

1 A bill to be entitled
 2 An act relating to regulation of real estate appraisers;
 3 amending s. 475.611, F.S.; revising and providing
 4 definitions; amending s. 475.612, F.S.; revising
 5 requirements relating to work performed by persons who are
 6 not certified, licensed, and registered; providing
 7 requirements relating to issuance of appraisal reports and
 8 compensation of appraisers, including trainees; amending
 9 s. 475.615, F.S., relating to qualifications for
 10 registration, licensure, or certification; revising
 11 education and experience requirements; amending s.
 12 475.617, F.S.; removing obsolete provisions establishing
 13 education and experience requirements for licensure as an
 14 appraiser; revising education and experience requirements
 15 for certification as a residential appraiser or general
 16 appraiser; amending s. 475.6221, F.S.; prohibiting
 17 supervisory appraisers from certain employment; amending
 18 s. 475.6222, F.S.; requiring supervisory appraisers to
 19 provide direct training to registered trainee appraisers;
 20 amending s. 475.623, F.S.; requiring appraisers to furnish
 21 their firm or business name and any change in that name to
 22 the Department of Business and Professional Regulation;
 23 providing an effective date.

24
 25 Be It Enacted by the Legislature of the State of Florida:

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 27 Section 1. Subsection (1) of section 475.611, Florida
 28 Statutes, is amended to read:

29 475.611 Definitions.--

30 (1) As used in this part, the term:

31 (a) "Appraisal" or "appraisal services" means the services
32 provided by certified or licensed appraisers or registered
33 trainee appraisers, and includes:

34 1. "Appraisal assignment" denotes an engagement for which
35 a person is employed or retained to act, or could be perceived
36 by third parties or the public as acting, as an agent or a
37 disinterested third party in rendering an unbiased analysis,
38 opinion, review, or conclusion relating to the nature, quality,
39 value, or utility of specified interests in, or aspects of,
40 identified real property.

41 2. "Analysis assignment" denotes appraisal services that
42 relate to the employer's or client's individual needs or
43 investment objectives and includes specialized marketing,
44 financing, and feasibility studies as well as analyses,
45 opinions, and conclusions given in connection with activities
46 such as real estate brokerage, mortgage banking, real estate
47 counseling, or real estate consulting.

48 3. "Appraisal review assignment" denotes an engagement for
49 which an appraiser is employed or retained to develop and
50 communicate an opinion about the quality of another appraiser's
51 appraisal, appraisal report, or work. An appraisal review may or
52 may not contain the reviewing appraiser's opinion of value.

53 (b) "Appraisal Foundation" or "foundation" means the
54 Appraisal Foundation established on November 20, 1987, as a not-
55 for-profit corporation under the laws of Illinois.

56 (c) "Appraisal report" means any communication, written or
57 oral, of an appraisal, appraisal review, appraisal consulting
58 service, analysis, opinion, or conclusion relating to the
59 nature, quality, value, or utility of a specified interest in,
60 or aspect of, identified real property, and includes any report
61 communicating an appraisal analysis, opinion, or conclusion of
62 value, regardless of title. However, in order to be recognized
63 in a federally related transaction, an appraisal report must be
64 written.

65 (d) "Appraisal review" means the act or process of
66 developing and communicating an opinion about the quality of
67 another appraiser's appraisal, appraisal report, or work.

68 (e) "Appraisal subcommittee" means the designees of the
69 heads of the federal financial institutions regulatory agencies
70 established by the Federal Financial Institutions Examination
71 Council Act of 1978 (12 U.S.C. ss. 3301 et seq.), as amended.

72 (f) "Appraiser" means any person who is a registered
73 trainee real estate appraiser, licensed real estate appraiser,
74 or a certified real estate appraiser. An appraiser renders a
75 professional service and is a professional within the meaning of
76 s. 95.11(4)(a).

77 (g) "Board" means the Florida Real Estate Appraisal Board
78 established under this section.

79 (h) "Certified general appraiser" means a person who is
80 certified by the department as qualified to issue appraisal
81 reports for any type of real property.

82 (i) "Certified residential appraiser" means a person who
83 is certified by the department as qualified to issue appraisal

84 reports for residential real property of one to four residential
 85 units, without regard to transaction value or complexity, or
 86 real property as may be authorized by federal regulation.

