

MAINE STATE LEGISLATURE

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OK
R. of S.

L.D. 2365

(Filing No. S-641)

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STATE OF MAINE
SENATE
114TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 934, L.D. 2365, Bill, "An Act to Provide for the Licensing and Certification of Real Estate Appraisers and to Create a Board of Real Estate Appraisers"

Amend the bill in section 3 in that part designated "~~§13962.~~" in subsection 3 in the 2nd line (page 4, line 30 in L.D.) by striking out the following: "communication, written or oral," and inserting in its place the following: 'written communication'

Further amend the bill in section 3 in that part designated "~~§13962.~~" in subsection 5 in the 2nd line (page 4, line 36 in L.D.) by striking out the following: "or oral"

Further amend the bill in section 3 in that part designated "~~§13962.~~" in subsection 11 in the last line (page 5, line 7 in L.D.) by inserting after the following: "consideration" the following: 'but does not include a salaried employee of a real estate owner who, in the regular course of employment, makes appraisals of the real estate of the employer or of real estate under consideration for purchase or exchange by the employer. "Real estate appraiser" includes review appraisers and appraisal administrators.'

Further amend the bill in section 3 in that part designated "~~§13962.~~" in subsection 14 in the 5th line (page 5, line 23 in L.D.) by inserting after the following: "4 units" the following: ', or land related thereto,' and by inserting after the following: "12 units" the following: ', or land related thereto,'

Further amend the bill in section 3 by striking out all of that part designated "~~§13963.~~" and inserting in its place the following:

§13963. Exemption

This Act does not apply to appraisals or opinions of market value done by real estate licensees licensed by this State rendered for purposes other than for federally related

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2 transactions as defined in Title XI of the Financial Institutions
3 Reform, Recovery, and Enforcement Act of 1989, Public Law 101-73,
4 or in the federal Office of Management and Budget Circular A-129.

5 Any opinion or appraisal of market value rendered under this
6 section must contain the following language in bold print in a
7 prominent location:

8
9
10 "This opinion or appraisal was not prepared by a licensed or
11 certified appraiser and may not be acceptable for use in
12 transactions involving federal funds."

13
14 Further amend the bill in section 3 in that part designated
15 "§13964." in the first paragraph in the 2nd line (page 5, line 45
16 in L.D.) by inserting after the following: "prepare" the
17 following: 'for a fee or other valuable considerations.'

18 Further amend the bill in section 3 in that part designated
19 "§13969." by striking out all of subsection 1

20
21 Further amend the bill in section 3 in that part designated
22 "13969." by renumbering the subsections to read consecutively

23
24 Further amend the bill in section 3 in that part designated
25 "§13970." by striking out all of the first line (page 9, line 7
26 in L.D.) and inserting in its place the following:

27
28 '§13970. Transitional licensing'

29
30 Further amend the bill in section 3 in that part designated
31 "§13970." by striking out all of subsection 4 (page 9, lines 32
32 to 39 in L.D.) and inserting in its place the following:

33
34 '4. Course requirements. The courses of study required to
35 satisfy the minimum classroom hours specified in subsection 3
36 must be approved by the board and be consistent with and
37 equivalent to standards set by the appraisal foundation, whether
38 these courses of study are conducted by an accredited university,
39 college, technical college, junior college or other group.'

40
41 Further amend the bill in section 3 in that part designated
42 "§13972." in subsection 6 by striking out all of paragraph A
43 (page 10, lines 23 to 29 in L.D.) and inserting in its place the
44 following:

45
46 'A. The courses of study required to satisfy these minimum
47 classroom hours must be approved by the board and be
48 consistent with and equivalent to standards set by the
49 appraisal foundation, whether these courses of study are
50 conducted by an accredited university, college, technical
51 college, junior college or other group.'

52

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2 Further amend the bill in section 3 in that part designated
"§13972." in subsection 7 in the first line (page 10, line 31 in
4 L.D.) by striking out the following: "applications" and inserting
in its place the following: 'applicants'

6 Further amend the bill in section 3 in that part designated
8 "§13979." in subsection 1 in paragraph B by striking out all of
subparagraph (1) (page 13, lines 36 to 42 in L.D.) and inserting
in its place the following:

10 '(1) The courses of study required to satisfy these
12 minimum classroom hours must be approved by the board
14 and be consistent with and equivalent to standards set
16 by the appraisal foundation, whether these courses of
18 study are conducted by an accredited university,
college, technical college, junior college or other
group.'

20 Further amend the bill in section 3 in that part designated
"§13979." in subsection 2 in paragraph B by striking out all of
22 subparagraph (1) (page 14, lines 21 to 27 in L.D.) and inserting
in its place the following:

24 '(1) The courses of study required to satisfy these
26 minimum classroom hours must be approved by the board
28 and be consistent with and equivalent to standards set
30 by the appraisal foundation, whether these courses of
study are conducted by an accredited university,
college, technical college, junior college or other
group.'

