

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001
4

As Engrossed: H3/13/01

A Bill

Act 1256 of 2001
HOUSE BILL 2416

5 By: Representatives McMellon, Mack, Minton
6 By: Senators Mahony, Wilkinson
7

For An Act To Be Entitled

10 AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS
11 CODE CONCERNING THE LICENSING OF APPRAISERS; AND
12 FOR OTHER PURPOSES.
13

Subtitle

14 AN ACT TO AMEND VARIOUS SECTIONS OF THE
15 ARKANSAS CODE CONCERNING THE LICENSING
16 OF APPRAISERS.
17
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Arkansas Code 17-14-102 is amended to read as follows:

23 17-14-102. Necessity for registration, license or certificate.

24 (a) This chapter is created in response to Title XI of the Financial
25 Institutions Reform, Recovery, and Enforcement Act of 1989 and specifies
26 three (3) classes of appraisers, i.e., state licensed, state certified
27 residential, and state certified general appraisers for federally related
28 transactions. A fourth (4th) class is created for nonfederally related
29 transactions which shall be known as "State Registered Appraisers".

30 (b) It is the intent of the General Assembly that this law be no more
31 restrictive than required under the federal Financial Institutions Reform,
32 Recovery, and Enforcement Act of 1989.
33

34 SECTION 2. Arkansas Code 17-14-103 is amended to read as follows:

35 17-14-103. Definitions.

36 As used in this chapter, the following terms shall have the following

1 meanings:

2 (1) "Appraisal":

3 (A) As a noun, means the act or process of estimating value or
4 an estimate of value;

5 (B) As an adjective, means of or pertaining to appraising and
6 related functions, i.e., appraisal practice and appraisal services;

7 (2) "Appraisal Foundation" and "Foundation" means the Appraisal
8 Foundation established on November 30, 1987, as a not-for-profit corporation
9 under the laws of Illinois;

10 (3) "Appraisal practice" and "appraisal services" mean the work or
11 services performed by appraisers for clients;

12 (4) "Appraiser", or "Real Estate Fee Appraiser", means any person who,
13 for a fee or other consideration, develops and communicates a real estate
14 appraisal or otherwise gives an opinion of the value of real estate or any
15 interest in real estate.

16 ~~(4)(5)~~ "Appraiser Qualifications Board" means the board created under
17 Article XII, sections 12.01 - 12.08 inclusive, of the bylaws of the Appraisal
18 Foundation, as amended April 22, 1990;

19 ~~(5)(6)~~ "Appraisal Standards Board" means the board created under
20 Article XI, sections 11.01 - 11.13 inclusive, of the bylaws of the Appraisal
21 Foundation, as amended April 22, 1990;

22 ~~(6)(7)~~ "Appraisal Subcommittee" means the subcommittee of the Federal
23 Financial Institutions Examination Council established under Title XI, the
24 Real Estate Appraisal Reform Amendments of the federal Financial Institutions
25 Reform, Recovery, and Enforcement Act of 1989, section 1102, by amendment to
26 the Federal Financial Institutions Examination Council Act of 1978, 12 U.S.C
27 § 3301 et seq., through the addition of new section 1011, "Establishment of
28 Appraisal Subcommittee";

29 ~~(7)(8)~~ "Board" means the Arkansas Appraiser Licensing and
30 Certification Board established pursuant to this chapter;

31 ~~(8)(9)~~ "Client" means any person for whom an appraiser performs a
32 service;

33 ~~(9)(10)~~ "Federal financial institutions regulatory agencies" means the
34 Board of Governors of the Federal Reserve System, the Federal Deposit
35 Insurance Corporation, the Office of the Comptroller of the Currency, the
36 Office of Thrift Supervision, and the National Credit Union Administration;

1 ~~(10)~~(11) "Federally related transaction" means any real estate-related
2 financial transaction which:

3 (A) A financial institution, a federal financial institutions
4 regulatory agency, or the Resolution Trust Corporation engages in, contracts
5 for, or regulates; and

6 (B) In accordance with any federal law, rule or regulation, as
7 the same may be amended, requires the services of an appraiser:

8 ~~(11)~~(12) "Financial institution" means an insured depository
9 institution as defined in the Federal Deposit Insurance Act, 12 U.S.C. § 1813
10 (c)(2), or an insured credit union as defined in section 101 of the Federal
11 Credit Union Act, 12 U.S.C. 1751 et seq.;

12 (13) "Independent appraisal assignment" means any engagement for which
13 an appraiser is employed, or retained to act or to be perceived by third
14 parties or the public as acting as a disinterested third party in rendering
15 an unbiased analysis, opinion, evaluation, or conclusions relating to the
16 nature, quality, value, or utility identified as real estate or real
17 property.