87 (j) "Department" means the Department of Business and
 88 Professional Regulation.

89 (k) "Direct supervision" means the degree of supervision
 90 required of a supervisory appraiser overseeing the work of a
 91 registered trainee appraiser by which the supervisory appraiser
 92 has control over and detailed professional knowledge of the work
 93 being done. Direct supervision is achieved when a registered
 94 trainee appraiser has regular direction, guidance, and support
 95 from a supervisory appraiser who has the competencies as
 96 determined by rule of the board.

97 (l)(k) "Federally related transaction" means any real
 98 estate-related financial transaction which a federal financial
 99 institutions regulatory agency or the Resolution Trust
 100 Corporation engages in, contracts for, or regulates, and which
 101 requires the services of a state-licensed or state-certified
 102 appraiser.

103 (m)(l) "Licensed appraiser" means a person who is licensed
 104 by the department as qualified to issue appraisal reports for
 105 residential real property of one to four residential units or on
 106 such real estate or real property as may be authorized by
 107 federal regulation. After July 1, 2003, the department shall not
 108 issue licenses for the category of licensed appraiser.

109 (n)(m) "Registered trainee appraiser" means a person who
 110 is registered with the department as qualified to perform
 111 appraisal services only under the direct supervision of a

112 licensed or certified appraiser. A registered trainee appraiser
 113 may accept appraisal assignments only from her or his primary or
 114 secondary supervisory appraiser.

115 ~~(o)(n)~~ "Supervisory appraiser" means a licensed appraiser,
 116 a certified residential appraiser, or a certified general
 117 appraiser responsible for the direct supervision of one or more
 118 registered trainee appraisers and fully responsible for
 119 appraisals and appraisal reports prepared by those registered
 120 trainee appraisers. The board, by rule, shall determine the
 121 responsibilities of a supervisory appraiser, the geographic
 122 proximity required, the minimum qualifications and standards
 123 required of a licensed or certified appraiser before she or he
 124 may act in the capacity of a supervisory appraiser, and the
 125 maximum number of registered trainee appraisers to be supervised
 126 by an individual supervisory appraiser.

127 (p) "Training" means the process of providing for and
 128 making available to a registered trainee appraiser, under direct
 129 supervision, a planned, prepared, and coordinated program, or
 130 routine of instruction and education, in appraisal professional
 131 and technical skills.

132 ~~(q)(e)~~ "Uniform Standards of Professional Appraisal
 133 Practice" means the most recent standards approved and adopted
 134 by the Appraisal Standards Board of the Appraisal Foundation.

135 ~~(r)(p)~~ "Valuation services" means services pertaining to
 136 aspects of property value and includes such services performed
 137 by certified appraisers, registered trainee appraisers, and
 138 others.

139 ~~(s)~~~~(e)~~ "Work file" means the documentation necessary to
 140 support an appraiser's analysis, opinions, and conclusions.

141 Section 2. Section 475.612, Florida Statutes, is amended
 142 to read:

143 475.612 Certification, licensure, or registration
 144 required.--

145 (1) A person may not use the title "certified real estate
 146 appraiser," "licensed real estate appraiser," or "registered
 147 trainee real estate appraiser," or any abbreviation or words to
 148 that effect, or issue an appraisal report ~~in connection with any~~
 149 ~~federally related transaction~~, unless such person is certified,
 150 licensed, or registered by the department under this part.

151 However, the work upon which an appraisal report is based may be
 152 performed by a person who is not a certified or licensed
 153 appraiser or registered trainee appraiser if the work report is
 154 supervised and approved, and the report is signed, by a
 155 certified or licensed appraiser who has full responsibility for
 156 all requirements of the report and valuation service. Only a
 157 certified or licensed appraiser may issue an appraisal report
 158 and receive direct compensation for providing valuation services
 159 for the appraisal report. A registered trainee appraiser may
 160 only receive compensation from his or her authorized certified
 161 or licensed appraiser.

162 (2) This section does not preclude a Florida licensed real
 163 estate broker, sales associate, or broker associate who is not a
 164 Florida certified or licensed real estate appraiser ~~or~~
 165 ~~registered trainee real estate appraiser~~ from providing
 166 valuation services for compensation. Such persons may continue

167 | to provide valuation services for compensation so long as they
 168 | do not represent themselves as certified, licensed, or
 169 | registered under this part.

