER OF SOME OTHER BOARD**
35 **MEMBER'S TERM OF OFFICE AFTER THAT BOARD MEMBER'S SEAT IS DECLARED VACANT.**

36 2. **THE PERSON'S SERVICE FOR THE REMAINDER OF THE VACATED TERM DOES NOT**
37 **EXCEED EIGHTEEN MONTHS.**

38 E. The public members of the board shall not be engaged in the
39 practice of appraising or be the owner or employee of any proprietary
40 business involving appraisal education or testing of appraisers.

41 F. The board shall meet at least once each calendar quarter to conduct
42 business. Places of future meetings shall be decided by the vote of members
43 at meetings. By order of the chairman ~~and if necessary to meet the~~
44 ~~requirements of this chapter,~~ the board may hold special meetings or
45 emergency meetings including meetings using conference telephone or other

1 similar communications equipment in such a manner that the voices of all
2 members participating in the meeting are simultaneously audible to all other
3 members participating in the meeting.

4 G. The board shall meet to elect a chairman annually from among its
5 members.

6 H. A majority of the members constitutes a quorum.

7 I. Each member of the board is eligible to receive compensation not to
8 exceed one hundred fifty dollars for each day or seventy-five dollars for
9 each part of a day consisting of less than four hours actually spent in the
10 conduct of the business of the board, plus reimbursement for all expenses
11 pursuant to title 38, chapter 4, article 2.

12 J. The auditor general shall conduct a performance audit or a special
13 audit of the board pursuant to section 41-1279.03 on or before December 31,
14 2004 and at least once every ten years thereafter. The auditor general shall
15 also conduct performance audits or special audits of the board when directed
16 to do so by the joint legislative audit committee.

17 Sec. 5. Section 32-3605, Arizona Revised Statutes, is amended to read:
18 32-3605. State board of appraisal; duties

19 A. The board shall adopt rules in aid or in furtherance of this
20 chapter.

21 B. The state board of appraisal shall:

22 1. In prescribing standards of professional appraisal practice, adopt
23 standards that at a minimum are equal to the standards prescribed by the
24 ~~appraiser qualifications board~~ APPRAISAL STANDARDS BOARD.

25 2. In prescribing criteria for certification, adopt criteria that at a
26 minimum are equal to the minimum criteria for certification adopted by the
27 ~~appraisal subcommittee~~ APPRAISER QUALIFICATIONS BOARD.

28 3. In prescribing criteria for licensing, adopt criteria that at a
29 minimum are equal to the minimum criteria for licensing adopted by the
30 ~~appraisal subcommittee~~ APPRAISER QUALIFICATIONS BOARD.

31 4. Further define by rule with respect to state licensed or state
32 certified appraisers appropriate and reasonable educational experience,
33 appraisal experience and equivalent experience that meets the statutory
34 requirement of this chapter.

35 5. Establish the examination specifications for state certified
36 appraisers, provide or procure appropriate examination questions and answers,
37 administer examinations and establish procedures for grading examinations
38 consistent with and equivalent to the criteria adopted by the ~~appraisal~~
39 ~~subcommittee~~ APPRAISER QUALIFICATIONS BOARD.

40 6. Establish the examination specifications for state licensed
41 appraisers, provide or procure appropriate examination questions and answers,
42 administer examinations and establish procedures for grading examinations
43 consistent with and equivalent to the criteria adopted by the ~~appraisal~~
44 ~~subcommittee~~ APPRAISER QUALIFICATIONS BOARD.

- 1 7. Establish administrative procedures for approving or disapproving
2 applications for licensure and certification and issuing licenses and
3 certificates.
- 4 8. Define by rule, with respect to state licensed and certified
5 appraisers, the continuing education requirements for the renewal of licenses
6 or certificates that satisfy the statutory requirements provided in this
7 chapter.
- 8 9. Periodically review the requirements for the development and
9 communication of appraisals provided in this chapter and adopt rules
10 explaining and interpreting the requirements.
- 11 10. Define and explain by rule each stage and step associated with the
12 administrative procedures for the disciplinary process pursuant to this
13 chapter including:
- 14 (a) Prescribing minimum criteria for accepting a complaint against a
15 licensed or certified appraiser.
- 16 (b) Defining the process and procedures used in investigating the
17 allegations of the complaint.
- 18 (c) Defining the process and procedures used in hearings on the
19 complaint, including a description of the rights of the board and any person
20 who is alleged to have committed the violation.
- 21 (d) Establishing criteria to be used in determining the appropriate
22 actions for violations.
- 23 11. Communicate information that is useful to the public and appraisers
24 relating to actions for violations.
- 25 12. Censure, suspend, ~~and~~ revoke ~~OR DENY~~ licenses and certificates
26 pursuant to ~~the disciplinary proceedings provided for in~~ section 32-3631.
- 27 13. At least monthly transmit to the appraisal subcommittee a roster
28 listing individuals who have received a state certificate or license in
29 accordance with this chapter.
- 30 ~~14. Report on the disposition of any matter referred by the appraisal~~
31 ~~subcommittee or any other federal agency or instrumentality or federally~~
32 ~~recognized entity reporting any action of a state licensed or state certified~~
33 ~~appraiser that is contrary to this chapter.~~
- 34 ~~15.~~ 14. Make a determination and finding if there exists a scarcity of
35 state certified or state licensed appraisers to perform appraisals in
36 connection with federally related transactions in this state and issue
37 resident temporary licenses and certificates pursuant to section 32-3626.
- 38 ~~16.~~ 15. Transmit the ~~annual~~ NATIONAL registry fee collected pursuant
39 to section 32-3607 to the ~~federal financial institutions examination council~~
40 APPRAISAL SUBCOMMITTEE.
- 41 ~~17.~~ 16. Establish the fees in accordance with the limits established
42 in section 32-3607.
- 43 ~~18.~~ 17. Perform such other functions and duties as may be necessary to
44 carry out this chapter.

1 C. The board may employ an executive director and other personnel and
2 designate their duties. The executive director shall serve at the pleasure
3 of the board.

4 D. The executive director shall not change or amend actions of the
5 board.

6 Sec. 6. Section 32-3607, Arizona Revised Statutes, is amended to read:
7 32-3607. Fees

8 A. The board shall charge and collect fees that are sufficient to fund
9 the activities necessary to carry out this chapter. These include:

10 1. An application fee for licensure or certification, ~~OF~~ not more
11 than four hundred dollars.

12 2. An application fee for a resident temporary license or
13 certificate, ~~OF~~ not more than four hundred dollars.

14 3. An examination fee, ~~OF~~ not more than one hundred dollars.

15 ~~4. A reexamination fee, not more than one hundred dollars.~~

16 ~~5.~~ 4. A fee for renewal of a license, certificate or resident
17 temporary license or certificate, ~~OF~~ not more than four hundred twenty-five
18 dollars.

19 ~~6.~~ 5. A delinquent renewal fee in addition to the renewal fee, ~~OF~~
20 not more than ~~twenty-five dollars~~ THE FEE FOR RENEWAL OF A LICENSE OR
21 CERTIFICATE.

22 6. A LATE RENEWAL APPLICATION FEE IN ADDITION TO THE RENEWAL FEE OF
23 NOT MORE THAN ONE HUNDRED FIFTY DOLLARS.

