

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HOUSE BILL 2263

AN ACT

AMENDING SECTION 32-3601, ARIZONA REVISED STATUTES; RELATING TO REAL ESTATE 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 that is
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.
10 2. "Appraisal assignment" means an engagement for which a real estate
11 appraiser is employed or retained to act, or would be perceived by third
12 parties or the public in acting, as a disinterested third party in rendering
13 an unbiased analysis, opinion or conclusion relating to the nature, quality,
14 value or utility of specified interests in or aspects of identified real
15 estate.
16 3. "Appraisal foundation" means the appraisal foundation incorporated
17 as an Illinois not-for-profit corporation on November 30, 1987.
18 4. "Appraisal report" means any communication, written or oral, of an
19 appraisal.
20 5. "Appraisal review" means the act of reviewing or the report that
21 follows a review of an appraisal assignment or appraisal report in which a
22 real estate appraiser forms an opinion as to the adequacy and appropriateness
23 of the report being reviewed.
24 6. "Appraisal standards board" means the appraisal standards board
25 appointed by the board of trustees of the appraisal foundation to develop,
26 interpret and amend the uniform standards of professional appraisal practice.
27 7. "Appraisal subcommittee" means the subcommittee of the federal
28 financial institutions examination council created pursuant to 12 United
29 States Code section 3310 and chapter 34A, as amended.
30 8. "Appraiser qualifications board" means the appraiser qualifications
31 board that is appointed by the board of trustees of the appraisal foundation
32 to establish the minimum education, experience and examination requirements
33 for real estate appraisers.
34 9. "Complex one to four residential units" means property that is
35 atypical for the marketplace. Atypical factors may include architectural
36 style, age of improvements, size of improvements, size of lot, neighborhood
37 land use, potential environmental hazard liability, leasehold interests,
38 limited readily available comparable sales data or other unusual factors.
39 10. "Course approval" means the act of the superintendent reviewing
40 course materials to form an opinion as to the adequacy and appropriateness of
41 the course for licensing pursuant to section 32-3613, certification pursuant
42 to section 32-3614 and continuing education as prescribed in section 32-3625
43 in accordance with the appraiser qualifications board and this chapter.

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

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

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

18 14. "Real estate" means an identified parcel or tract of land,
19 including improvements, if any.

20 15. "Real estate related financial transaction" means any transaction
21 involving the sale of, lease of, purchase of, investment in or exchange of
22 real property, including interests in property or the financing of property,
23 the refinancing of real property or interests in real property and the use of
24 real property or interests in property as security for a loan or investment,
25 including mortgage-backed securities.

26 16. "Real property" means one or more defined interests, benefits and
27 rights inherent in the ownership of real estate.

28 17. "Registered trainee appraiser" means a person who meets both of
29 the following requirements:

30 (a) Is registered with the superintendent and meets the appraiser
31 qualifications board's qualifications for trainee appraisers to perform
32 appraisal services only under the direct supervision of a certified appraiser
33 who has met the minimum criteria to be a supervisory appraiser.

34 (b) Accepts assignments only from the registered trainee appraiser's
35 supervisory appraiser.

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

41 19. "Standards of professional appraisal practice" means the uniform
42 standards of professional appraisal practice adopted by the superintendent.

43 20. "State licensed or state certified appraiser" means a person who
44 develops and communicates appraisals and who holds a current, valid license
45 or certificate issued under this chapter.

1 21. "Superintendent" means the superintendent of financial
2 institutions.

3 22. "Supervisory appraiser" means a state certified appraiser who has
4 a supervisory appraiser designation and who:

5 (a) Has been in good standing for the last three years in the
6 jurisdiction in which the registered trainee appraiser practices.

7 (b) Has not been disciplined in a manner that affects the supervisory
8 appraiser's eligibility to engage in appraisal practice in any jurisdiction
9 in the last three years.

10 (c) Directly supervises registered trainee appraisers by doing the
11 following:

12 (i) Accepting responsibility for an appraisal by signing and
13 certifying that the appraisal complies with the uniform standards of
14 professional appraisal practice.

15 (ii) Reviewing and signing all registered trainee appraiser reports.

16 ~~(iii) Personally inspecting each appraised property with the~~
17 ~~registered trainee appraiser.~~

18 23. "Value" means the monetary relationship between properties and
19 those who buy, sell or use those properties.