



ARIZONA STATE SENATE
Fifty-First Legislature, First Regular Session

FINAL AMENDED
FACT SHEET FOR S.B. 1316

state board of appraisal

Purpose

Establishes the classifications of registered trainee appraisers and supervisory appraisers and conforms Board of Appraisal (board) statutes to federal law.

Background

The Appraiser Qualifications Board (AQB) of the Appraisal Foundation establishes the minimum education, experience and examination requirements for real property appraisers to obtain a state license or certification. The Arizona Board of Appraisal regulates appraisers, property tax agents and appraisal management companies.

In 2010, adoption of the Dodd-Frank Wall Street Reform and Consumer Protection Act amended Title XI of the Federal Financial Institutions Reform, Recovery and Enforcement Act (FFIRREA) of 1989 regarding federally related transactions. Examples of federally related transactions include appraisals completed for FHA or loans that may be sold to Fannie Mae or Freddie Mac, or those completed for lenders with FDIC insurance or under the control of the Office of the Comptroller of the Currency.

Current statute states that real estate appraisals and appraisal reviews performed on real property in this state shall be performed only by licensed or certified individuals. No person other than a state licensed or certified appraiser may receive a fee for a real estate appraisal or an appraisal review of real property in this state.

There will be a fiscal impact of \$42,880 from the state General Fund in FY 2014 involving this legislation.

Provisions

Registered Trainee Appraisers and Supervisory Appraisers

1. Establishes the classifications of registered trainee appraisers and supervisory appraisers.
2. Defines “*registered trainee appraiser*” as a person who is registered with the board and meets the appraiser qualifications board’s qualifications for trainee appraisers to perform appraisal services only under direct supervision of a certified appraiser who has met the minimum criteria. A registered trainee apprentice shall accept assignments only from the registered trainee appraiser’s supervisor.

3. Defines *supervisory appraiser* as a state certified appraiser who has a supervisory appraiser designation and who:
 - a) has been in good standing and not been disciplined in a manner that affects the supervisory appraiser's eligibility to engage in appraisal practice in any jurisdiction for the last three years in which the registered trainee practices, and
 - b) directly supervises registered trainee appraisers by:
 - i. accepting responsibility for an appraisal by signing and certifying that the appraisal complies with the uniform standards of professional practice,
 - ii. reviews and signs all registered trainee appraiser reports, and
 - iii. personally inspects each appraised property with the registered trainee appraiser.
4. Requires the executive director to publish a current list of supervisory appraisers and registered trainee appraisers on the board's website.
5. Requires applications for a registered trainee appraiser certificate and supervisory appraiser designation to be made on a form prescribed by the board and accompanied by fees prescribed by the board.
6. Requires an applicant for a registered trainee appraiser to complete education requirements outlined, submit proof that the applicant has successfully passed the required courses specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers, and comply with the specifications established by the appraiser qualifications board.
7. Requires an application for a supervisory appraiser designation to submit proof of successful completion of courses that are specifically oriented to the requirements and responsibilities of supervisory appraisers established by the board.
8. Limits the validity of a registration certificate for registered trainee appraisers to three years from the issued date. The expiration date of the registration shall appear on the certificate.
9. Requires that every registered trainee appraiser provide to the board their principal place of business, current residence, and an email address if one exists. The registered trainee appraiser must notify the board in writing of any change within 10 days.
10. Exempts a supervisory appraiser from being prohibited to remit compensation to a registered trainee during the course of training.

Certified and Licensed Real Estate Appraisers

11. Includes in the classification of state certified residential real estate appraisers, the appraisal of federally and non-federally related transactions of vacant or unimproved land that is used for one to four family purposes. This classification does not include the appraisal of a subdivision for which a development analysis or appraisal is necessary.
12. Includes in the classification of state licensed real estate appraisers the appraisal of non-federally related transactions of vacant or unimproved land that is used for one to four family

purposes. This classification does not include the appraisal of a subdivision for which a development analysis or appraisal is necessary.

Examinations

13. Requires the board to adopt the national examination approved by the appraiser qualifications board for state certified and licensed appraisers.
14. Specifies for qualification as a state licensed or certified appraiser, the person must pass the national exam approved by the appraiser qualifications board.
15. Prohibits reinstatement of a license or certification that has been revoked by the board unless the applicant successfully completes the appropriate requirements of the appraisal qualifications board, including education and passage of the current national examination.

Fees

16. Allows the board to set the examination fee. Statute previously capped the fee at \$100.
17. Requires the board to set an application fee for a registered trainee appraiser.
18. Allows the board to accept a credit card or debit card for the payment of fees, and allows the board to impose a convenience fee in an amount determined by the board.

Reciprocity

19. Requires that reciprocity be granted to an appraiser if an appraiser meets all of the following;
 - a) the appraiser holds a credential from a state that is in compliance with 12 United States code sections 3310, 3332, 3333, 3335, 3339, 3341, 3342, 3345, 3346, 3347, 3348, 3350, 3351, 3353, 3354, 3355, and
 - b) the credential requirements for the state described meet or exceed those of this state, and
 - c) complete an application for licensure or certification on a form as prescribed by the board and submitted the fees prescribed.

Miscellaneous

20. Allows the board to conduct and charge an applicant for a criminal background check.
21. Requires the board to adopt rules to avoid the abuse of the temporary practice rights in this state.
22. Requires the board to establish administrative procedures for issuing registration certificates.
23. Changes the makeup of the board to include two appraisers who are either state certified or licensed. Statute previously required one to be licensed and one to be certified.

24. Appropriates \$42,880 from the board of appraisal fund in FY 2014 to the board for one full-time employee to implement the regulation of registered trainee appraisers and supervisory appraisers in this legislation.
25. Adds an applicability section stating that this act does not apply to a person, on or before June 1, 2013, training under a supervisory appraiser who becomes an appraiser before January 1, 2015.
26. Adds an exemption from rule making section stating that state board of appraisal is exempt from rule making requirements for two years after the effective date.
27. Allows the Board to accept and spend federal monies and grants, gifts, contributions and devices from any public or private source to assist in carrying out the Board's duties.
28. Changes article heading to "registration, licensure and certification."
29. Makes technical and conforming changes.
30. Becomes effective on the general effective date.

Amendments Adopted by FIN Committee

1. Establishes basic requirements needed to become an appraiser.
2. Changes the appropriation source.
3. Adds an applicability section.

Amendments Adopted by Committee of the Whole

1. Adopts United States Code sections and the reciprocity credential requirements to meet or exceed those of this state.
2. Changes the month of the applicability date from January to June.
3. Adds an exemption from rule making.
4. Provides technical changes.

Amendments Adopted by House of Representatives

- Allows the Board to accept and spend federal monies and grants, gifts, contributions, and devices from any public or private source to assist in carrying out the Board's duties and clarifies that these monies do not revert to the state General Fund at the end of the fiscal year and makes technical changes.

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Senate Action

FIN	2/13/2013	DPA	7-0-0-0
APPROP	2/19/2013	DP	6-0-3-0
3 rd Read	3/6/2013		28-0-2-0
Final Read	4/30/13		27-1-2-0-0

House Action

COM	3/20/13	DP	6-1-0-2-0
APPROP	3/27/13	DPA	10-0-0-0-1
3 rd Read	4/18/13		50-6-4-0-0

Signed by the Governor 5/2/13
Chapter 184

Prepared by Senate Research
May 29, 2013
CS/JH/ly