18 ~~(12)~~(14) "Market analysis" or "broker's price opinion" means a
19 proposed sale price opinion or recommended listing price given by a licensed
20 real estate broker, sales person, or other to a potential seller, purchaser,
21 or third party;

22 ~~(13)~~(15) "Personal property" means identifiable portable and tangible
23 objects which are considered by the general public as being "personal", e.g.,
24 furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and
25 equipment; all property that is not classified as real estate;

26 ~~(14)~~(16) "Real estate" means an identified parcel or tract of land,
27 including improvements, if any;

28 ~~(15)~~(17) "Real property" means interest, benefits, and rights inherent
29 in the ownership of real estate;

30 ~~(16)~~(18) "Real estate appraisal" means an unbiased estimate of the
31 nature, quality, value, or utility of an interest in, or aspect of,
32 identified real estate and related personally. A real estate appraisal may
33 be classified by subject matter into either a valuation or an evaluation:

34 (A) Valuation is the process of estimating the market value,
35 investment value, insurable value, or other properly defined value of an
36 identified interest or interests in a specific parcel or parcels of real

1 estate as of a given date;

2 (B) Evaluation or analysis is the study of the nature, quality,
3 or utility of a parcel of real estate, or interests in or aspects of real
4 property, in which a value estimate is not necessarily required, i.e., a
5 study of real estate or real property other than estimating value;

6 ~~(17)~~(19) "Real estate related financial transaction" means any
7 transaction involving:

8 (A) The sale, lease, purchase, investment in, or exchange of
9 real property, including interests in property, or the financing thereof;

10 (B) The refinancing of real property or interests in real
11 property; and

12 (C) The use of real property or interests in property as
13 security for a loan or investment, including mortgage-backed securities;

14 ~~(18)~~(20) "Report" means any communication, written or oral, of an
15 appraisal, review, or analysis; the document that is transmitted to the
16 client upon completion of an assignment; the tangible expression of an
17 appraiser's service;

18 ~~(19)~~(21) "Review" means the act or process of critically studying a
19 report prepared by another;

20 ~~(20)~~(22) "State certified appraiser" means any individual who has
21 satisfied the requirements for state certification in the State of Arkansas
22 and who is qualified to perform appraisals of all real property types of any
23 monetary size and complexity;

24 ~~(21)~~(23) "State certified residential appraiser" means any individual
25 who has satisfied the requirements for state certification in the State of
26 Arkansas and who is qualified to perform appraisals of all property types up
27 to a monetary size and complexity as prescribed by the Appraisal Subcommittee
28 of the Federal Financial Institutions Examination Council and the federal
29 financial institutions regulatory agencies;

30 ~~(22)~~(24) "State licensed appraiser" means any individual who has
31 satisfied the requirements for state licensing in the State of Arkansas and
32 who is qualified to perform appraisals of all property types up to a monetary
33 size and complexity as prescribed by the Appraisal Subcommittee of the
34 Federal Financial Institutions Examination Council, and the federal financial
35 institutions regulatory agencies;

36 (25) "State registered appraiser" means any person who has satisfied

1 the requirements for registering as set forth in § 17-14-307 or requirements
 2 as may have been determined by the board and who may perform appraisals on
 3 any type of property except when the purpose of the appraisal is for use in
 4 federally related transactions.

5 ~~(23)~~(26) "Uniform Standards of Professional Appraisal Practice" means
 6 the entire body of rules, definitions, binding requirements, guidelines,
 7 explanatory comments, and ethical conduct provisions, as promulgated by the
 8 Appraisal Standards Board of the Appraisal Foundation, which provide the
 9 basis for an individual to conduct the practice of professional appraisal
 10 with integrity, objectivity, independent judgment, and in an ethical manner;
 11 and

12 ~~(24)~~(27) "Written appraisal" means a written statement used in
 13 connection with a federally related transaction that is independently and
 14 impartially prepared by a licensed or certified appraiser setting forth an
 15 opinion of defined value of an adequately described property as of a specific
 16 date, supported by the presentation and analysis of relevant market
 17 information.