24 7. A two year ~~federal~~ NATIONAL registry fee, ~~OF~~ not to exceed the
25 actual cost of twice the current annual ~~federal~~ NATIONAL registry fee.

26 8. A nonresident temporary license or certification fee, ~~OF~~ not more
27 than one hundred fifty dollars.

28 ~~9. A fee for an extension to renew a license or certification of not~~
29 ~~more than six months, not more than twenty dollars.~~

30 9. A FEE FOR AN INACTIVE LICENSE OR CERTIFICATE OF NOT MORE THAN ONE
31 HUNDRED FIFTY DOLLARS.

32 10. A FEE TO REACTIVATE AN INACTIVE LICENSE OR CERTIFICATE OF NOT MORE
33 THAN ONE HUNDRED FIFTY DOLLARS.

34 ~~10.~~ 11. A course ~~review~~ APPROVAL fee, ~~OF~~ not more than five hundred
35 dollars.

36 12. A FEE TO CHANGE AN INSTRUCTOR FOR A COURSE ALREADY APPROVED BY THE
37 BOARD OF NOT MORE THAN FIFTY DOLLARS.

38 13. A FEE FOR A DUPLICATE LICENSE OR CERTIFICATE OF NOT MORE THAN
39 THIRTY-FIVE DOLLARS.

40 14. A FEE FOR A LETTER OF GOOD STANDING OR A HISTORY LETTER OF NOT MORE
41 THAN THIRTY-FIVE DOLLARS.

42 B. If the appraisal subcommittee raises the ~~federal~~ NATIONAL registry
43 fee during the second year of a biennial license or certificate, state
44 licensed and state certified appraisers shall pay the additional ~~federal~~
45 NATIONAL registry fee on demand by the board. Failure to pay the additional

1 fee within thirty days of notice by the board subjects the ~~licensee~~ LICENSE
2 or certificate holder to a penalty of twice the amount owed but not to exceed
3 twenty dollars. The board shall not renew a license or certificate until all
4 outstanding obligations of the ~~licensee~~ LICENSE or certificate holder are
5 paid.

6 Sec. 7. Section 32-3608, Arizona Revised Statutes, is amended to read:
7 32-3608. Board of appraisal fund

8 A. A board of appraisal fund is established. Except as provided in
9 subsection C of this section, pursuant to sections 35-146 and 35-147, the
10 board shall deposit ten per cent of the monies in the state general fund and
11 deposit the remaining ninety per cent in the board of appraisal fund.

12 B. Except as provided in subsection C of this section, all monies
13 deposited in the board of appraisal fund are subject to section 35-143.01.

14 C. The ~~federal~~ NATIONAL registry fee collected pursuant to section
15 32-3607, subsection A, paragraph 7 shall be deposited in the board of
16 appraisal fund pending transmittal to the ~~federal-financial-institutions~~
17 ~~examination-council-on-direction-by-the-board~~ APPRAISAL SUBCOMMITTEE. These
18 monies are not subject to section 35-143.01.

19 Sec. 8. Title 32, chapter 36, article 1, Arizona Revised Statutes, is
20 amended by adding section 32-3609, to read:

21 32-3609. Confidential records

22 EXCEPT AS OTHERWISE PROVIDED BY LAW, THE FOLLOWING RECORDS ARE
23 CONFIDENTIAL:

24 1. QUESTIONS CONTAINED IN ANY EXAMINATION ADMINISTERED BY OR FOR THE
25 BOARD OR IN ANY EXAMINATION SUBMITTED TO THE BOARD FOR COURSE APPROVAL.

26 2. QUESTIONS ASKED AND THE ANSWERS OF INDIVIDUAL EXAMINEES, EXCEPT
27 THAT THE BOARD SHALL PROVIDE THE GRADES OF EACH EXAMINEE FOR PUBLIC
28 INSPECTION AND COPYING.

29 3. APPRAISAL REPORTS OR APPRAISAL REVIEWS AND SUPPORTING DOCUMENTATION
30 DEEMED CONFIDENTIAL UNDER THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL
31 PRACTICE EDITION ADOPTED BY THE BOARD.

32 4. ALL DOCUMENTS ASSOCIATED WITH A COMPLAINT UNTIL THE COMPLAINT IS
33 RESOLVED.

34 Sec. 9. Section 32-3611, Arizona Revised Statutes, is amended to read:
35 32-3611. Licensure and certification process

36 A. Applications for original licensure or certification, renewals and
37 examinations shall be made in writing to the executive director on forms
38 approved by the board.

39 B. Appropriate fees, as fixed by the board pursuant to section
40 32-3607, shall accompany all applications for original licensure or
41 certification, renewal and examination.

42 C. At the time of filing an application for licensure or
43 certification, each applicant shall sign a pledge to comply with the
44 standards set forth in this chapter and shall state that ~~he~~ THE APPLICANT
45 understands the types of misconduct for which disciplinary proceedings may be

1 initiated against a state licensed or state certified appraiser, as set forth
2 in this chapter.

3 D. Except as otherwise provided in this chapter, the executive
4 director shall require such other proof and request such documents, through
5 the application or otherwise, as the board deems necessary for the interests
6 of the public and to verify the honesty, truthfulness, reputation and
7 competency of the applicant and shall require that the applicant for
8 licensure or certification:

9 1. Be at least eighteen years of age ~~and a citizen of the United~~
10 ~~States or a legal resident alien.~~

11 2. Shall not have had a license or certificate denied pursuant to this
12 chapter within one year immediately preceding the application.

13 3. Shall not have had a license or certificate revoked pursuant to
14 this chapter within two years immediately preceding the application.

15 4. State whether or not ~~he~~ THE APPLICANT has ever been convicted in a
16 court of competent jurisdiction in this or any other state of a felony or of
17 forgery, theft, extortion or conspiracy to defraud or any other ~~offense~~ CRIME
18 involving dishonesty or moral turpitude.

19 E. Applications for licensure or certification by persons who are
20 charged or under indictment for fraud involving appraisal of real property
21 may be denied pending final disposition of the charge or indictment. Upon
22 final disposition, the board shall review the proceedings and act upon the
23 application.

24 Sec. 10. Section 32-3614, Arizona Revised Statutes, is amended to
25 read:

26 32-3614. Application and qualification requirements for
27 certification

28 A. An application for certification and examination shall be made on
29 forms prescribed by the board and accompanied by the required fees.

30 B. Those persons filing for certification shall meet the minimum
31 criteria for certification established by the board under section 32-3605,
32 subsection B, paragraph 2 and section 32-3615.

33 C. No person may be a state certified real estate appraiser unless the
34 person has achieved a passing grade on a suitable examination administered by
35 the board.