170 | (3) This section does not apply to a real estate broker or
 171 | sales associate who, in the ordinary course of business,
 172 | performs a comparative market analysis, gives a price opinion,
 173 | or gives an opinion of the value of real estate. However, in no
 174 | event may this comparative market analysis, price opinion, or
 175 | opinion of value of real estate be referred to or construed as
 176 | an appraisal.

177 | (4) This section does not prevent any state court or
 178 | administrative law judge from certifying as an expert witness in
 179 | any legal or administrative proceeding an appraiser who is not
 180 | certified, licensed, or registered; nor does it prevent any
 181 | appraiser from testifying, with respect to the results of an
 182 | appraisal.

183 | (5) This section does not apply to any full-time graduate
 184 | student who is enrolled in a degree program in appraising at a
 185 | college or university in this state, if the student is acting
 186 | under the direct supervision of a certified or licensed
 187 | appraiser and is engaged only in appraisal activities related to
 188 | the approved degree program. Any appraisal report by the student
 189 | must be issued in the name of the supervising individual who is
 190 | responsible for the report's content.

191 | (6) This section does not apply to any employee of a
 192 | local, state, or federal agency who performs appraisal services
 193 | within the scope of her or his employment. However, this
 194 | exemption does not apply where any local, state, or federal

195 agency requires an employee to be registered, licensed, or
 196 certified to perform appraisal services.

197 Section 3. Subsection (1) of section 475.615, Florida
 198 Statutes, is amended to read:

199 475.615 Qualifications for registration, licensure, or
 200 certification.--

201 (1) Any person desiring to act as a registered trainee
 202 appraiser or as a licensed or certified appraiser must make
 203 application in writing to the department in such form and detail
 204 as the board shall prescribe. Each applicant must be at least 18
 205 years of age and hold the level of education and experience
 206 required for the type of license being sought ~~a high school~~
 207 ~~diploma or its equivalent~~. At the time of application, a person
 208 must furnish evidence satisfactory to the board of successful
 209 completion of required education and evidence of required
 210 experience, if any.

211 Section 4. Section 475.617, Florida Statutes, is amended
 212 to read:

213 475.617 Education and experience requirements.--

214 (1) To be registered as a trainee appraiser, an applicant
 215 must present evidence satisfactory to the board that she or he
 216 has successfully completed at least 75 hours of approved
 217 academic courses in subjects related to real estate appraisal,
 218 which shall include coverage of the Uniform Standards of
 219 Professional Appraisal Practice from a nationally recognized or
 220 state-recognized appraisal organization, career center,
 221 accredited community college, college, or university, state or
 222 federal agency or commission, or proprietary real estate school

223 that holds a permit pursuant to s. 475.451. The board may
 224 increase the required number of hours to not more than 100
 225 hours. A classroom hour is defined as 50 minutes out of each 60-
 226 minute segment. Past courses may be approved on an hour-for-hour
 227 basis.

228 ~~(2) To be licensed as an appraiser, an applicant must~~
 229 ~~present evidence satisfactory to the board that she or he:~~

230 ~~(a) Has 2 years of experience in real property appraisal~~
 231 ~~as defined by rule.~~

232 ~~(b) Has successfully completed at least 90 classroom~~
 233 ~~hours, inclusive of examination, of approved academic courses in~~
 234 ~~subjects related to real estate appraisal, which shall include~~
 235 ~~coverage of the Uniform Standards of Professional Appraisal~~
 236 ~~Practice from a nationally recognized or state-recognized~~
 237 ~~appraisal organization, career center, accredited community~~
 238 ~~college, college, or university, state or federal agency or~~
 239 ~~commission, or proprietary real estate school that holds a~~
 240 ~~permit pursuant to s. 475.451. The board may increase the~~
 241 ~~required number of hours to not more than 120 hours. A classroom~~
 242 ~~hour is defined as 50 minutes out of each 60-minute segment.~~
 243 ~~Past courses may be approved by the board and substituted on an~~
 244 ~~hour-for-hour basis.~~

