

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1389

By: Representatives Hinshaw and Dawson

For An Act To Be Entitled

"AN ACT TO REGULATE THE PRACTICE OF REAL ESTATE APPRAISING;  
TO DESIGNATE A STATE REAL ESTATE APPRAISAL GOVERNING  
AUTHORITY AND DEFINE ITS POWERS AND DUTIES; TO ESTABLISH A  
REAL ESTATE APPRAISER REGISTRATION AND CERTIFICATION BOARD  
AS THE STATE REAL ESTATE APPRAISAL GOVERNING AUTHORITY; TO  
PROVIDE FOR FEES; TO PROVIDE FOR PENALTIES; AND TO PROVIDE  
FOR RELATED MATTERS."

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

SECTION 1. Short Title. This act will be known and may be cited as  
"The Real Estate Appraiser Registration and Certification Act".

SECTION 2. Definitions. As used in this act, the following terms shall  
have the following meanings:

(1) "Appraisal" or "real estate appraisal" means an analysis, opinion  
and conclusion relating to the nature, quality, value or utility of specified  
interests in, or aspects of, identified real estate. An appraisal may be  
classified by subject matter into either a valuation or an analysis. A  
"valuation" is an estimate of the value of real estate or real property. An  
"analysis" is a study of real estate or real property other than estimating  
value.

(2) "Appraisal report" shall mean any communication, written or oral, of  
an appraisal. For the purposes of this Act, the testimony of an appraiser  
dealing with the appraiser's analyses, conclusions or opinions concerning  
identified real estate or identified real property is deemed to be an oral  
appraisal report.

(3) "Appraisal Foundation" means the Appraisal Foundation incorporated

as an Illinois Not for Profit Corporation on November 30, 1987. The purposes of the Appraisal Foundation are:

(a) To establish and improve uniform appraisal standards by defining, issuing and promoting such standards;

(b) To establish appropriate criteria for the certification and recertification of qualified appraisers by defining, issuing and promoting such qualification criteria; to disseminate such qualification criteria to states, governmental entities and others; and

(c) To develop or assist in the development of appropriate examinations for qualified appraisers.

(4) "Board" shall mean the Real Estate Appraiser Registration and Certification Board that is established pursuant to the provisions of this act which shall be the state real estate appraisal authority.

(5) "Certified Appraisal Report" shall mean a written or oral appraisal report that is certified as such by a State Certified Real Estate Appraiser. When a State Certified Real Estate Appraiser identifies an appraisal report as "certified", such State Certified Real Estate Appraiser must indicate which type of certification he or she holds. The certification of an appraisal report by a State Certified Real Estate Appraiser represents to the public that it meets the appraisal standards established pursuant to this act.

(6) "Registered real estate appraiser" shall mean a person who holds a current, valid real estate appraisers registration issued to him or her under the provisions of this act.

(7) "Market Analysis" is an opinion of value given by a licensed real estate broker or sales person without charging a fee of any kind.

(8) "Real Estate" shall mean an identified parcel or tract of land, including improvements, if any.

(9) "Real Estate Appraisal Activity" shall mean the act or process of making an appraisal of real estate or real property and preparing an appraisal report.

(10) "Real Estate Appraiser" shall mean a person who engages in real estate appraisal activity for a fee or other valuable consideration.

(11) "Real Property" shall mean one or more defined interests, benefits or rights inherent in the ownership of real estate.

(12) "State Certified Real Estate Appraiser" shall mean a person who holds a current, valid certification as a real estate appraiser issued to him

or her under the provisions of this act.

## PART TWO - REGISTRATION OF REAL ESTATE APPRAISERS

SECTION 3. Real Estate Appraiser Registration. Except as provided in Section 004 of this act, it shall be unlawful for anyone to engage in real estate appraisal activity in this state without first obtaining a Real Estate Appraiser Registration as provided in this act. This section shall not be construed to apply to individuals who do not render significant professional assistance in arriving at a real estate appraisal analysis, opinion, or conclusion. Nothing in this act, however, shall be construed to prohibit any person who is licensed to practice in this state under any other law, from engaging in the practice for which he or she is licensed.