36 ~~D. Persons presenting evidence showing successful completion of the~~
37 ~~requirements of this section shall be recognized as having met the~~
38 ~~qualifications as a state certified real estate appraiser.~~

39 Sec. 11. Section 32-3615, Arizona Revised Statutes, is amended to
40 read:

41 32-3615. Experience requirement for licensure or certification

42 ~~A. An original certificate as a state certified real estate appraiser~~
43 ~~shall not be issued to any person who does not possess either:~~

44 ~~1. Two years of experience as an appraiser in real estate appraisal~~
45 ~~supported by adequate written reports or filed memoranda. This experience~~

1 ~~shall have been acquired during any period within five years immediately~~
2 ~~preceding the filing of the application for certification.~~

3 ~~2. Four years of experience as an appraiser in real estate appraisal~~
4 ~~supported by adequate written reports or filed memoranda. This experience~~
5 ~~shall have been acquired during any period within ten years immediately~~
6 ~~preceding the filing of the application for certification.~~

7 A. EACH APPLICANT FOR LICENSURE OR CERTIFICATION SHALL HAVE EXPERIENCE
8 THAT WAS ACQUIRED WITHIN TEN YEARS IMMEDIATELY PRECEDING THE FILING OF THE
9 APPLICATION FOR LICENSURE OR CERTIFICATION.

10 B. Each applicant for LICENSURE OR certification shall furnish under
11 oath a detailed listing of the real estate or other appraisal reports, review
12 reports or filed memoranda for each year for which experience is claimed by
13 the applicant. On request, the applicant shall make available to the board
14 for examination copies of appraisal reports which the applicant has prepared
15 in the course of ~~his~~ THE APPLICANT'S appraisal ~~practice~~ EXPERIENCE.

16 Sec. 12. Section 32-3617, Arizona Revised Statutes, is amended to
17 read:

18 32-3617. Nonresident temporary licensure or certification

19 A. Every applicant for NONRESIDENT TEMPORARY licensure or
20 certification under this chapter who is not a resident of this state shall
21 submit, with the application for NONRESIDENT TEMPORARY licensure or
22 certification, an irrevocable consent that service of process on the
23 applicant may be made by delivery of the process to the secretary of state
24 if, in an action against the applicant in a court of this state arising out
25 of the applicant's activities as a NONRESIDENT TEMPORARY state licensed or
26 state certified appraiser, the plaintiff cannot effect, in the exercise of
27 due diligence, personal service on the applicant.

28 B. A nonresident of this state who has complied with subsection A may
29 obtain a NONRESIDENT TEMPORARY license or certificate as a NONRESIDENT
30 TEMPORARY state licensed or state certified appraiser by conforming to all of
31 the requirements of this chapter relating to state licensed or state
32 certified appraisers.

33 C. A nonresident of this state who is licensed or certified in another
34 state is entitled to a NONRESIDENT temporary ~~license~~ LICENSURE or
35 certification from the board, which shall be valid until the completion of
36 each appraisal assignment but not for a period of more than one year from the
37 date of issuance, if:

38 1. The properties to be appraised are federally related.

39 2. The nonresident appraiser's business in this state is of a
40 temporary nature.

41 3. The nonresident appraiser applies with the board on forms prepared
42 by the board.

43 4. The nonresident appraiser pays the NONRESIDENT temporary ~~license~~
44 LICENSURE or certification fee required by the board.

1 C. THE BOARD MAY ACCEPT A RENEWAL APPLICATION AFTER THE EXPIRATION
2 DATE AND WITHIN NINETY DAYS OF THE DATE OF EXPIRATION BUT SHALL ASSESS A
3 DELINQUENT RENEWAL FEE IN ADDITION TO THE RENEWAL FEE.

4 D. A PERSON DEPLOYED OUTSIDE OF THE UNITED STATES ON ACTIVE MILITARY
5 DUTY WITH THE UNITED STATES ARMED FORCES AND WHOSE LICENSE OR CERTIFICATE HAS
6 EXPIRED DURING SUCH ACTIVE MILITARY DUTY OUTSIDE OF THE UNITED STATES MAY
7 FILE A RENEWAL APPLICATION WITHIN ONE HUNDRED EIGHTY DAYS OF RETURNING HOME
8 FROM ACTIVE MILITARY DUTY AND SHALL NOT BE REQUIRED TO PAY A LATE RENEWAL
9 APPLICATION FEE OR A DELINQUENT APPLICATION RENEWAL FEE. EVIDENCE OF THE
10 RENEWAL APPLICANT'S DATES AND LOCATIONS OF DEPLOYMENT MUST BE SUBMITTED WITH
11 A RENEWAL APPLICATION FILED UNDER THIS SUBSECTION. IN ADDITION, THE RENEWAL
12 APPLICANT MUST PROVIDE EVIDENCE OF COMPLETION OF THE CONTINUING EDUCATION
13 REQUIREMENTS FOR WHICH THE RENEWAL APPLICANT WOULD HAVE OTHERWISE BEEN
14 REQUIRED TO MEET DURING THE PERIOD PRECEDING THE RENEWAL APPLICATION.

15 E. AN APPRAISER WHO FAILS TO SEEK RENEWAL WITHIN THE TIME PERIOD
16 SPECIFIED IN SUBSECTION A, B, C OR D OF THIS SECTION MUST REAPPLY FOR
17 LICENSURE OR CERTIFICATION AND MEET ALL OF THE REQUIREMENTS OF THIS CHAPTER.

18 F. AN APPRAISER SHALL NOT ENGAGE IN, ADVERTISE OR PURPORT TO ENGAGE IN
19 REAL ESTATE APPRAISAL ACTIVITY IN THIS STATE AFTER A LICENSE OR CERTIFICATE
20 HAS EXPIRED AND BEFORE THE RENEWAL OF THE EXPIRED LICENSE OR CERTIFICATE.

21 G. THE BOARD MAY DENY A RENEWAL APPLICATION ON ANY OF THE GROUNDS
22 PRESCRIBED IN THIS CHAPTER FOR THE DENIAL OF ANY APPLICATION FOR LICENSURE OR
23 CERTIFICATION.

24 H. NOTWITHSTANDING SECTION 41-1092.11, A LICENSE OR CERTIFICATE
25 EXPIRES ON ITS EXPIRATION DATE.

26 Sec. 15. Section 32-3621, Arizona Revised Statutes, is amended to
27 read:

28 32-3621. Principal place of business

29 A. Each state licensed or state certified appraiser shall advise the
30 board of the address of ~~his~~ THE APPRAISER'S principal place of business and
31 all other addresses at which ~~he~~ THE APPRAISER is currently engaged in the
32 business of preparing real property appraisal reports.

33 ~~B. If a state licensed or state certified appraiser changes a place of
34 business, he shall give written notification within ten days of the change to
35 the board and shall apply for an amended license or certificate.~~

36 ~~C.~~ B. Every state licensed or state certified appraiser shall notify
37 the board of ~~his~~ THE APPRAISER'S current residence address. Residence
38 addresses on file with the board are exempt from disclosure as public
39 records.

40 C. EVERY STATE LICENSED OR STATE CERTIFIED APPRAISER SHALL PROVIDE A
41 DAYTIME TELEPHONE NUMBER TO THE BOARD.

42 D. IF A STATE LICENSED OR STATE CERTIFIED APPRAISER CHANGES A PLACE OF
43 BUSINESS OR RESIDENCE OR THE APPRAISER'S DAYTIME TELEPHONE NUMBER, THE
44 APPRAISER SHALL GIVE WRITTEN NOTIFICATION OF THE CHANGE WITHIN TEN DAYS AFTER
45 THE CHANGE TO THE BOARD.

