

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/HB 1025 Real Estate Appraisers

SPONSOR(S): Regulatory Affairs Committee; Business & Professional Regulation Subcommittee; Combee

TIED BILLS: **IDEN./SIM. BILLS:** SB 1398

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Business & Professional Regulation Subcommittee	10 Y, 0 N, As CS	Collins	Luczynski
2) Regulatory Affairs Committee	17 Y, 0 N, As CS	Collins/Luczynski	Hamon

SUMMARY ANALYSIS

Section 475.617, F.S., sets forth the minimum education and experience requirements necessary to obtain licensure as a trainee appraiser or certified appraiser, whether residential or general. Currently, a trainee appraiser or certified appraiser applicant may only complete his or her required coursework through a traditional in-person classroom setting.

The bill amends s. 475.617, F.S., to permit trainee and certified appraisers to complete their education requirements through Internet-based instruction, in addition to in-person classroom instruction. Requirements are provided related to Internet-based courses for board approval, delivery method, and examinations.

The bill also makes technical changes in the section to update the reference from "academic" courses to "qualifying education" courses.

Finally, the bill makes technical changes in the section to update the reference regarding which version of AQB Qualification Criteria applies when determining whether an appraiser applicant is deemed to be qualified.

The bill has no fiscal impact on state funds.

The bill has an effective date of July 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Trainee Appraisers

Section 475.617(1), F.S., provides that in order to be registered as a trainee appraiser, an applicant must present evidence to the Florida Real Estate Appraisal Board (hereinafter "FREAB") that he or she has successfully completed at least 100 hours of approved academic courses in subjects related to real estate appraisal, including coverage of the Uniform Standards of Professional Appraisal Practice (hereinafter "USPAP"), or its equivalent. The academic courses must be taken at a college, university, or other learning facility authorized under s. 475.451, F.S.

Classroom hours are defined as 50 minutes out of each 60-minute segment.

Certified Residential Appraisers

Section 475.617(2), F.S., provides that in order to be certified as a residential appraiser, an applicant must present satisfactory evidence to the board that he or she has met the minimum education and experience requirements, as prescribed by the FREAB. The FREAB shall promulgate rules regarding education and experience requirements that meet or exceed the Qualification Criteria adopted on February 20, 2004 by the Appraisal Qualifications Board (hereinafter "AQB") of the Appraisal Foundation.

Specifically, the applicant must have completed at least 2,500 hours of experience over a 24-month period.

In addition, the applicant must have completed at least 200 classroom hours of approved academic courses in subjects relating to real estate appraisal, including a 15-hour course on the USPAP or its equivalent. Past courses may be approved by the FREAB, and substituted on an hour-for-hour basis. The academic courses must be taken at a college, university, or other learning facility authorized under s. 475.451, F.S.

Classroom hours are defined as 50 minutes out of each 60-minute segment.

Certified General Appraisers

Section 475.617(3), F.S., provides that in order to be certified as a general appraiser, an applicant must present satisfactory evidence to the board that he or she has met the minimum education and experience requirements, as prescribed by the FREAB. The FREAB shall promulgate rules regarding education and experience requirements that meet or exceed the Qualification Criteria adopted on February 20, 2004 by the AQB.

Specifically, the applicant must have completed at least 3,000 hours of experience over a 30-month period.

In addition, the applicant must have completed at least 300 classroom hours of approved academic courses in subjects relating to real estate appraisal, including a 15-hour course on the USPAP or its equivalent. Past courses may be approved by the FREAB, and substituted on an hour-for-hour basis. The academic courses must be taken at a college, university, or other learning facility authorized under s. 475.451, F.S.

Classroom hours are defined as 50 minutes out of each 60-minute segment.

Effect of Proposed Changes

The bill amends ss. 475.617(1), 475.617(2), and 475.617(3), F.S., to allow applicants to complete their academic coursework either by a traditional in-person classroom environment or by an Internet-based distance education program. The bill does not require any applicant to use the Internet-based distance education; applicants may still use the traditional in-person classroom education, if desired.

The bill creates s. 475.617(4), F.S., to provide for approval of Internet-based courses by the board. Such courses must use a delivery method that is certified or approved by a board-authorized independent certifying organization. Additionally, Internet-based courses must include written, closed-book final examinations, which must be proctored by individuals who represent the public interest and who do not have conflicts of interest.

Moreover, for certified appraisers, the FREAB shall promulgate rules regarding education and experience requirements that meet or exceed the AQB Qualification Criteria adopted on December 9, 2011. The Qualification Criteria adopted on February 20, 2004 is an outdated version, as the AQB adopted its most recent version of Qualification Criteria on December 9, 2011. This new version of Qualification Criteria goes into effect on January 1, 2015.

Finally, the bill makes technical changes to s. 475.617, F.S., to update the reference from “academic” courses to “qualifying education” courses. This reference is consistent with the terms used throughout part II, ch. 475, F.S., and as used by the AQB.

B. SECTION DIRECTORY:

Section 1: amends s. 475.617, F.S., to allow trainee and certified appraisers to complete their education requirements through Internet-based instruction; to provide requirements for Internet-based courses; to update references regarding which version of AQB Qualification Criteria applies; and to make technical changes to update the reference from “academic” courses to “qualifying education” courses.

Section 2: provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill will make it less burdensome for consumers to complete the education necessary to become trainee or certified appraisers.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of sales tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

Currently, the FREAB has promulgated rules relating to minimum education requirements necessary to obtain licensure as a trainee appraiser or a certified appraiser. The bill makes it necessary for the FREAB to amend the rules to incorporate the ability of applicants to use distance-education courses to satisfy the minimum education requirements. The bill provides the FREAB with adequate guidance to promulgate the necessary rules.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

At the March 20, 2013 meeting of the Business & Professional Regulation Subcommittee, two amendments were proposed and adopted. The bill was reported favorably as a Committee Substitute.

The first amendment eliminates language that stipulates that the FREAB may determine that an Internet-based course meets the classroom hour requirement if the course is approved by the International Distance Education Certification Center and by the AQB Course Approval Program. Instead, the FREAB may promulgate its own rules to determine whether an Internet-based course meets or exceeds the AQB Qualification Criteria standards.

The second amendment updates the reference regarding which version of AQB Qualification Criteria applies when the FREAB is determining whether an appraiser applicant is deemed to be qualified.

At the April 4, 2013 meeting of the Regulatory Affairs Committee, one amendment was proposed and adopted. The bill was reported favorably as a Committee Substitute.

The amendment provides that the board may approve Internet-based courses. Such courses must use a delivery method certified or approved by a board authorized organization. The amendment also provides requirements related to Internet-based course examinations.

The analysis is drafted to the Committee Substitute.