No person, other than a State Certified Real Estate Appraiser, shall assume or use that title or any title, designation, or abbreviation likely to create the impression of certification as a real estate appraiser by this state. A person who is not certified pursuant to this act shall not describe or refer to any appraisal or other evaluation of real estate located in this state by the term "certified" or "licensed".

This shall not preclude a person who is not certified as a State Certified Real Estate Appraiser from appraising real estate for compensation as a "registered appraiser".

SECTION 4. Exception to Registration Requirement - Real Estate Broker or Salesperson. This act shall not apply to real estate broker or sales person licensed by this state when, in the ordinary course of his or her business, gives to a potential seller or third party, a market analysis as to the recommended listing price of real estate or an opinion to a potential purchaser or third party as to the recommended purchase price of real estate. The listing price or the purchase price shall not be referred to as an appraisal, but as a "market analysis", and provided further that no compensation, fee or other consideration is charged for such opinion, other than the real estate commission or brokerage fee that is charged or paid for brokerage services rendered in connection with the sale of the real property involved.

SECTION 5. Board. The Board shall administer and enforce the provisions of this act.

SECTION 6. Powers, Duties and Immunities of the Board. The Board shall have the following powers and duties:

(1) To receive applications for the real estate appraisers registration to process such applications; to issue registrations to qualified applicants pursuant to the provisions of this act; and to maintain a registry of the names and addresses of individuals who are currently registered as real estate appraisers under this act.

(2) To receive applications for certification as a State Certified Real Estate Appraiser under this act; to establish appropriate administrative procedures for the processing of such applications; to issue certificates to qualified applicants pursuant to the provisions of this act; and to maintain a registry of the names and addresses of individuals who are currently certified as a State Certified Real Estate Appraiser under this act.

(3) To hold meetings; to hold public hearings and administrative hearings; to prepare examination specifications for all registration examinations; to solicit bids and enter into contracts with one or more education testing services or organizations for the preparation of a bank of questions and answers for registration examinations; and to administer real estate appraiser examinations to such places and at such times as may be required to carry out its responsibilities under this act.

(4) To engage and train a staff to provide administrative assistance to the Real Estate Appraiser Registration and Certification Board by (a) helping to provide the Board the facilities, equipment, supplies and personnel that are required to enable the Board to carry out its responsibilities under this act, (b) soliciting bids and entering into contracts with one or more educational testing services or organizations for the preparation of a bank of questions and answers for registration and certification examinations that meet the examination specifications adopted from time to time by the Board; (c) administering registration and certification examinations, based on the bank of questions and answers and the question selection process recommended by the Board, in such places and at such times as may be required to carry out its responsibilities under this act.

(5) To consider recommendations made with respect to upgrading and improving the experience, education and examination requirements that are required for each classification of State Certified Real Estate Appraisers and

registered appraisers.

(6) To consider recommendations made with respect to upgrading and improving the continuing education requirements that are required for renewal of certification or registration.

(7) To consider recommendations made with respect to the proper interpretation or explanation of the Standards of Professional Appraisal Practice, when an interpretation or explanation becomes necessary in the enforcement of this act, where the Appraisal Standards Board of the Appraisal Foundation has not as yet issued an interpretation or explanation, and to consider such interpretation or explanation as a rule or regulation under this act.

(8) To collect all registration fees and certification fees required or permitted by this Act; to deposit all such receipts in a special fund to be used for the purpose of paying the expenses incurred in connection with the administration of this act; to disburse from such special fund the monies required to pay the expenses incurred in the administration of this act; and to issue an annual statement describing the receipts and expenditures from this fund by the Board during each fiscal year.

(9) To establish appropriate administrative procedures for disciplinary proceedings conducted pursuant to the provisions of this act.

(10) To exercise the following powers to enable it to carry out its responsibilities under this act with respect to appraiser registration and certification: the power to subpoena to compel the attendance of witnesses and the production of books, documents, records and other papers; the power to administer oaths; and the power to take testimony and receive evidence concerning all matters within its jurisdiction.

(11) To deny, suspend or revoke a registration or impose a fine against an applicant or registrant if, after an administrative hearing, it finds that an applicant or registrant has violated Section 23 of this act, or any other section of this act.