1 Sec. 16. Section 32-3622, Arizona Revised Statutes, is amended to
2 read:

3 32-3622. Licenses and certificates

4 A. A license or certificate issued under this chapter shall ~~bear the~~
5 ~~signatures or facsimile signatures of the members~~ BE SIGNED ON BEHALF of the
6 board and SHALL BEAR the license or certificate number assigned by the board.

7 B. Each state licensed or state certified appraiser shall place ~~his~~
8 THE APPRAISER'S license or certificate number adjacent to or immediately
9 below the title "state licensed appraiser" or "state certified appraiser" and
10 the number shall be included in an appraisal report or in a contract or other
11 instrument used by the license or certificate holder in conducting appraisal
12 activities.

13 Sec. 17. Section 32-3625, Arizona Revised Statutes, is amended to
14 read:

15 32-3625. Continuing education

16 A. As a prerequisite to renewal of a license or certificate, a state
17 licensed or state certified appraiser shall present evidence satisfactory to
18 the board of having met the continuing education requirements of either
19 subsection B or C.

20 B. The basic continuing education requirement for renewal of a license
21 or certificate is the completion by the applicant, during the immediately
22 preceding term of the license or certificate, of courses or seminars which
23 are approved by the board.

24 C. An applicant for relicensing or recertification may satisfy all or
25 part of the continuing education requirements by presenting evidence of the
26 following which shall be approved by the board:

27 1. Completion of an education program of study determined by the board
28 to be equivalent, for continuing education purposes, to courses approved by
29 the board pursuant to subsection B.

30 2. Participation other than as a student in educational processes and
31 programs which are approved by the board and which relate to appropriate
32 appraisal theory, practices or techniques, including teaching, program
33 development and preparation of textbooks, monographs, articles and other
34 instructional materials, NOT TO EXCEED FIFTY PER CENT OF AN APPLICANT'S
35 CONTINUING EDUCATION REQUIREMENTS AND NOT FOR THE SAME COURSE IN CONSECUTIVE
36 RENEWAL PERIODS.

37 D. The board shall adopt rules to assure that persons renewing their
38 licenses or certificates as state licensed or state certified appraisers
39 follow practices and techniques which provide a high degree of service and
40 protection to those members of the public with whom they deal in the
41 professional relationship under the authority of the license or certificate.
42 The rules shall include the following:

43 1. Policies and procedures for obtaining board approval of courses and
44 instruction pursuant to subsection B.

1 2. Standards, policies and procedures to be applied by the board in
2 evaluating an applicant's claims of equivalency in accordance with
3 subsection C.

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

7 E. In adopting rules pursuant to subsection D, paragraph 1, the board
8 shall give consideration to courses of instruction, seminars and other
9 appropriate appraisal educational courses or programs previously or hereafter
10 developed by or under the auspices of professional appraisal organizations
11 and utilized by those associations for purposes of designation, or indicating
12 compliance with the continuing education requirements of such organizations.
13 No person who offers these courses may discriminate in the opportunity to
14 participate in these courses on the basis of membership or nonmembership in
15 an appraisal organization.

16 F. No amendment or repeal of a rule adopted by the board pursuant to
17 this section may operate to deprive a state licensed or state certified
18 appraiser of credit toward renewal of a license or certificate for any course
19 of instruction either completed by the applicant or enrolled in by the
20 applicant before the amendment or repeal of the rule which would have
21 qualified for continuing education credit under the rule as it existed before
22 the repeal or amendment.

23 ~~G. A license or certificate as a state licensed or state certified~~
24 ~~appraiser that has been revoked as a result of disciplinary action by the~~
25 ~~board shall not be reinstated unless the applicant presents evidence of~~
26 ~~completion of the continuing education required by this chapter. This~~
27 ~~requirement of evidence of continuing education shall not be imposed on an~~
28 ~~applicant for reinstatement who has been required to successfully complete~~
29 ~~the examination for state licensed or state certified appraiser as a~~
30 ~~condition of reinstatement of a license or certificate.~~

31 Sec. 18. Section 32-3626, Arizona Revised Statutes, is amended to
32 read:

33 32-3626. Scarcity determination; resident temporary licenses
34 and certificates; exemption

35 A. No later than November 1 of each year, the board shall determine
36 and make a finding whether there is a scarcity of state certified or state
37 licensed appraisers in an area within the state to perform appraisals in
38 federally related transactions.

39 B. In determining whether a scarcity exists, the board shall follow
40 procedures in accordance with the provisions governing scarcity in 12 United
41 States Code section 3348 and regulations adopted pursuant to that section as
42 of September 30, 1992.

43 C. If the board makes a finding of scarcity, within fifteen days after
44 the finding, the board shall apply to the appropriate federal agency for a
45 temporary waiver of the state certification or licensing requirements.

1 D. If a waiver request has been approved by the federal agency
2 authorized to issue waivers, the board may thereafter issue resident
3 temporary licenses or certificates to applicants consistent with the
4 reduction in application requirements of this chapter for licenses and
5 certificates as authorized by the waiver. A resident temporary license or
6 certificate shall be subject to all provisions of this chapter not
7 inconsistent with the provisions of the waiver.

8 E. A person obtaining a resident temporary license or certificate
9 under this section is required to comply with all of the provisions of this
10 chapter except for those provisions of this chapter for which a temporary
11 waiver has been approved and shall indicate on all appraisals performed by
12 the person that the appraisal is not an appraisal done by a state certified
13 or state licensed appraiser and the person performing the appraisal is a
14 resident temporary ~~licensee~~ LICENSE or certificate holder. A person holding
15 a resident temporary license or certificate may perform appraisals only in
16 areas within the state where it has been determined by the board that a
17 scarcity exists.

18 F. The board is exempt from title 41, chapter 6, article 10 in making
19 the determination and finding and in issuing resident temporary licenses and
20 certificates in accordance with the waiver in subsection D of this section
21 ~~and section 32-3605, subsection B, paragraph 14.~~

22 Sec. 19. Title 32, chapter 36, article 2, Arizona Revised Statutes, is
23 amended by adding sections 32-3627 and 32-3628, to read:

24 32-3627. Inactive license or certificate status; reactivation
25 application; renewal application and fee; continuing
26 education

27 A. ANY LICENSE OR CERTIFICATE HOLDER MAY REQUEST THAT THE LICENSE OR
28 CERTIFICATE BE PLACED ON INACTIVE STATUS BY FILING WITH THE BOARD AN
29 APPLICATION THAT INCLUDES ALL OF THE FOLLOWING:

- 30 1. THE LICENSE OR CERTIFICATE HOLDER'S NAME.
- 31 2. THE LICENSE OR CERTIFICATE NUMBER.
- 32 3. A REQUEST FOR INACTIVE STATUS.
- 33 4. THE FEE PRESCRIBED BY SECTION 32-3607.

34 B. THE PERIOD A LICENSE OR CERTIFICATE IS ON INACTIVE STATUS UNDER
35 THIS SECTION MAY NOT EXCEED TWO YEARS.

36 C. A LICENSE OR CERTIFICATE HOLDER WHO IS ON INACTIVE STATUS SHALL NOT
37 DO EITHER OF THE FOLLOWING:

- 38 1. REPRESENT THAT THE LICENSE OR CERTIFICATE HOLDER IS AN ACTIVE
39 APPRAISER LICENSED OR CERTIFIED IN THIS STATE.
- 40 2. PERFORM REAL ESTATE APPRAISALS OR APPRAISAL REVIEWS ON REAL ESTATE
41 IN THIS STATE.