18
 19 SECTION 3. Arkansas Code 17-14-104 is amended to read as follows:

20 17-14-104. Exceptions to Registration, Licensing, or Certification.

21 (a)(1) This chapter shall not apply to a real estate broker or sales
 22 person licensed by this state who, in the ordinary course of his or her
 23 business, gives to a potential seller or third party, a market analysis or
 24 broker's price opinion as to the recommended listing price of real estate, or
 25 an opinion to a potential purchaser or third party as to the recommended
 26 price of real estate.

27 (2) The listing price or the purchase price shall not be
 28 referred to as an appraisal, but as a market analysis or broker's price
 29 opinion.

30 (b)(1)(A) The provisions of this chapter shall not apply to any
 31 state, county, or municipal public officer or employee while such officer or
 32 employee is performing appraisal or appraisal-related duties as such officer
 33 or employee.

34 (B) Any appraisals performed by state, county, or
 35 municipal officers or employees outside the scope of their employment are
 36 subject to the provisions of this chapter.

1 (2)~~(A)~~ This chapter shall not apply to persons performing
 2 appraisals ~~for nonpublic, nonfederally related purposes, as officers or staff~~
 3 of a bank, savings and loan, or credit union, or to company foresters in the
 4 ordinary course of their duties, or to staff appraisers performing ad valorem
 5 tax appraisals for county assessors or employees of contractors performing
 6 county wide reappraisals.

7 ~~(B)(i) In the event licensed or certified appraisers perform~~
 8 ~~services in these exempted activities, the appraiser shall acknowledge within~~
 9 ~~the body of his/her certification that the appraisal report does or does not~~
 10 ~~meet the Uniform Standards.~~

11 ~~(ii) Appraisers certifying that the report does not~~
 12 ~~meet the minimum standards shall not affix the seal to reports or documents~~
 13 ~~related to the appraisal or represent themselves within said document or~~
 14 ~~appraisal as being licensed or certified.~~

15 (c)(1) Except as provided in subsection (b) of this section,
 16 appraisers, when providing appraisal reports or appraisal services in
 17 nonfederally related transactions, who become licensed or certified by the
 18 board are subject to the provisions of this chapter in all matters involving
 19 appraisal services, including transactions below the federally established
 20 threshold.

21 (2) If an appraiser does not make appraisals for any federal
 22 agency, any federally insured lending institution, the Federal Housing
 23 Administration, the Federal National Mortgage Association, the Federal
 24 Deposit Insurance Corporation, the United States Bankruptcy Courts, the
 25 Federal Highway Administration, the Federal Aviation Administration, the
 26 Department of Veterans Affairs, the Internal Revenue Service, or any other
 27 federal or quasi-federal authority, including appraisal work that is
 28 distributed via interstate commerce or appraisals involving transactions
 29 above the threshold established by a federal financial institutions
 30 regulatory agency, the appraiser is ~~exempt from~~ only required to be a state-
 31 registered appraiser under the provisions of this chapter.

32 (d) This chapter shall not preclude any person from testifying as an
 33 expert witness in any judicial proceeding where the value of real estate is
 34 in issue unless that person holds theirself out as a practicing real estate
 35 "fee" appraiser and the court otherwise qualifies such person as meeting the
 36 qualifications of an expert witness.

1 (e) Nothing in this chapter shall be construed to prohibit any person
2 who is licensed to practice in this state under any law from engaging in the
3 practice for which he or she is licensed.

4
5 SECTION 4. Arkansas Code 17-14-105 is amended to read as follows:

6 17-14-105. Right and privileges of Licensee/Registered Appraiser.

7 (a) A state-registered or state-licensed appraiser as defined herein,
8 may appraise real property for compensation if the use of a state-certified
9 appraiser is not required under this chapter or by federal or state law,
10 rule, or policy.

11 (b) An appraiser shall not sign an appraisal report or be cited within
12 the report as having provided "significant real property appraisal
13 assistance" in the development of the appraisal without having been state-
14 registered, state-licensed, or state-certified.