(12) To take appropriate disciplinary action against a registrant if, after an administrative hearing, the Real Estate Appraiser Registration and Certification Board (1) determines that a registrant under this act has violated the Standards of Professional Appraisal Practice established under Section 22 or 23 of this act.

(13) To consider and take appropriate action if, after an administrative

hearing, the Board (1) determines that a State Certified Real Estate Appraiser under this act has violated the standards of appraisal practice or ethical rules established under Section 22 or 23 of this act, or has committed one or more of the acts that are prohibited by Section 40 of this act.

(14) To keep a record of its proceedings and issue an annual report of its activities.

(15) To promote research and conduct studies relating to the profession of real estate appraising and sponsor real estate appraisal education activities.

(16) To adopt rules and regulations for the administration of this act that are not inconsistent with the provisions of this act or the constitution and laws of this state or of the United States.

(17) To employ an Executive Director who shall keep a record of all proceedings, transactions, communications and official acts of the Board and perform such other duties as the Board may require.

(18) To employ an appropriate staff to investigate allegations that registrants under this act or State Certified Real Estate Appraisers under this act failed to comply with the terms and provisions of this act.

(19) To formulate procedures necessary to assure the ready availability to appraisers in the state of adequate and reliable information regarding property values and the terms and conditions of real estate transactions.

(20) To employ such other professional, clerical and technical assistance as may be necessary to properly administer the work of the Board.

(21) To do all other things necessary to carry out the provisions of this act.

(22) The members of the Board shall be immune from any civil action of criminal prosecution for initiating or assisting in any lawful investigation of the actions of, or participating in any disciplinary proceedings concerning, a registered or Certified Real Estate Appraiser pursuant to this act, provided that such action is taken without malicious intent and in the reasonable belief that the action was taken pursuant to the powers vested in the members of the Board under this act.

SECTION 7. Regular Meetings of Board - Times. Regular meetings of the Board shall generally be held on the Monday immediately preceding the second Tuesday of each month, and will continue in session until its business is

completed insofar as is possible; provided, however, that any regular meeting of the Board may be set forward, postponed, cancelled or adjourned to another day.

SECTION 8. Applications for Registration. An individual who desires to engage in real estate appraisal activity in this state shall make application for registration in writing, in such form as the Board may prescribe.

SECTION 9. Scope of Real Estate Appraiser Registration. A registered real estate appraiser is authorized to appraise all types of real estate and real property in this state, including, but not limited to farm, commercial, industrial, residential and special purpose.

SECTION 10. Qualifications for Registration. To qualify for a real estate appraiser registration, an applicant must:

(1) Successfully complete not less than 60 classroom hours in courses of study approved by the Board which relate to real estate appraisal. The required 60 classroom hours shall include (a) not less than forty-five (45) classroom hours of study relating to the basic principles of land economics and the basic principles of real estate appraising, and (b) not less than fifteen (15) classroom hours or study specifically relating to the Standards of Professional Appraisal Practice and the ethical rules to be observed by a real estate appraiser as required by Section 22 of this act;

(2) Pass an examination administered and approved by the Board that is based upon 60 classroom hours of appraisal study and is designed to test an individual's knowledge of the basic principles of land economics, the basic principles of real estate appraising, the Standards of Professional Appraisal Practice, and the ethical rules to be observed by a real estate appraiser;

(3) Be of good moral character, in the opinion of the Board; and

(4) Comply with such other requirements as may be prescribed by the Board from time to time.

The courses of study referred to in item one (1) above must be conducted by (a) a Board approved accredited university, college or junior college; or (b) a Board approved appraisal society, appraisal institute or appraisal association.

SECTION 11. Courses of Study. In making its determinations with respect

to the courses of study required by Section 10, the Board shall give weight to courses which teach one or more of the following:

(1) Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate;

(2) An understanding of the basic principles of land economics, the basic principles of real estate appraisal process, and the problems likely to be encountered in gathering, interpreting, and processing the sales and comparable data required in the real estate appraisal process;

(3) An understanding of the standards for the development and communication of real estate appraisals as provided in this act;

(4) An understanding of the ethical rules that a real estate appraiser is required to observe;

(5) Appropriate knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal;

(6) An understanding of basic real estate law; and

(7) An understanding of the types of misconduct for which disciplinary proceedings may be initiated against a registered real estate appraiser, as set forth in this act.