42 D. A LICENSE OR CERTIFICATE HOLDER ON INACTIVE STATUS UNDER THIS
43 SECTION MUST FILE WITH THE BOARD AN APPLICATION FOR REACTIVATION OF THE
44 LICENSE OR CERTIFICATE BEFORE RESUMING REAL ESTATE APPRAISAL ACTIVITY.

1 E. TO RETURN TO ACTIVE STATUS, AN INACTIVE LICENSE OR CERTIFICATE
2 HOLDER SHALL DO ALL OF THE FOLLOWING:

3 1. FILE WITH THE BOARD AN APPLICATION FOR REACTIVATION OF THE LICENSE
4 OR CERTIFICATE.

5 2. PAY THE APPLICABLE REACTIVATION FEE PRESCRIBED BY SECTION 32-3607.

6 3. PROVIDE EVIDENCE OF COMPLETION OF THE REQUIRED CONTINUING EDUCATION
7 FOR WHICH THE LICENSE OR CERTIFICATE HOLDER WOULD HAVE BEEN REQUIRED TO MEET
8 DURING THE PERIOD WHEN THE LICENSE OR CERTIFICATE HOLDER'S LICENSE OR
9 CERTIFICATE WAS ON INACTIVE STATUS.

10 F. IF THE HOLDER OF AN INACTIVE LICENSE OR CERTIFICATE UNDER THIS
11 SECTION DOES NOT FILE AN APPLICATION FOR REACTIVATION WITHIN A TWO YEAR
12 PERIOD, THAT PERSON MUST REAPPLY FOR LICENSURE OR CERTIFICATION PURSUANT TO
13 THE REQUIREMENTS OF THIS CHAPTER.

14 G. A LICENSE OR CERTIFICATE HOLDER WHO IS ON INACTIVE STATUS PURSUANT
15 TO THIS SECTION REMAINS ON INACTIVE STATUS UNTIL THE BOARD APPROVES THE
16 APPLICATION FOR REACTIVATION OF THE LICENSE OR CERTIFICATE.

17 H. THE BOARD MAY TAKE DISCIPLINARY OR REMEDIAL ACTION AGAINST A
18 LICENSE OR CERTIFICATE HOLDER WHO IS ON INACTIVE STATUS PURSUANT TO THIS
19 SECTION.

20 I. A LICENSE OR CERTIFICATE HOLDER WHO PLACES THE HOLDER'S LICENSE OR
21 CERTIFICATE ON INACTIVE STATUS MUST PAY THE RENEWAL FEE AND COMPLETE AN
22 APPLICATION FOR RENEWAL AS PRESCRIBED IN SECTION 32-3619. A LICENSE OR
23 CERTIFICATE HOLDER ON INACTIVE STATUS IS NOT REQUIRED TO PROVIDE EVIDENCE OF
24 COMPLETION OF THE CONTINUING EDUCATION REQUIREMENTS UNTIL THE APPLICATION FOR
25 REACTIVATION IS FILED PURSUANT TO SUBSECTION E OF THIS SECTION.

26 32-3628. Inactive license or certificate status during military
27 duty; reactivation application; renewal application
28 and fee; continuing education

29 A. A LICENSE OR CERTIFICATE HOLDER WHO IS ORDERED TO ACTIVE MILITARY
30 DUTY WITH THE UNITED STATES ARMED FORCES MAY REQUEST THAT THE LICENSE OR
31 CERTIFICATE BE PLACED ON INACTIVE STATUS BY FILING WITH THE BOARD AN
32 APPLICATION THAT INCLUDES ALL OF THE FOLLOWING:

33 1. THE LICENSE OR CERTIFICATE HOLDER'S NAME.

34 2. THE LICENSE OR CERTIFICATE NUMBER.

35 3. THE DATE THAT THE ACTIVE MILITARY DUTY BEGINS.

36 4. A REQUEST FOR INACTIVE STATUS.

37 5. THE FEE PRESCRIBED BY SECTION 32-3607.

38 B. THE LICENSE OR CERTIFICATE IS DEEMED TO BE ON INACTIVE STATUS WHILE
39 THE LICENSE OR CERTIFICATE HOLDER IS ON ACTIVE MILITARY DUTY BUT THE PERIOD
40 OF INACTIVE STATUS MAY NOT EXCEED THREE YEARS.

41 C. A LICENSE OR CERTIFICATE HOLDER WHO IS ON INACTIVE STATUS PURSUANT
42 TO THIS SECTION SHALL NOT DO EITHER OF THE FOLLOWING:

43 1. REPRESENT THAT THE HOLDER IS AN ACTIVE APPRAISER LICENSED OR
44 CERTIFIED IN THIS STATE.

1 2. PERFORM REAL ESTATE APPRAISALS OR APPRAISAL REVIEWS ON REAL ESTATE
2 IN THIS STATE.

3 D. A LICENSE OR CERTIFICATE HOLDER ON INACTIVE STATUS MUST FILE WITH
4 THE BOARD AN APPLICATION FOR REACTIVATION OF THE LICENSE OR CERTIFICATE
5 WITHIN THIRTY DAYS AFTER RETURNING HOME FROM ACTIVE MILITARY DUTY AND PAY THE
6 APPLICABLE REACTIVATION FEE PRESCRIBED BY SECTION 32-3607.

7 E. IF THE HOLDER OF AN INACTIVE LICENSE OR CERTIFICATE TIMELY FILES AN
8 APPLICATION FOR REACTIVATION OF THE LICENSE OR CERTIFICATE, THE LICENSE OR
9 CERTIFICATE IS RETURNED TO ACTIVE STATUS ON THE BOARD'S APPROVAL OF THE
10 APPLICATION FOR REACTIVATION. THE TIME PERIOD FOR COMPLETION OF THE
11 CONTINUING EDUCATION REQUIREMENTS THAT THE LICENSE OR CERTIFICATE HOLDER
12 WOULD OTHERWISE HAVE BEEN REQUIRED TO MEET DURING THE PERIOD WHEN THE LICENSE
13 OR CERTIFICATE WAS ON INACTIVE STATUS IS EXTENDED FOR A PERIOD NOT TO EXCEED
14 ONE HUNDRED EIGHTY DAYS AFTER RETURN FROM ACTIVE MILITARY DUTY. THE LICENSE
15 OR CERTIFICATE HOLDER MUST SUBMIT PROOF OF COMPLETION OF ANY CONTINUING
16 EDUCATION REQUIREMENTS TO THE BOARD NO LATER THAN THIRTY DAYS AFTER
17 COMPLETION.

18 F. IF THE HOLDER OF AN INACTIVE LICENSE OR CERTIFICATE UNDER THIS
19 SECTION DOES NOT MAKE A TIMELY APPLICATION FOR REACTIVATION AS REQUIRED BY
20 SUBSECTION D OF THIS SECTION, THE HOLDER MUST REAPPLY FOR LICENSURE OR
21 CERTIFICATION MEETING ALL OF THE REQUIREMENTS OF THIS CHAPTER.