32 Further amend the bill in section 3 in that part designated
"§13981." in subsection 2 in the 2nd line (page 15, line 27 in
34 L.D.) by striking out the following: "30" and inserting in its
place the following: '20'

36 Further amend the bill in section 3 in that part designated
38 "§13983." in the 2nd line (page 17, line 28 in L.D.) by striking
out the following: "Act" and inserting in its place the
40 following: 'chapter'

42 Further amend the bill by inserting after section 3 the
44 following:

46 'Sec. 4. Reports. By December 1, 1990, the Board of Real
Estate Appraisers shall make a report to the Joint Standing
48 Committee on Business Legislation indicating the accessibility to
persons in various parts of the State of the courses required for
initial licensure and license renewal.

50 By December 1, 1990, the board shall provide the Joint
52 Standing Committee on Business Legislation with information as to

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2 the number and type of complaints received by the board, the Real
Estate Commission and the Department of the Attorney General
4 regarding appraisals made by real estate agents who are not
licensed appraisers.'

6 Further amend the bill by striking out all of section 5 and
inserting in its place the following:

8 'Sec. 5. Allocation. The following funds are allocated from
10 Other Special Revenue funds to carry out the purposes of this Act.

12 1989-90 1990-91

14 PROFESSIONAL AND FINANCIAL
REGULATION, DEPARTMENT OF

16 Division of Licensing and Enforcement

18	Positions	(2)	(2)
20	Personal Services	\$13,000	\$52,000
	All Other	12,000	35,600
22	Capital Expenditures	10,000	5,000

24 Funds to be used for start-up
26 costs of the Board of Real
Estate Appraisers from the
available dedicated revenue
28 funds of the Department of
Professional and Financial
30 Regulation. The Board of
Real Estate Appraisers shall
32 reimburse the Department of
Professional and Financial
34 Regulation when sufficient
revenues are collected
36 through licensing fees.

38 DEPARTMENT OF PROFESSIONAL AND
FINANCIAL REGULATION

40 TOTAL \$35,000 \$92,600

42 Sec. 6. Effective date. The Maine Revised Statutes, Title 32,
section 13964 takes effect January 1, 1991.'

44 Further amend the bill by renumbering the sections to read
46 consecutively.

48 Further amend the bill by striking out all of the emergency
clause and inserting in its place the following:

50

2 'Emergency clause. In view of the emergency cited in the
preamble, this Act takes effect when approved, unless otherwise
indicated.

4
6 **FISCAL NOTE**

	1989-90	1990-91
8 Allocations		
10 Other Special Revenue Funds	\$35,000	\$92,600
12 Revenues		
14 Other Special Revenue Funds	\$ -0-	\$200,000

16
18 The Department of Professional and Financial Regulation,
Division of Licensing and Enforcement, will require additional
20 allocations from Other Special Revenue funds of \$35,000 and
\$92,600 in fiscal years 1989-90 and 1990-91, respectively, for
22 the start-up costs of the Board of Real Estate Appraisers. The
department will utilize available dedicated revenue account
24 balances for these start-up costs. The Board of Real Estate
Appraisers will reimburse the department for the funds borrowed
when sufficient revenues are collected. The board will collect
26 approximately \$200,000 in fiscal year 1990-91.

28 The Judicial Department may incur some minor additional
costs related to an increased number of cases. These costs can
30 be absorbed within the existing budgeted resources of the
Judicial Department.'

32 **STATEMENT OF FACT**

34 The original bill requires licensing of all real estate
36 appraisers and sets qualifications for those appraisers who wish
to be certified in order that they may do federally related
38 appraisals.

40 This amendment:

42 1. Exempts oral appraisals from the requirement for
licensure;

44 2. Exempts salaried employees of real estate owners from
46 the definition of appraisers;

48 3. Exempts persons licensed as real estate brokers from the
provisions of the bill except when the appraisals are federally
50 related and requires a disclosure clause on market price opinions
given by licensed real estate agents;

52

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- 2 4. Clarifies that appraisals given for a fee require
licensure;
- 4 5. Clarifies that review appraisers and appraisal
administrators are required to be licensed;
- 6
- 8 6. Changes from 30 to 20 the number of hours of continuing
education required for license renewal in a 2-year period;
- 10 7. Adds the term "other groups" to the list of institutions
that can provide the courses of study required for licensure and
12 states that these courses of study must be consistent with and
equivalent to standards set by the appraisal foundation rather
14 than approved by the foundation;
- 16 8. Requires the Board of Real Estate Appraisers to report
on complaints made about appraisals by real estate agents who are
18 not licensed appraisers;
- 20 9. Requires the board to report to the Joint Standing
Committee on Business Legislation on the accessibility in all
22 areas of the State of the classroom work and courses required for
licensure and renewal; and
- 24
- 26 10. Indicates in an unallocated section that licensure is
required as of January 1, 1991. The original bill in the Maine
Revised Statutes, Title 32, section 13964 requires licensure when
28 the Act is approved, while Title 32, section 13969, subsection 1
specifies a date of January 1, 1991. This amendment removes
30 Title 32, section 13969, subsection 1 from the bill.

Reported by Senator Hobbins for the Committee on Business
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(4/3/90)

(Filing No. S-641)