

MAINE STATE LEGISLATURE

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115th MAINE LEGISLATURE

FIRST REGULAR SESSION-1990

Legislative Document

No. 7

S.P. 18

In Senate, December 5, 1990

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 24.

Reference to the Committee on Business Legislation suggested and ordered printed.

A handwritten signature in cursive script that reads "Joy J. O'Brien".

JOY J. O'BRIEN
Secretary of the Senate

Presented by Senator BALDACCI of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY

**An Act to Change an Effective Date and to Correct Errors and
Inconsistencies in the Real Estate Appraisal Laws.**

(EMERGENCY)



Emergency preamble. Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, billions of dollars in loans that are secured by real estate are advanced every year to Maine consumers; and

Whereas, Title XI of the federal Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73, requires that, after July 1, 1991, all real estate appraisals in connection with federally related transactions must be performed by appraisers certified or licensed by the State; and

Whereas, the State must establish a process for licensing real estate appraisers in order to assure that uniform, competent guidelines are established for the rendering of real estate appraisals and to fulfill the federal mandate; and

Whereas, the State is unable to implement the licensing system by the January 1, 1991 deadline in current state law; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 32 MRSA §13962, sub-§2, as enacted by PL 1989, c. 806, §3, is amended to read:

2. **Appraisal foundation.** "Appraisal foundation" means the appraisal foundation incorporated as an Illinois nonprofit corporation on November 30, 1987 and recognized under the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 as the organization that establishes the ~~uniform standards of professional appraisal practice~~ Uniform Standards of Professional Appraisal Practice.

Sec. 2. 32 MRSA §13962, sub-§15, as enacted by PL 1989, c. 806, §3, is amended to read:

15. **Uniform Standards of Professional Appraisal Practice.** "~~Uniform standards of professional appraisal practice~~ Standards of Professional Appraisal Practice" means those standards promulgated by the appraisal foundation.

Sec. 3. 32 MRSA §13970, sub-§3, as enacted by PL 1989, c. 806, §3, is amended to read:

2 **3. Evidence of study.** Any licensee who is initially
4 licensed under this section must, in addition to the continuing
6 education requirement for a first renewal, submit evidence of
8 satisfactory completion of a minimum of 50 classroom hours in
10 courses of study approved by the board that relate to real estate
12 appraisal. The required 50 classroom hours must include no fewer
than 35 classroom hours of study relating to the basic principles
of real estate appraising and no fewer than 15 classroom hours of
study specifically relating to the ~~uniform--standards--of
professional-appraisal-practice~~ Uniform Standards of Professional
Appraisal Practice.

14 **Sec. 4. 32 MRSA §13972**, as enacted by PL 1989, c. 806, §3, is
16 amended to read:

18 **§13972. Requirements for appraisal licensure**

20 **1. Application.** Applicants shall submit a properly
22 completed application on forms furnished by the board, together
with the prescribed fee.

24 **2. Age.** The applicant must be at least 18 years of age at
the time of application.

26 **3. Residence.** The applicant must provide evidence of the
28 applicant's legal residence.

30 **4. High school.** The applicant must be a high school
graduate or hold an equivalency certificate.

32 **5. Reputation.** The applicant must ~~have-a-reputation-for-~~
34 submit evidence of honesty, truthfulness, fair dealing and
competency.

36 **6. Educational requirement.** The applicant must have
38 satisfactorily completed a minimum of 50 classroom hours in
40 courses of study approved by the board ~~which~~ that relate to real
42 estate appraisal. The required 50 classroom hours must include
no fewer than 35 classroom hours of study relating to the basic
principles of real estate appraising and no fewer than 15
classroom hours of study specifically relating to the ~~uniform
standards-of-professional-appraisal-practice~~ Uniform Standards of
44 Professional Appraisal Practice.

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

2 **7. Examination.** All applicants are required to pass a
4 written examination in subjects the board considers necessary to
6 determine the fitness of the applicant to practice. The board
8 shall establish the passing score for all examinations.
10 Examinations are held at such times as the board determines
12 necessary. To qualify for examination an applicant must submit
14 evidence of compliance with the educational requirement set forth
16 in subsection 6.

18 **8. Other.** The applicant must comply with such other
20 requirements as may be prescribed by the board from time to time.

22 **Sec. 5. 32 MRSA §13976**, as enacted by PL 1989, c. 806, §3, is
24 amended to read:

26 **§13976. Standards of professional appraisal practice**

28 Each real estate appraiser licensed under this Act shall
30 comply with generally accepted standards of professional
32 appraisal practice and generally accepted ethical rules to be
34 observed by a real estate appraiser. Generally accepted
36 standards of professional appraisal practice are currently, at a
38 minimum, those evidenced by ~~uniform--standards--of--professional~~
40 ~~appraisal--practice~~ Uniform Standards of Professional Appraisal Practice.

42 **Sec. 6. 32 MRSA §13979**, sub-§1, ¶¶B and C, as enacted by PL
44 1989, c. 806, §3, are amended to read:

46 B. Satisfactorily complete a minimum of 85 classroom hours
48 in courses of study approved by the board. To meet the 85
50 classroom hour requirement, an applicant must successfully
52 complete no fewer than 70 classroom hours in courses of
study approved by the board that relate to real estate
appraisal theory and practice, plus 15 classroom hours in
courses of study approved by the board that relate
specifically to the ~~uniform--standards--of--professional~~
~~appraisal--practice~~ Uniform Standards of Professional
Appraisal Practice.

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

C. Pass an examination administered by the board designed
to test an individual's knowledge of basic principles of
land economics, real estate appraising, the ~~uniform~~

standards---of---professional---appraisal---practice- Uniform Standards of Professional Appraisal Practice and the ethical rules to be observed by a real estate appraiser. To qualify for examination, an applicant must submit evidence of compliance with the experience and educational requirements of this Act; and

8 **Sec. 7. 32 MRSA §13979, sub-§2, ¶B**, as enacted by PL 1989, c. 806, §3, is amended to read:

10 B. Satisfactorily complete no fewer than 165 classroom hours in courses of study approved by the board. To meet the 165 classroom hour requirement, an applicant must successfully complete no fewer than 150 classroom hours in courses of study approved by the board that relate to real estate appraisal theory and practice, plus 15 classroom hours in courses of study approved by the board that relate specifically to the ~~uniform---standards---of---professional appraisal---practice~~ Uniform Standards of Professional Appraisal Practice.

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

30 **Sec. 8. PL 1989, c. 806, §7** is amended to read:

32 **Sec. 7. Effective date.** The Maine Revised Statutes, Title 32, section 13964 takes effect ~~January 1, 1991~~ April 1, 1991.

34 **Sec. 9. Retroactivity.** This Act applies retroactively to January 1, 1991.

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

42 STATEMENT OF FACT

44 This bill extends the effective date for the licensure requirement of real estate appraisers. The original effective date of January 1, 1991, does not provide sufficient time for creation of the Board of Real Estate Appraisers, rulemaking and licensure of all those eligible as provided by Public Law 1989, chapter 806.

50 The bill also clarifies the reputation requirement for licensure and makes some technical changes to avoid ambiguity concerning the standards of professional appraisal practice.