22 G. A LICENSE OR CERTIFICATE HOLDER WHO IS ON INACTIVE STATUS PURSUANT
23 TO THIS SECTION REMAINS ON INACTIVE STATUS UNTIL THE BOARD APPROVES THE
24 APPLICATION FOR REACTIVATION OF THE LICENSE OR CERTIFICATE.

25 H. THE HOLDER OF AN INACTIVE LICENSE OR CERTIFICATE HOLDER APPLYING
26 FOR REACTIVATION OF THE LICENSE OR CERTIFICATE UNDER THIS SECTION SHALL
27 INCLUDE WITH THE APPLICATION FOR REACTIVATION A COPY OF THE DOCUMENTATION
28 FROM THE ARMED FORCES SHOWING THE PERIOD OF TIME THAT THE HOLDER OF THE
29 INACTIVE LICENSE OR CERTIFICATE WAS ON ACTIVE MILITARY DUTY.

30 I. ANY LICENSE OR CERTIFICATE HOLDER WHO PLACES THE HOLDER'S LICENSE
31 OR CERTIFICATE ON INACTIVE STATUS UNDER THIS SECTION MUST PAY THE RENEWAL FEE
32 PRESCRIBED IN SECTION 32-3607 AND COMPLETE AN APPLICATION FOR RENEWAL
33 PURSUANT TO SECTION 32-3619. A LICENSE OR CERTIFICATE HOLDER ON INACTIVE
34 STATUS PURSUANT TO THIS SECTION IS NOT REQUIRED TO PROVIDE EVIDENCE OF
35 COMPLETION OF THE CONTINUING EDUCATION REQUIREMENTS UNTIL FILING AN
36 APPLICATION FOR REACTIVATION AS PROVIDED IN SUBSECTION D OF THIS SECTION.

37 J. FOR THE PURPOSES OF THIS SECTION, ACTIVE MILITARY DUTY DOES NOT
38 INCLUDE PERIODIC AND ROUTINE SERVICE AS A MILITARY RESERVIST.

39 Sec. 20. Section 32-3631, Arizona Revised Statutes, is amended to
40 read:

41 32-3631. Disciplinary proceedings

42 A. The rights of ~~an applicant or~~ A holder under a license or
43 certificate as a state licensed or state certified appraiser may be revoked
44 or suspended or the holder of the license or certificate may otherwise be
45 disciplined OR AN APPLICATION MAY BE DENIED in accordance with this chapter

1 on any of the grounds set forth in this section. The board may investigate
2 the actions of a state licensed or state certified appraiser and may revoke
3 or suspend the rights of a license or certificate holder or otherwise
4 discipline a state licensed or state certified appraiser for any of the
5 following acts or omissions:

6 1. Procuring or attempting to procure a license or certificate
7 pursuant to this chapter by knowingly making a false statement, submitting
8 false information, refusing to provide complete information in response to a
9 question in an application for a license or certificate or committing any
10 form of fraud or misrepresentation.

11 2. Failing to meet the minimum qualifications established by this
12 chapter.

13 3. Paying or offering to pay money or other considerations other than
14 as provided by this chapter to any member or employee of the board to procure
15 a license or certificate under this chapter.

16 4. A conviction, including a conviction based on a plea of guilty, of
17 a crime which is substantially related to the qualifications, functions and
18 duties of a person developing appraisals and communicating appraisals to
19 others, or convicted of any felony **OR ANY CRIME** involving moral turpitude.

20 5. An act or omission involving dishonesty, fraud or misrepresentation
21 with the intent to substantially benefit the license or certificate holder or
22 another person or with the intent to substantially injure another person.

23 6. Violation of any of the standards of the development or
24 communication of appraisals as provided in this chapter.

25 7. Negligence or incompetence in developing an appraisal, in preparing
26 an appraisal report or in communicating an appraisal.

27 8. ~~Willfully~~ **WILFULLY** disregarding or violating any of the provisions
28 of this chapter or the rules of the board for the administration and
29 enforcement of this chapter.

30 9. Accepting an appraisal assignment if the employment itself is
31 contingent on the appraiser reporting a predetermined estimate, analysis or
32 opinion or if the fee to be paid is contingent on the opinion, conclusion or
33 ~~valuation~~ **VALUE** reached or on the consequences resulting from the appraisal
34 assignment.

35 10. Violating the confidential nature of any records to which ~~he~~ **THE**
36 **APPRAISER** gains access through employment or engagement as an appraiser.

37 11. Entry of a final civil judgment against the person on grounds of
38 fraud, misrepresentation or deceit in the making of any appraisal.

39 ~~B. In a disciplinary proceeding based on a civil judgment, the state
40 licensed or state certified appraiser shall be afforded an opportunity to
41 present matters in mitigation and extenuation.~~

42 ~~C.~~ **B.** The board may issue subpoenas for the attendance of witnesses
43 and the production of books, records, documents and other evidence necessary
44 and relevant to an investigation or hearing.

1 Sec. 21. Section 32-3636, Arizona Revised Statutes, is amended to
2 read:

3 32-3636. Contingent fees

4 ~~A.~~ A state licensed or state certified appraiser may not accept a fee
5 for an appraisal assignment that is contingent on the appraiser reporting a
6 predetermined estimate, analysis or opinion or that is contingent on the
7 opinion, conclusion or ~~valuation~~ VALUE reached or on the consequences
8 resulting from the appraisal assignment.

9 ~~B. A state licensed or state certified appraiser who enters into an
10 agreement to perform specialized services may be paid a fixed fee or a fee
11 that is contingent on the results achieved by the specialized services.~~

12 ~~C. If a state licensed or state certified appraiser enters into an
13 agreement to perform specialized services for a contingent fee, this
14 provision shall be clearly stated in each written or oral report. In each
15 written report, this provision shall be clearly stated in a prominent
16 location in the report, in each letter of transmittal and in the
17 certification statement made by the appraiser in the report.~~

18 Sec. 22. Section 32-3652, Arizona Revised Statutes, is amended to
19 read:

20 32-3652. Registration; renewal; fees

21 A. An individual who wishes to act as a property tax agent shall apply
22 for registration by submitting to the board a completed application form
23 prescribed by the board with the initial registration fee. The applicant
24 shall also file with the board an affidavit stating whether the applicant has
25 been convicted of a felony or any misdemeanor involving dishonesty or moral
26 turpitude in this or any other state within the last ten years. The board
27 may review the affidavit and issue or deny the registration based on its
28 findings.

29 B. Registration is valid for two years. An individual may renew a
30 registration by submitting to the board a renewal form prescribed by the
31 board with the renewal fee on or before the date the registration expires.

32 ~~C. An appraiser licensed or certified pursuant to this chapter may
33 register and renew registration as a property tax agent without paying the
34 fee prescribed by this section.~~

35 ~~D.~~ C. The board shall issue a certificate of registration to an
36 individual, if the individual complies with this section and the individual
37 is not prohibited from registering pursuant to section 32-3654.

38 ~~E.~~ D. A person shall not act as a property tax agent if the person is
39 not registered pursuant to this section.

40 ~~F.~~ E. The board shall collect from each individual a fee of:

41 1. Two hundred dollars for an initial registration.

42 2. One hundred dollars for a renewal.

43 3. Five dollars for a duplicate registration certificate.

1 ~~G~~ F. The board shall deposit, pursuant to sections 35-146 and
2 35-147, monies collected pursuant to subsection ~~F~~ E of this section in the
3 board of appraisal fund.

