

MAINE STATE LEGISLATURE

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122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1919

H.P. 1360

House of Representatives, January 4, 2006

An Act To Amend the Laws Governing Real Estate Appraiser Licensing To Comply with Federal Law

Submitted by the Department of Professional and Financial Regulation pursuant to Joint Rule 204.

Reference to the Committee on Business, Research and Economic Development suggested and ordered printed.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FARRINGTON of Gorham.
Cosponsored by Senator HOBBS of York and
Representatives: O'BRIEN of Lewiston, RECTOR of Thomaston.

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

4 **Sec. 1. 32 MRSA §14002, sub-§4-A** is enacted to read:

6 **4-A. Appraisal subcommittee.** "Appraisal subcommittee"
8 means the Appraisal Subcommittee of the Federal Financial
10 Institutions Examination Council established pursuant to Title XI
12 of the federal Financial Institutions Reform, Recovery and
14 Enforcement Act of 1989.

16 **Sec. 2. 32 MRSA §14027, sub-§1**, as enacted by PL 2005, c. 262,
18 Pt. D, §5, is amended to read:

20 **1. Requirement.** As a prerequisite to renewal of a license,
22 an applicant must have completed the minimum hour requirements
24 for continuing education in programs or courses approved by the
26 ~~board and as set by the~~ appraiser ~~qualification~~ qualifications
28 board, which must include a 7-hour uniform standards of
30 professional appraisal practice update course. For purposes of
32 this section, the board may establish, by rule, a core
34 educational requirement.

36 **Sec. 3. 32 MRSA §14030, sub-§3** is enacted to read:

38 **3. Repeal.** This section is repealed January 1, 2008.

40 **Sec. 4. 32 MRSA §14031, sub-§3** is enacted to read:

42 **3. Repeal.** This section is repealed January 1, 2008.

44 **Sec. 5. 32 MRSA §14032, sub-§3** is enacted to read:

46 **3. Repeal.** This section is repealed January 1, 2008.

48 **Sec. 6. 32 MRSA §14033, sub-§5** is enacted to read:

50 **5. Repeal.** This section is repealed January 1, 2008.

Sec. 7. 32 MRSA §14035 is enacted to read:

§14035. Certified general real property appraiser

2 **1. Scope of license.** A certified general real property
4 appraiser license entitles the holder to appraise all types of
6 real property.

8 **2. Professional qualifications.** An applicant for a
10 certified general real property appraiser license must meet the
12 licensing requirements approved by the appraiser qualifications
14 board. Each applicant must:

2 A. Hold a bachelor's or higher degree from an accredited
3 college or university or have successfully passed 30
4 semester credit hours in the following college-level subject
5 matter courses from an accredited college, junior college,
6 community college or university:

8 (1) English composition;

10 (2) Microeconomics;

12 (3) Macroeconomics;

14 (4) Finance;

16 (5) Algebra, geometry or higher mathematics;

18 (6) Statistics;

20 (7) Introduction to computers, word processing and
21 spreadsheets;

22 (8) Business or real estate law; and

24 (9) Two elective courses in accounting, geography,
25 agricultural economics, business management or real
26 estate.

28 An applicant may receive credit as for a college course for
29 an exam taken through a college-level examination program if
30 a college or university accredited by a commission on
31 colleges, a regional or national accreditation association
32 or an accrediting agency that is recognized by the United
33 States Secretary of Education accepts the exam and issues a
34 transcript showing its approval;

36 B. Satisfactorily complete 300 creditable class hours as
37 specified in the required core curriculum, as approved by
38 the appraisal subcommittee, which must include the 15-hour
39 national uniform standards of principles of appraisal
40 practice course and examination;

42 C. Pass the appraisal subcommittee uniform state-certified
43 general real property appraiser examination; and

44 D. Hold a valid license under this chapter and demonstrate
45 3,000 hours of appraisal experience obtained during no fewer
46 than 30 months, including 1,500 hours of nonresidential
47 appraisal work.

2 3. Effective date. This section takes effect January 1,
3 2008.

4 Sec. 8. 32 MRSA §14036 is enacted to read:

6 §14036. Certified residential real property appraiser

8 1. Scope of license. A certified residential real property
9 appraiser license entitles the holder to appraise residential
10 real estate or real property of one to 4 residential units,
11 without regard to value or complexity and to appraise vacant or
12 unimproved land that is to be used for one to 4 family units or
13 for which the highest and best use is for one to 4 family units.
14 A certified residential real property appraiser license does not
15 entitle the holder to appraise subdivisions for which a
16 development analysis and appraisal is necessary.

18 2. Professional qualifications. An applicant for a
19 certified residential real property appraiser license must meet
20 the licensing requirements approved by the appraiser
21 qualifications board. Each applicant must:

22 A. Hold an associate's or higher degree from an accredited
23 college or university or have successfully passed 21
24 semester credit hours in the following collegiate level
25 subject matter courses from an accredited college, junior
26 college, community college or university:

27 (1) English composition;

28 (2) Principles of microeconomics or macroeconomics;

29 (3) Finance;

30 (4) Algebra, geometry or higher mathematics;

31 (5) Statistics;

32 (6) Introduction to computers, word processing and
33 spreadsheets; and

34 (7) Business or real estate law.

35 An applicant may receive credit as for a college course for
36 an exam taken through a college-level examination program if
37 a college or university accredited by a commission on
38 colleges, a regional or national accreditation association
39 or an accrediting agency that is recognized by the United
40 States Secretary of Education accepts the exam and issues a
41 transcript showing its approval;

2 B. Satisfactorily complete 200 creditable class hours as
4 specified in the required core curriculum, as approved by
6 the appraisal subcommittee, which must include the 15-hour
 national uniform standards of principles of appraisal
 practice course and examination;

8 C. Pass the appraisal subcommittee uniform state-certified
10 residential real property appraiser examination; and

12 D. Hold a valid license under this chapter and demonstrate
14 2,500 hours of appraisal experience obtained during no fewer
 than 24 months.