SECTION 12. Term of Registration. If the Board determines that an applicant meets the requirements of this act and is qualified for a real estate appraiser registration, it shall issue a registration to the applicant.

The initial term of registration following implementation of this act may be a partial term to be established by the Board prior to the effective date of this act. Thereafter, the term of registration shall expire each two-year period on June 30 unless revoked or suspended prior thereto.

SECTION 13. Continuing Education. A. General Rule. As a prerequisite to renewal or registration, a registered real estate appraiser shall present evidence satisfactory to the Board of having met the continuing education requirements of this section.

B. For all registrants holding a registration issued under Section 10 of this act, the continuing education requirement for renewal of a registration shall be completed by the applicant, during the two year period immediately preceding the filing of an application for renewal, or not less than 20



classroom hours of instruction in courses or seminars which have received the approval of the Real Estate Appraiser Registration and Certification Board; to include some study related to the standards of professional practice and provisions of this act.

C. Registrations Issued Under Section 20. For all registrants holding a registration issued under Section 20 (Waiver of Registration Qualification Requirements) of this act, the continuing education requirement for the first renewal of registration shall be the completion by the applicant, during the two (2) year period immediately preceding the filing of an application for renewal, of not less than thirty (30) classroom hours of instruction in real estate appraisal courses or seminars which have received the approval of the Board, 7 hours of which must consist of a study of Standards of Appraisal, Practice and Ethics. For each renewal of license thereafter, the requirement shall be not less than twenty (20) classroom hours of instruction in courses or seminars which have received the approval of the Board to include some study related to the standards of professional practice and provisions of this act.

D. Registration Issued Under Section 21. For all registrants holding registration issued under Section 21 of this act, the continuing education requirement for renewal of registration shall be the successful completion of not less than 30 classroom hours of instruction in real estate appraisal courses of study, to include at least 7 hours of education in Standards of Appraisal Practice and Ethics, which have been approved by the Board and would satisfy the educational requirements in Subsection (1) of Section 10 of this act. Upon the renewal of a registration that was originally issued under Section 21, such registration shall thereafter be deemed to have been issued under Section 10.

E. Implementation. The Board shall adopt regulations for the implementation of the provisions of this section to the end of assuring that each individual renewing his or her registration as a real estate appraiser under this act has a working knowledge of current real estate appraisal theories, practices and techniques that will enable such individual to provide competent real estate appraisal services to the members of the public with whom such individual deals in a professional relationship under the authority of his or her real estate appraiser registration.

No amendment or repeal of a regulation adopted by the Board pursuant to

this Section shall operate to deprive a registered real estate appraiser of credit toward renewal of his or her registration for any course of instruction that is successfully completed by the applicant prior to the date of the amendment or repeal of such regulation.

SECTION 14. Renewal of Registration. To renew a current, valid real estate appraiser registration (other than a temporary registration issued under Section 47) the holder of such registration shall file an application on a form approved by the Board and pay the prescribed renewal fee to the Board not earlier than one hundred twenty (120) days nor later than thirty (30) days prior to the expiration date of the registration then held. Each application for renewal shall be accompanied by evidence in the form prescribed by the Board of having completed the continuing education requirement for renewal specified in this act.

If the registrant fails to apply for a renewal of his or her registration as a real estate appraiser within the period prescribed above, such registrant may, within a period of two years following the expiration date of his or her registration obtain a renewal of such registration by satisfying all of the requirements for renewal and paying a late renewal fee. The Board may refuse to renew any registration if the registrant has continued to perform real estate appraisal activities in this state following the expiration of his or her registration.

SECTION 15. Complaints and Investigation Relating to Real Estate Appraiser Registrants. The Board may, upon its own motion, and shall, upon the written complaint of any aggrieved person, cause an investigation to be made with respect to an alleged violation of Section 23 of this act by any registrant or applicant for registration in this state. If any investigation disclosed a probable violation of Section 23 of this act by a registrant or applicant, a formal complaint shall be filed. The Board shall have the power to deny, suspend, or revoke a registration, issue a formal reprimand or impose a fine not to exceed five hundred dollars (\$500) against an applicant or registrant if, after notice and holding an administrative hearing in accordance with the provisions of the state statutes applicable to administrative proceedings, the Board finds that an applicant or registrant has violated the provisions of Section 23 of this act.

