

MAINE STATE LEGISLATURE

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DATE: May 18, 1995

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BUSINESS AND ECONOMIC DEVELOPMENT

Reported by: The Majority of the Committee.

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**STATE OF MAINE
SENATE
117TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to S.P. 168, L.D. 429, Bill, "An Act to Amend Real Estate Appraisal Licensing and Certification Laws"

Amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. 32 MRSA §13251-A is enacted to read:

§13251-A. Conflict of interest

A real estate broker or associate broker may not knowingly provide or offer an appraisal or opinion of market value, as set forth in section 13963, on real estate in a transaction where the broker or associate broker, or any other licensee licensed with the agency, is to receive a fee on that transaction.

Sec. 2. 32 MRSA §13963, as enacted by PL 1989, c. 806, §3, is amended to read:

§13963. Exemption

This Act does not apply to appraisals or opinions of market value ~~done prepared by real-estate-licensees-licensed-by-this State~~ associate brokers or brokers who maintain active licenses pursuant to chapter 114 rendered for purposes other than for federally related transactions as defined in Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of

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1989, Public Law 101-73, or in the federal Office of Management and Budget Circular A-129, as either is amended, or as the rules referred to in either are amended.

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

"This opinion or appraisal was prepared solely for the client, purpose and function stated in this report and is not intended for subsequent use. It was not prepared by a licensed or certified appraiser and may not ~~be acceptable for use in transactions involving federal funds~~ comply with the appraisal standards of the Uniform Standards of Professional Appraisal Practice."

Sec. 3. 32 MRSA §13984, sub-§2, as enacted by PL 1993, c. 404, Pt. A, §24, is amended to read:

2. Minimum experience for licensed real estate appraisers. Licensed real estate appraisers on ~~the effective date of this section~~ October 13, 1993 who have not demonstrated the 2 years' experience in the real estate appraisal field required of new applicants by section 13972, subsection 6-A must demonstrate ~~such~~ that experience to the board not later than December 31, 1995 1997. The 2 years' experience must have taken place within the 5 years immediately preceding the submission of ~~such~~ that experience to the board.'

Further amend the bill by inserting at the end before the statement of fact the following:

FISCAL NOTE

Certain changes regarding allowable real estate appraisals and evaluations may result in reductions of dedicated revenue to the Board of Real Estate Appraisers from license fees. The amounts can not be determined at this time.

The Maine Real Estate Commission will incur some minor additional costs to revise certain informational materials. These costs can be absorbed within the commission's existing budgeted resources.'

STATEMENT OF FACT

Current law defines appraisal as an analysis or opinion of the value of real estate.

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COMMITTEE AMENDMENT "A" to S.P. 168, L.D. 429

2 The current law allows real estate licensees to provide
appraisals and opinions of market value other than those
4 involving federally related transactions. The original bill
eliminates the ability to perform appraisals and adds the ability
6 to perform evaluations. Opinions of market value and evaluations
are not defined.

8 This amendment restricts to real estate brokers and
associate brokers the ability to provide appraisals and opinions
10 of market value other than those involving federally related
transactions. It requires that an allowed opinion include a
12 statement that it is only for the purpose for which prepared and
that it may not comply with appraisal standards.

14 The original bill called for adding a 2nd public member to
16 the 7-member board. This amendment deletes that provision.

18 The original bill moved from 1995 to 1996 the deadline for
appraisers to obtain the required 2 years' experience. This
20 amendment extends this deadline until 1997.

22 Finally, the amendment adds a conflict of interest provision
that prohibits real estate brokers from offering an opinion of
24 value when the broker or any licensee with the broker's agency is
to receive a fee.

COMMITTEE AMENDMENT