15
16 SECTION 5. Arkansas Code 17-14-106 is amended to read as follows:

17 17-14-106. Absence of Liability.

18 (a) Financial institutions or affiliates hiring the services of
19 appraisers, registered, licensed or certified by the board in nonfederally
20 related transactions, including transactions below the federally established
21 threshold, shall not be liable to any party asserting damages due to the
22 alleged actions of the appraiser, nor shall the financial institution or
23 affiliate be subject to any requirements to report to the board regarding
24 such transactions other than as may be required by this chapter and the
25 regulations promulgated by the board.

26 (b) Nothing in this section shall be interpreted to limit the
27 investigative or subpoena powers of the board.

28
29 SECTION 6. Arkansas Code 17-14-202 is amended to read as follows:

30 17-14-202. Powers and duties - Reporting standards - Qualification
31 Standards.

32 (a) The Arkansas Appraiser Licensing and Certification Board may
33 establish, maintain, report, and periodically update meaningful qualification
34 standards for state-licensed and state-certified appraisers practicing in the
35 state of Arkansas, including testing, experience, and educational
36 requirements that are adequate to demonstrate knowledge and competency and

1 that will further demonstrate the continued compliance with all applicable
 2 federal law and regulations, including Title XI of the Financial Institutions
 3 Reform, Recovery, and Enforcement Act of 1989, related requirements of the
 4 federal financial institutions regulatory agencies, and the minimum standards
 5 and qualifications as promulgated by the Appraisal Standards Board and the
 6 Appraiser Qualifications Board of the Appraisal Foundation and as approved by
 7 the Appraisal Subcommittee of the Federal Financial Institutions Examination
 8 Council.

9 (b) The Arkansas Appraiser Licensing and Certification Board may
 10 adopt, maintain, report, and periodically update minimum reporting standards
 11 for state-registered, state-licensed and state-certified appraisers
 12 practicing in the state of Arkansas. The reporting standards shall be
 13 equivalent to the "Uniform Standards of Professional Appraisal Practice" as
 14 promulgated by the Appraisal Standards Board of the Appraisal Foundation and
 15 shall at all times seek compliance with all applicable federal law and
 16 regulations, including Title XI of the Financial Institutions Reform,
 17 Recovery, and Enforcement Act of 1989, related requirements of the federal
 18 financial institutions regulatory agencies, and the minimum standards as
 19 promulgated by the Appraisal Standards Board of the Appraisal Foundation and
 20 as approved by the Appraisal Subcommittee of the Federal Financial
 21 Institutions Examination Council.

22

23 SECTION 7. Arkansas Code 17-14-203 is amended to read as follows:
 24 17-14-203. Powers and duties -- In general.

25 In accordance with these general powers and duties, the board shall:

26 (1) Perform all duties and functions necessary to carry out the
 27 provisions of this chapter;

28 (2) Receive applications for registering, licensing and certification;

29 (3) Establish administrative procedures for processing applications;

30 (4) Approve and issue registration, licenses and certificates to
 31 qualified applicants or disapprove applications for registering, licensing
 32 and certification for applicants who do not meet the minimum requirements ~~for~~
 33 ~~licensing or certification~~ as prescribed in this chapter. All application

34 materials and records submitted to the board shall be retained by the board;

35 (5) Maintain a roster of the names, addresses, and telephone numbers
 36 of all persons licensed and certified under this chapter and, in accordance

1 with section 1103(a)(3) and Section 1109(a)(1) of Title XI of the Financial
2 Institutions Reform, Recovery, and Enforcement Act of 1989, shall submit this
3 roster annually to the Appraisal Subcommittee. This roster may be published
4 and periodically updated and provided to all interested parties at cost;

5 (6)(A) Establish by regulation the minimum examination, education,
6 experience, and continuing education requirements for state-registered,
7 state-licensed and state-certified appraisers.

8 (B) The criteria for a state-registered appraiser shall be less
9 rigorous than the criteria for a state-licensed appraiser. The criteria for
10 a state-licensed appraiser shall be less rigorous than the criteria for a
11 state-certified appraiser; however, they will ensure that licensed appraisers
12 have sufficient experience and training to perform appraisals for
13 transactions within and in compliance with Title XI of the Financial
14 Institutions Reform, Recovery, and Enforcement Act of 1989.