SECTION 16. Professional Corporation. Nothing contained in this act shall be deemed to prohibit a registrant from engaging in the practice of real estate appraising as a professional corporation in accordance with the provisions of the Professional Service Corporation Act of this state. No registration may be issued under the provisions of this act to a corporation, partnership, firm, or group.

SECTION 17. Place of Business. Each registrant shall designate and maintain a principal place of business and shall conspicuously display his or her registration therein. Upon any change of his or her principal business location, a registrant shall promptly give notice thereof in writing to the Board, whereupon the Board shall issue a new registration for the unexpired term. A nonresident registrant shall not be required to maintain a place of appraisal business in this state if he or she maintains an active place of appraisal business in the state of domicile.

SECTION 18. Collection of Appraisal Fees. No person engaged in the business of real estate appraising in this state or acting in the capacity of a real estate appraiser in this state may bring or maintain any action in any court of this state to collect compensation for the performance of real estate appraisal services for which a registration is required by this act without alleging and proving that he or she was the holder of a valid real estate appraiser's registration in this state at all times during the performance of such services.

SECTION 19. Penalty. Any person required by this act to be registered who engages in real estate appraisal activity in this state without obtaining a registration therefor, or who violates any provision of this act, shall be guilty of a misdemeanor punishable by a \$500 fine for each offense. It shall be the duty of the Prosecuting Attorney to prosecute such actions. Such person shall be ineligible to obtain a registration for a period of one year from the date of his or her conviction of such offense, provided, however, that the Board, at its discretion, may grant a registration to such person within such one-year period upon application and after an administrative hearing thereon.

SECTION 20. Waiver of Registration Qualification Requirements. Upon an individual review of the qualifications of a real estate appraiser who has been actively engaged in appraising real estate or real property in this state for a period of 10 years prior to the adoption of this act, the Board may waive the requirements in Section 10 of this act relating to the successful completion of 60 classroom hours of appraisal study and the passing of an examination administered by the Board that is based upon 60 classroom hours.

Within one year after the date of the adoption of this act, the Board shall develop general standards and criteria for its use in conducting an individual review of qualifications of a real estate appraiser who is actively engaged in appraising real estate or real property in this state on the date of the adoption of this act and who is unable to meet the classroom hours requirement for a real estate appraiser registration under Section 10 of this act. These general standards and criteria shall include a requirement that an applicant for a registration under this section must have obtained a minimum of 10 years of real estate appraisal experience within the last 15 years preceding the date of the application. The general standards and criteria developed by the Board shall be printed and distributed to all presently practicing real estate appraisers who request a copy.

Each real estate appraiser who is actively engaged in appraising real estate in this state on the date that this act is adopted and wishes to apply for a real estate appraiser's registration under the waiver provisions, must apply within 180 days of the effective date of this act on a form approved by the Board. If a timely application is filed and the applicant demonstrates competence and experience satisfactory to the Board, he or she shall be granted registration under the provisions of this act.

The renewal of a registration issued pursuant to the provisions of this section shall be subject to the special conditions for renewal set forth in Section 13 and Section 14 of this act.

SECTION 21. Special Waiver of Registration Qualification Requirements. The Board may waive the requirements in Section 10 of this act relating to the successful completion of 60 classroom hours of appraisal study, if an applicant:

- (1) Submits satisfactory evidence of having obtained a minimum of five

years of real estate appraisal experience within the last 15 years preceding the date of application; and

(2) Passes the examination approved by the Board that satisfies the requirement in Subsection (2) of Section 10 of this act.

The renewal of a license issued pursuant to the provisions of this Section shall be subject to the special conditions for renewal set forth in Section 13 and Section 14 of this act.

SECTION 22. Standards of Professional Appraisal Practice. Each real estate appraiser registered under this act must comply with generally accepted standards of professional appraisal practice and the generally accepted ethical rules to be observed by a real estate appraiser. