

HB 2287 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 1/18, 1/30

WHAT THE MEASURE DOES:

Clarifies that Appraiser Certification and Licensure Board is responsible for determining specified criteria for registration or certification of appraisal management companies. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

- Technical fixes to clarify Appraiser Certification and Licensure Board responsibilities

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Real estate appraisers estimate the value of buildings or land in a given market, generally to inform and protect the parties engaged in a real estate transaction. The Appraiser Certification and Licensure Board (ACLB) regulates the practice of real estate appraisal in this state, including licensing and certification of individual appraisers and the registration of appraisal management companies that review and oversee the work of 15 or more appraisers on behalf of the company's clients.

In 2021, the Legislative Assembly passed Senate Bill 37, which updated requirements for the registration of appraisal management companies to align with applicable federal regulations. The measure added a new requirement that a business entity that applies for registration as an appraisal management company certify that no owner or controlling person has had an appraiser license or certificate refused, denied, canceled, surrendered, or revoked in any state or U.S. territory for substantive cause. However, SB 37 assigned responsibility for making this specific determination to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. The statutory responsibility should have been assigned to the Appraiser Certification and Licensure Board. House Bill 2287 makes this correction.

In addition, HB 2287 clarifies that the ACLB is responsible for prescribing the forms that a business entity may use to apply for registration as an appraisal management company.