4 Sec. 23. Section 32-3654, Arizona Revised Statutes, is amended to
5 read:

6 32-3654. Disciplinary actions

7 A. On the complaint of any person or on its own motion, the board
8 shall investigate any suspected violation of this article by a property tax
9 agent. If the board finds a violation it may issue a letter of concern.

10 B. If the board finds that the property tax agent committed any of the
11 following violations, it shall revoke or suspend the agent's registration:

12 1. Secured registration by fraud or deceit.

13 2. Committed an act or is responsible for an omission involving fraud
14 or knowing misrepresentation with the intent to obtain a benefit.

15 3. Knowingly violated section 32-3653.

16 C. The board shall:

17 1. Suspend the agent's registration for not less than six months on
18 the first finding of a violation pursuant to subsection B of this section.

19 2. Suspend the agent's registration for not less than twelve months on
20 the second finding of a violation pursuant to subsection B of this section.

21 3. Revoke the agent's registration on a third or subsequent finding of
22 a violation pursuant to subsection B of this section.

23 D. The board shall not impose discipline until the agent has been
24 provided an opportunity for a hearing before the board pursuant to title 41,
25 chapter 6, article 10. The board shall notify the agent of the charges and
26 the date and time of the hearing. The notice may be personally served or sent
27 by certified mail to the agent's last known address. ~~The board may assess~~
28 ~~the costs of the investigation and hearing against a person who is found~~
29 ~~guilty of violating this article.~~ Except as provided in section 41-1092.08,
30 subsection H, the final decision of the board is subject to judicial review
31 pursuant to title 12, chapter 7, article 6.

32 E. The board shall not renew an agent's registration during the time
33 the registration is suspended or revoked. ~~If the agent is not registered or~~
34 ~~the agent's registration expires, the board shall not issue a new~~
35 ~~registration to the agent during the time the registration is suspended or~~
36 ~~revoked.~~

37 Sec. 24. Title 32, chapter 36, article 4, Arizona Revised Statutes, is
38 amended by adding section 32-3656, to read:

39 32-3656. Confidential records

40 EXCEPT AS OTHERWISE PROVIDED BY LAW, ALL DOCUMENTS ASSOCIATED WITH A
41 COMPLAINT PURSUANT TO THIS ARTICLE ARE CONFIDENTIAL UNTIL THE COMPLAINT IS
42 RESOLVED.

1 Sec. 25. Section 43-1089.02, Arizona Revised Statutes, is amended to
2 read:

3 43-1089.02. Credit for donation of school site

4 A. A credit is allowed against the taxes imposed by this title in the
5 amount of thirty per cent of the value of real property and improvements
6 donated by the taxpayer to a school district or a charter school for use as a
7 school or as a site for the construction of a school.

8 B. To qualify for the credit:

9 1. The real property and improvements must be located in this state.

10 2. The real property and improvements must be conveyed unencumbered
11 and in fee simple, except that:

12 (a) The conveyance must include as a deed restriction and protective
13 covenant running with title to the land the requirement that as long as the
14 donee holds title to the property the property shall only be used as a school
15 or as a site for the construction of a school, subject to ~~the provisions of~~
16 subsection I or J of this section.

17 (b) In the case of a donation to a charter school, the donor shall
18 record a lien on the property as provided by subsection J, paragraph 3 of
19 this section.

20 3. The conveyance shall not violate ~~the provisions of~~ section 15-341,
21 subsection D and section 15-183, subsection V.

22 C. For purposes of this section, the value of the donated property is
23 the property's fair market value as determined in ~~a certified~~ AN appraisal as
24 defined in section 32-3601 that is conducted by an independent party and that
25 is paid for by the donee.

26 D. If the property is donated by co-owners, including partners in a
27 partnership and shareholders of an S corporation, as defined in section 1361
28 of the internal revenue code, each donor may claim only the pro rata share of
29 the allowable credit under this section based on the ownership interest. If
30 the property is donated by a husband and wife who file separate returns for a
31 taxable year in which they could have filed a joint return, they may
32 determine between them the share of the credit each will claim. The total of
33 the credits allowed all co-owner donors may not exceed the allowable credit.

34 E. If the allowable tax credit exceeds the taxes otherwise due under
35 this title on the claimant's income, or if there are no taxes due under this
36 title, the taxpayer may carry the amount of the claim not used to offset the
37 taxes under this title forward for not more than five consecutive taxable
38 years' income tax liability.

39 F. The credit under this section is in lieu of any deduction pursuant
40 to section 170 of the internal revenue code taken for state tax purposes.

41 G. On written request by the donee, the donor shall disclose in
42 writing to the donee the amount of the credit allowed pursuant to this
43 section with respect to the property received by the donee.

44 H. A school district or charter school may refuse the donation of any
45 property for purposes of this section.

1 I. If the donee is a school district:
2 1. The district shall notify the school facilities board established
3 by section 15-2001 and furnish the board with any information the board
4 requests regarding the donation. A school district shall not accept a
5 donation pursuant to this section unless the school facilities board has
6 reviewed the proposed donation and has issued a written determination that
7 the real property and improvements are suitable as a school site or as a
8 school. The school facilities board shall issue a determination that the
9 real property and improvements are not suitable as a school site or as a
10 school if the expenses that would be necessary to make the property suitable
11 as a school site or as a school exceed the value of the proposed donation.
12 2. The district may sell any donated property pursuant to section
13 15-342, but the proceeds from the sale shall only be used for capital
14 projects. The school facilities board shall withhold an amount that
15 corresponds to the amount of the proceeds from any monies that would
16 otherwise be due the school district from the school facilities board
17 pursuant to section 15-2041.
18 J. If the donee is a charter school:
19 1. The charter school shall:
20 (a) Immediately notify the sponsor of the charter school by certified
21 mail and shall furnish the sponsor with any information requested by the
22 sponsor regarding the donation during the ten year period after the
23 conveyance is recorded.
24 (b) Notify the sponsor by certified mail, and the sponsor shall notify
25 the state treasurer, in the event of the charter school's financial failure
26 or if the charter school:
27 (i) Fails to establish a charter school on the property within
28 forty-eight months after the conveyance is recorded.
29 (ii) Fails to provide instruction to pupils on the property within
30 forty-eight months after the conveyance is recorded.
31 (iii) Establishes a charter school on the property but subsequently
32 ceases to operate the charter school on the property for twenty-four
33 consecutive months or fails to provide instruction to pupils on the property
34 for twenty-four consecutive months.
35 2. The charter school, or a successor in interest, shall pay to the
36 state treasurer the amount of the credit allowed under this section, or if
37 that amount is unknown, the amount of the allowable credit under this ~~section~~
38 **SUBSECTION**, if any of the circumstances listed in paragraph 1, subdivision
39 (b) of this section occur. If the amount is not paid within one year after
40 the treasurer receives notice under paragraph 1, subdivision (b) of this
41 subsection, a penalty and interest shall be added, determined pursuant to
42 title 42, chapter 1, article 3.
43 3. A tax credit under this section constitutes a lien on the property,
44 which the donor must record along with the title to the property to qualify
45 for the credit. The amount of the lien is the amount of the allowable credit

1 under this section, adjusted according to the average change in the GDP price
2 deflator, as defined in section 41-563, for each calendar year since the
3 donation, but not exceeding twelve and one-half per cent more than the
4 allowable credit. The lien is subordinate to any liens securing the
5 financing of the school construction. The lien is extinguished on the
6 earliest of the following:

7 (a) Ten years after the lien is recorded. After that date, the
8 charter school, or a successor in interest, may request the state treasurer
9 to release the lien.

10 (b) On payment to the state treasurer by the donee charter school, or
11 by a successor in interest, of the amount of the allowable credit under this
12 section, either voluntarily or as required by paragraph 2 of this subsection.
13 After the required amount is paid, the charter school or successor in
14 interest may request the state treasurer to release the lien.

15 (c) On conveyance of fee simple title to the property to a school
16 district.

17 (d) On enforcement and satisfaction of the lien pursuant to paragraph
18 4 of this subsection.

19 4. The state treasurer shall enforce the lien by foreclosure within
20 one year after receiving notice of any of the circumstances described in
21 paragraph 1, subdivision (b) of this subsection.

22 5. Subject to paragraphs 3 and 4 of this subsection, the charter
23 school may sell any donated property.

24 Sec. 26. Section 43-1181, Arizona Revised Statutes, is amended to
25 read:

26 43-1181. Credit of donation of school site

27 A. A credit is allowed against the taxes imposed by this title in the
28 amount of thirty per cent of the value of real property and improvements
29 donated by the taxpayer to a school district or a charter school for use as a
30 school or as a site for the construction of a school.

31 B. To qualify for the credit:

32 1. The real property and improvements must be located in this state.

33 2. The real property and improvements must be conveyed unencumbered
34 and in fee simple except that:

35 (a) The conveyance must include as a deed restriction and protective
36 covenant running with title to the land the requirement that as long as the
37 donee holds title to the property the property shall only be used as a school
38 or as a site for the construction of a school, subject to subsection I or J
39 of this section.

40 (b) In the case of a donation to a charter school, the donor shall
41 record a lien on the property as provided by subsection J, paragraph 3 of
42 this section.

43 3. The conveyance shall not violate section 15-341, subsection D or
44 section 15-183, subsection U.

1 C. For the purposes of this section, the value of the donated property
2 is the property's fair market value as determined in ~~a certified~~ AN appraisal
3 as defined in section 32-3601 that is conducted by an independent party and
4 that is paid for by the donee.

5 D. If the property is donated by co-owners, including corporate
6 partners in a partnership, each donor may claim only the pro rata share of
7 the allowable credit under this section based on the ownership interest. The
8 total of the credits allowed all co-owner donors may not exceed the allowable
9 credit.

10 E. If the allowable tax credit exceeds the taxes otherwise due under
11 this title on the claimant's income, or if there are no taxes due under this
12 title, the taxpayer may carry the amount of the claim not used to offset the
13 taxes under this title forward for not more than five consecutive taxable
14 years' income tax liability.

15 F. The credit under this section is in lieu of any deduction pursuant
16 to section 170 of the internal revenue code taken for state tax purposes.

17 G. On written request by the donee, the donor shall disclose in
18 writing to the donee the amount of the credit allowed pursuant to this
19 section with respect to the property received by the donee.

20 H. A school district or charter school may refuse the donation of any
21 property for purposes of this section.

22 I. If the donee is a school district:

23 1. The district shall notify the school facilities board established
24 by section 15-2001 and furnish the board with any information the board
25 requests regarding the donation. A school district shall not accept a
26 donation pursuant to this section unless the school facilities board has
27 reviewed the proposed donation and has issued a written determination that
28 the real property and improvements are suitable as a school site or as a
29 school. The school facilities board shall issue a determination that the
30 real property and improvements are not suitable as a school site or as a
31 school if the expenses that would be necessary to make the property suitable
32 as a school site or as a school exceed the value of the proposed donation.

33 2. The district may sell any donated property pursuant to section
34 15-342, but the proceeds from the sale shall only be used for capital
35 projects. The school facilities board shall withhold an amount that
36 corresponds to the amount of the proceeds from any monies that would
37 otherwise be due the school district from the school facilities board
38 pursuant to section 15-2041.

39 J. If the donee is a charter school:

40 1. The charter school shall:

41 (a) Immediately notify the sponsor of the charter school by certified
42 mail and shall furnish the sponsor with any information requested by the
43 sponsor regarding the donation during the ten year period after the
44 conveyance is recorded.

1 (b) Notify the sponsor by certified mail, and the sponsor shall notify
2 the state treasurer, in the event of the charter school's financial failure
3 or if the charter school:

4 (i) Fails to establish a charter school on the property within
5 forty-eight months after the conveyance is recorded.

6 (ii) Fails to provide instruction to pupils on the property within
7 forty-eight months after the conveyance is recorded.

8 (iii) Establishes a charter school on the property but subsequently
9 ceases to operate the charter school on the property for twenty-four
10 consecutive months or fails to provide instruction to pupils on the property
11 for twenty-four consecutive months.

12 2. The charter school, or a successor in interest, shall pay to the
13 state treasurer the amount of the credit allowed under this section, or if
14 that amount is unknown, the amount of the allowable credit under this
15 section, if any of the circumstances listed in paragraph 1, subdivision (b)
16 of this subsection occur. If the amount is not paid within one year after
17 the treasurer receives notice under paragraph 1, subdivision (b) of this
18 subsection, a penalty and interest shall be added, determined pursuant to
19 title 42, chapter 1, article 3.

20 3. A tax credit under this section constitutes a lien on the property,
21 which the donor must record along with the title to the property to qualify
22 for the credit. The amount of the lien is the amount of the allowable credit
23 under this section, adjusted according to the average change in the GDP price
24 deflator, as defined in section 41-563, for each calendar year since the
25 donation, but not exceeding twelve and one-half per cent more than the
26 allowable credit. The lien is subordinate to any liens securing the
27 financing of the school construction. The lien is extinguished on the
28 earliest of the following:

29 (a) Ten years after the lien is recorded. After that date, the
30 charter school, or a successor in interest, may request the state treasurer
31 to release the lien.

32 (b) On payment to the state treasurer by the donee charter school, or
33 by a successor in interest, of the amount of the allowable credit under this
34 section, either voluntarily or as required by paragraph 2 of this subsection.
35 After the required amount is paid, the charter school or successor in
36 interest may request the state treasurer to release the lien.

37 (c) On conveyance of fee simple title to the property to a school
38 district.

39 (d) On enforcement and satisfaction of the lien pursuant to paragraph
40 4 of this subsection.

41 4. The state treasurer shall enforce the lien by foreclosure within
42 one year after receiving notice of any of the circumstances described in
43 paragraph 1, subdivision (b) of this subsection.

44 5. Subject to paragraphs 3 and 4 of this subsection, the charter
45 school may sell any donated property.

1 Sec. 27. Requirements for enactment: two-thirds vote

2 Pursuant to article IX, section 22, Constitution of Arizona, this act
3 is effective only on the affirmative vote of at least two-thirds of the
4 members of each house of the legislature and is effective immediately on the
5 signature of the governor or, if the governor vetoes this act, on the
6 subsequent affirmative vote of at least three-fourths of the members of each
7 house of the legislature.