15 (C) These regulations shall at all times be equivalent to the
16 minimum appraiser qualification criteria as promulgated by the Appraiser
17 Qualifications Board of the Appraisal Foundation for state-licensed and
18 state-certified appraisers performing federally related transactions.

19 (D) With respect to examinations, these regulations shall at all
20 times require minimum examination contents that are equivalent to the
21 national uniform examination content as promulgated by the Appraiser
22 Qualifications Board of the Appraisal Foundation and shall provide for the
23 selection and utilization of a testing service acceptable to the Appraiser
24 Qualifications Board of the Appraisal Foundation.

25 (E) Every application for registering, licensing and
26 certification shall be accompanied by an application and examination fee as
27 applicable that the board may establish by regulation. However, the Board,
28 at its discretion, may direct each applicant to pay the actual cost of the
29 examination fee directly to a testing service engaged by the board to
30 administer the examination.

31 (F) No examination fee for registering, licensing or
32 certification shall exceed one hundred dollars (\$100).

33 (G) The total annual resident registering, licensing,
34 certification, and application fees established by the board shall not exceed
35 three hundred dollars (\$300) excluding fees for applicable examination and
36 federal pass through fees.

1 (H) Courses, schools, seminars, and any other educational
2 programs must be recognized by the Arkansas Appraisal Licensing and
3 Certification Board as acceptable to satisfy registration, licensing and
4 certification standards and continuing education requirements under this
5 chapter;

6 (7) Establish administrative procedures for disciplinary proceedings
7 conducted pursuant to the provisions of this chapter. These procedures shall
8 include provisions for the suspension and revocation of registration,
9 licenses and certificates and the enforcement of civil penalties concurrent
10 with existing statutes regarding civil procedures;

11 (8) Subpoena and issue subpoena duces tecum and to bring before it any
12 person in this state, and to take testimony by deposition, in the same manner
13 as prescribed by law in judicial proceedings in the courts of this state, or
14 to require production of any records relevant to any inquiry or hearing by
15 the board;

16 (9) Recommend procedures necessary to assure the ready availability to
17 appraisers in the state of adequate and reliable information regarding
18 property prices and the terms and conditions of real estate and real property
19 transactions and related financing;

20 (10) Establish administrative procedures for the setting, charging,
21 and collection of fees necessary for the operation of the board and to
22 concurrently collect and submit to the proper agency as prescribed under
23 section 1109(a)(2) of the Financial Institutions Reform, Recovery, and
24 Enforcement Act of 1989 and any other related federal law, any additional
25 fees that may from time to time be required to be paid by appraisers whose
26 practices include the appraisal of properties included in federally related
27 transactions; and

28 (11) The board is authorized to adopt and enforce such administrative
29 rules and regulations as may be necessary to comply with state law and
30 federal law with specific reference to Title XI of the Financial Institutions
31 Reform, Recovery, and Enforcement Act of 1989 as it exists today and as it
32 may be amended and adopted by the Appraisal Subcommittee of the Federal
33 Financial Institutions Examination Council.

34
35 SECTION 8. Arkansas Code 17-14-206 is amended to read as follows:
36 17-14-206. Complaints and Disciplinary Procedures.

1 The board may upon its own motion or upon written complaint of any
 2 person, and after notice and hearing as prescribed by the Arkansas
 3 Administrative Procedures Act, suspend or revoke the ~~transitional~~
 4 registration, license, or certification of any registrant, licensee, or
 5 certificate holder and issue a fine up to the amount of one thousand dollars
 6 (\$1,000) per violation occurrence or take any other appropriate disciplinary
 7 action for:

8 (1) Violation of any provision of this chapter;

9 (2) Falsifying any application for licensure or certification or
 10 otherwise providing any false information to the board;

11 (3)(A) Conviction in any jurisdiction of any misdemeanor
 12 involving moral turpitude or of any felony.

13 (B) A plea of nolo contendere or no contest shall be
 14 considered a conviction for the purposes of this section;

15 (4) Any actions demonstrating untrustworthiness, incompetence,
 16 dishonesty, gross negligence, material misrepresentation, fraud, or unethical
 17 conduct in any dealings subject to this chapter or these regulations;

18 (5) Adjudication of insanity;

19 (6) Use of advertising or solicitation which is false,
 20 misleading, or is otherwise deemed unprofessional by the board;

21 (7) Employing directly or indirectly any unlicensed person to
 22 perform any actions subject to this chapter;

23 (8) Habitual or excessive use of intoxicants or illegal drugs;

24 or

25 (9) Failure to meet continuing education requirements within the
 26 proper time period.