16 3. Effective date. This section takes effect January 1,
 2008.

18 **Sec. 9. 32 MRSA §14037** is enacted to read:

20 **§14037. Licensed residential real property appraiser**

22 1. Scope of license. For federally related transactions, a
24 residential real property appraiser license entitles the holder
26 to appraise noncomplex residential property of one to 4 units
28 having a transaction value of less than \$1,000,000 and complex
30 residential property of one to 4 units having a transaction value
32 of less than \$250,000. For purposes of this section, "complex
34 residential property of one to 4 units" means property that is
36 atypical based on the nature of the property, the form of
 ownership or the market conditions. For nonfederally related
 transaction appraisals, "transaction value" means market value.
 A residential real property appraiser license entitles the holder
 to appraise vacant or unimproved land that is used for one to 4
 family purposes or for which the highest and best use is for one
 to 4 family purposes. A residential real property appraiser
 license does not entitle the holder to appraise subdivisions for
 which a development analysis and appraisal is necessary.

38 2. Professional qualifications. Each applicant for a
40 residential real property appraiser license must meet the
42 licensing requirements approved by the appraiser qualifications
 board. Each applicant must:

44 A. Satisfactorily complete 150 creditable class hours as
46 specified in the required core curriculum, as approved by
48 the appraisal subcommittee, which must include the 15-hour
 national uniform standard of principles of appraisal
 practice course and examination;

2 B. Pass the appraisal subcommittee licensed residential
real property appraiser examination; and

4 C. Hold a valid license under this chapter and demonstrate
2,000 hours of appraisal experience obtained during no fewer
6 than 12 months.

8 3. Effective date. This section takes effect January 1,
10 2008.

12 **Sec. 10. 32 MRSA §14038** is enacted to read:

14 **§14038. Trainee real property appraiser**

16 1. Scope of license. A trainee real property appraiser
license entitles the holder to appraise properties pursuant to
18 this section under the supervision of a certified residential
real property appraiser or a certified general real property
20 appraiser. The trainee may appraise properties that the
supervising certified residential real property appraiser or
22 certified general real property appraiser is permitted by this
chapter to appraise and is qualified to appraise.

24 2. Professional qualification. Each applicant for a
trainee real property appraiser license must meet the licensing
26 requirements approved by the appraiser qualifications board.
Each applicant must satisfactorily complete 75 creditable class
28 hours as specified in the required core curriculum as approved by
the appraisal subcommittee, which must include the 15-hour
30 national uniform standards of principles of appraisal practice
course and examination.

32 3. Filing with board. Before employing a trainee real
34 property appraiser, a supervising certified residential real
property appraiser or certified general real property appraiser
36 must register the name and starting date of employment of that
trainee with the board.

38 4. Trainee supervision limitations. A trainee real
40 property appraiser may have more than one supervising certified
residential real property appraiser or certified general real
42 property appraiser, but a supervising appraiser may not supervise
more than 3 trainee real property appraisers at one time.

44 5. Limited license term. A trainee real property appraiser
46 license may only be renewed for 2 biennial terms. After 6 years,
the trainee is not eligible for license renewal but must qualify
48 as a new applicant.

2 **6. Effective date.** This section takes effect January 1,
2008.

4 **Sec. 11. Transition provisions.** An applicant who submits a
6 license application to the Department of Professional and
8 Financial Regulation, Office of Licensing and Registration, Board
10 of Real Estate Appraisers between January 1, 2008 and December
12 30, 2009 who has satisfactorily completed one or more of the
14 requirements for licensure, education, experience and examination
16 prior to January 1, 2008 is deemed to satisfy the requirements
18 for licensure, education, experience and examination in effect at
20 the time of application with respect to that requirement as
 required for that level of licensure, while such an applicant who
 has not satisfactorily completed one or more of the requirements
 for licensure, education, experience and examination must meet
 the requirements in effect at the time of application with
 respect to that requirement. An applicant who does not complete
 the requirements for licensure before December 31, 2009 must
 satisfy all of the requirements for licensure in effect at the
 time of application.

22 **Sec. 12. License status.** On the effective date of this Act
24 every person holding an active license issued pursuant to the
26 Maine Revised Statutes, Title 32, chapter 124, subchapter 3 under
28 the requirements for that level of license in effect prior to
 January 1, 2008 remains licensed at the same level and is not
 required to meet the new license criteria for that same level of
 licensure effective January 1, 2008.

30 **Sec. 13. Licensed real property appraiser.** Beginning January 1,
32 2008, every person holding an active real property appraiser
34 license must be issued a residential real property appraiser
 license at the time the licensee next is issued a license.

36 SUMMARY

38 This bill proposes to change the license qualifications for
40 real estate appraiser applicants to conform to the education,
42 experience and examination requirements adopted by the federally
44 recognized appraiser qualifications board, effective January 1,
46 2008. Under the provisions of Title XI of the federal Financial
 Institutions Reform, Recovery and Enforcement Act of 1989, the
 appraiser qualifications board establishes the minimum education,
 experience and examination requirements for real estate
 appraisers to obtain a state license.

48 The changes include an increase in the education
 requirements for licensure. The changes include an increase in
 the number of appraisal-related classroom hours in addition to

2 the requirement of an associate's degree or 21 semester credit
hours of specific courses identified by the appraiser
4 qualifications board and a bachelor's degree or 30 semester
credit hours or specific courses identified by the appraiser
6 qualifications board for applicants applying for the certified
residential and certified general license level, respectively.