245 (2)(3) To be certified as a residential appraiser, an
 246 applicant must present satisfactory evidence to the board that
 247 she or he has met the minimum education and experience
 248 requirements prescribed by the board. The board shall prescribe
 249 education and experience requirements that meet or exceed the

250 real property appraiser qualification criteria established by
 251 the Appraisal Qualifications Board of the Appraisal Foundation.÷

252 ~~(a) Has at least 2,500 hours of experience obtained over a~~
 253 ~~24-month period in real property appraisal as defined by rule.~~

254 ~~(b) Has successfully completed at least 120 classroom~~
 255 ~~hours, inclusive of examination, of approved academic courses in~~
 256 ~~subjects related to real estate appraisal, which shall include~~
 257 ~~coverage of the Uniform Standards of Professional Appraisal~~
 258 ~~Practice from a nationally recognized or state-recognized~~
 259 ~~appraisal organization, career center, accredited community~~
 260 ~~college, college, or university, state or federal agency or~~
 261 ~~commission, or proprietary real estate school that holds a~~
 262 ~~permit pursuant to s. 475.451. The board may increase the~~
 263 ~~required number of hours to not more than 165 hours. A classroom~~
 264 ~~hour is defined as 50 minutes out of each 60-minute segment.~~
 265 ~~Past courses may be approved by the board and substituted on an~~
 266 ~~hour-for-hour basis.~~

267 (3)(4) To be certified as a general appraiser, an
 268 applicant must present evidence satisfactory to the board that
 269 she or he has met the minimum education and experience
 270 requirements prescribed by the board. The board shall prescribe
 271 education and experience requirements that meet or exceed the
 272 real property appraiser qualification criteria established by
 273 the Appraisal Qualifications Board of the Appraisal Foundation.÷

274 ~~(a) Has at least 3,000 hours of experience obtained over a~~
 275 ~~30-month period in real property appraisal as defined by rule.~~

276 ~~(b) Has successfully completed at least 180 classroom~~
 277 ~~hours, inclusive of examination, of approved academic courses in~~

278 ~~subjects related to real estate appraisal, which shall include~~
 279 ~~coverage of the Uniform Standards of Professional Appraisal~~
 280 ~~Practice from a nationally recognized or state-recognized~~
 281 ~~appraisal organization, career center, accredited community~~
 282 ~~college, college, or university, state or federal agency or~~
 283 ~~commission, or proprietary real estate school that holds a~~
 284 ~~permit pursuant to s. 475.451. The board may increase the~~
 285 ~~required number of hours to not more than 225 hours. A classroom~~
 286 ~~hour is defined as 50 minutes out of each 60-minute segment.~~
 287 ~~Past courses may be approved by the board and substituted on an~~
 288 ~~hour-for-hour basis.~~

289 (4)~~(5)~~ Each applicant must furnish, under oath, a detailed
 290 statement of the experience for each year of experience she or
 291 he claims. Upon request, the applicant shall furnish to the
 292 board, for its examination, copies of appraisal reports or file
 293 memoranda to support the claim for experience.

294 Section 5. Subsection (3) is added to section 475.6221,
 295 Florida Statutes, to read:

296 475.6221 Employment of and by registered trainee real
 297 estate appraisers.--

298 (3) A supervisory appraiser may not be employed by a
 299 trainee or by a company, firm, or partnership in which the
 300 trainee has a controlling interest.

301 Section 6. Section 475.6222, Florida Statutes, is amended
 302 to read:

303 475.6222 Supervision and training of registered trainee
 304 appraisers.--The primary or secondary supervisory appraiser of a
 305 registered trainee appraiser shall provide direct supervision

306 and training to the registered trainee appraiser. The role and
307 responsibility of the supervisory appraiser is determined by
308 rule of the board.

309 Section 7. Section 475.623, Florida Statutes, is amended
310 to read:

311 475.623 Registration of firm or business name and office
312 location.--Each appraiser registered, licensed, or certified
313 under this part shall furnish in writing to the department each
314 firm or business name and address from which she or he operates
315 in the performance of appraisal services. Each appraiser must
316 notify the department of any change of firm or business name and
317 any change of address within 10 days on a form provided by the
318 department.

319 Section 8. This act shall take effect July 1, 2006.