27
 28 SECTION 9. Arkansas Code 17-14-301 is amended to read as follows:

29 17-14-301. Business entities - Eligibility for licensing.

30 A registration, license or certificate shall not be issued under this
 31 chapter to a firm, corporation, partnership, group, or other business entity.

32
 33 SECTION 10. Arkansas Code 17-14-302 is amended to read as follows:

34 17-14-302. License Required - Membership in other organizations.

35 (a) ~~It is~~ On or after December 31, 2001, it shall be unlawful for any
 36 individual to perform an appraisal or provide appraisal services as defined

1 herein, without holding a registration, license or certificate except as
2 provided in § 17-14-104.

3 (b) No person shall be excluded from obtaining a registration, license
4 or certification based solely upon membership or lack of membership in any
5 particular appraisal organization.

6
7 SECTION 11. Arkansas Code 17-14-303 is amended to read as follows:

8 17-14-303. Unlicensed persons - Federally and non-federally related
9 transactions.

10 (a) It shall be unlawful for any person who is not licensed or
11 certified pursuant to this chapter to perform appraisal services as defined
12 herein in connection with a federally related transaction.

13 (b) An appraiser who does not hold an appraiser's classification which
14 permits the performance of a particular appraisal assignment for use in
15 federally related transactions, must include in such an appraisal report, a
16 statement that the appraisal may not be eligible for use in a federally
17 related transaction.

18

19 SECTION 12. Arkansas Code 17-14-304 is amended to read as follows:

20 17-14-304. Use of terms.

21 (a) The terms "certified real property appraiser", "certified real
22 estate appraiser", and "certified appraiser" shall only be used to refer to
23 individuals who hold a current certificate and shall not be used in
24 connection with or as part of the name or signature of an individual, a firm,
25 a partnership, a corporation, a group, or other business entity, or anyone
26 other than an individual holder of the certificate.

27 (b) No appraiser practicing or providing appraisal services in this
28 state as defined herein, may use the terms "registered", "certified" or
29 "licensed" in conjunction with his or her appraisal practice, unless they
30 hold a valid registration, license or certification issued under the
31 provisions of this chapter.

32 (c) The terms "licensed real estate appraiser", "licensed real
33 property appraiser", or "licensed appraiser" shall only be used to refer to
34 individuals who hold a current license and shall not be used in connection
35 with or as part of the name or signature of an individual, a firm, a
36 corporation, or group, or in a manner that may be interpreted as referring to

1 a firm, partnership, corporation, group, or other business entity, or anyone
2 other than an individual holder of the license.

3 (d) No person other than a state-registered appraiser, state-licensed
4 appraiser, or state-certified appraiser, shall assume or use that title or
5 any title, designation, or abbreviation likely to create the impression of
6 registration, licensing or certification as an appraiser by this state.

7 (e) A person who is not licensed or certified pursuant to this chapter
8 shall not describe or refer to any appraisal report, written or oral, or
9 other evaluation of real estate covered under the activities of appraisers,
10 by the terms "registered", "licensed", "certified", or any other similar term
11 that may be construed to imply qualification or competency recognized by the
12 state.

13

14 SECTION 13. Arkansas Code 17-14-305 is amended to read as follows:

15 17-14-305. Compliance with uniform standards and code of ethics -
16 Seals - Licensing and certification documents.

17 (a)(1) Each state registered appraiser, each state-licensed appraiser
18 and each state-certified appraiser shall comply with the Uniform Standards of
19 Professional Appraisal Practice and Code of Ethics adopted by the board and
20 shall authenticate all written appraisal reports with a seal which shall
21 indicate the registered, license or certification number.

22 (2) Said seal and number shall also be used in all statements of
23 qualifications, contracts, or other instruments used by the registered,
24 license or certificate holder when reference is made to his or her status as
25 a state-registered, state-licensed appraiser or a state-certified appraiser.

26 (b) Registration, license and certificate documents, licenses,
27 certificates, seals, and pocket cards shall remain the property of the state,
28 and, upon any suspension, revocation, or other termination of a registration,
29 license or certification pursuant to this chapter, the individual holding the
30 related documents shall immediately return such documents to the board.

31

32 SECTION 14. Arkansas Code 17-14-306 is amended to read as follows:

33 17-14-306. Additional Licenses - Nonresidents.

34 (a) Every applicant for registration, licensure or certification under
35 this chapter who is not a resident of this state shall submit, with the
36 application for registering, licensure or certification, an irrevocable

1 consent that service of process upon him or her may be made by delivery of
 2 the process to the Secretary of State if, in an action against the applicant
 3 in a court of this state arising out of the applicant's activities as a state
 4 registered appraiser, state-licensed appraiser or state-certified appraiser,
 5 the plaintiff cannot effect personal service upon the applicant. A
 6 nonresident of this state who has complied with this provision may obtain a
 7 license or certification as a state-licensed appraiser or a state-certified
 8 appraiser by conforming to all of the provisions of this chapter relating to
 9 state registered appraisers, state-licensed appraisers or state-certified
 10 appraisers including the payment of a fee.

11 (b)(1) If, in the determination by the board, another state is deemed
 12 to have substantially equivalent licensing and certification requirements, an
 13 applicant who is licensed or certified under the laws of such other state may
 14 obtain a temporary or nonresident license or certificate as a state-licensed
 15 appraiser or a state-certified appraiser in this state upon such terms and
 16 conditions as may be determined by the board.

17 (2) An appropriate fee is to be charged.

18
 19 SECTION 15. Arkansas Code Title 17, Chapter 14, Subchapter 3 is
 20 amended to add an additional section to read as follows:

21 17-14-307. Minimum qualifying requirements for registered appraiser.

22 In order to qualify as a state registered appraiser, an applicant must:

23 (1) Make application to the Appraiser Licensing Board on
 24 approved forms which shall include an affidavit that states that the
 25 appraiser has read and understands current edition of the Uniform Standards
 26 of Professional Appraisal Practice, the board's statutes, and the board's
 27 rules and regulations.

28 (2) Attest in a statement, verification of tenure and scope of
 29 practice as a fee appraiser making independent appraisal assignments.

30 (3) Meet any additional requirements which may from time to time
 31 be adopted by the board under the Administrative Procedure Act.

32
 33 SECTION 16. Arkansas Code Title 17, Chapter 14, Subchapter 3 is
 34 amended to add an additional section to read as follows:

35 17-14-308. Violation of law - Civil penalties, injunctions, venue.

36 (a) It is unlawful for any person not registered, licensed, or

1 certified under this chapter to perform any act for which registration,
2 licensure, or certification is required. Any person acting as an appraiser
3 within the meaning of this chapter, without an appraiser classification and
4 any person who violates any other provision of this chapter, shall be guilty
5 of a misdemeanor.

6 (b) Upon application by the Arkansas Appraiser Licensing and
7 Certification Board, a court may grant an injunction, restraining order or
8 other order as may be appropriate to enjoin a person from:

9 (1) Offering to engage or engaging in the performance of any
10 acts or practices for which a registration, certificate or license is
11 required by §§ 17-14-101 through 17-14-308 upon a showing that the acts or
12 practices were performed or offered to be performed without a registration,
13 license, or certificate; or

14 (2) Engaging in any practice or business authorized by a
15 certificate, license, or registration issued pursuant to §§ 17-14-101 through
16 17-14-308 upon a showing that the holder presents a substantial probability
17 of serious danger to the health, safety or welfare of any resident of this
18 state or client of the certificate holder or licensee.

19 (3) Any person co-signing an appraisal with a state registered,
20 licensed, or certified appraiser becomes subject to the provisions of this
21 chapter.

22 (c) Any action brought pursuant to this section shall be commenced in
23 the county in which such conduct occurred or in the county in which the
24 defendant resides, or in Pulaski County.

25 (d) Any actions brought under this section shall be in addition to and
26 not in lieu of any penalty provided by § 17-14-206 and may be brought
27 concurrently with other actions to enforce the provisions of this chapter.

28
29
30 */s/ McMellon, et al.*

31
32
33 APPROVED: 4/3/2001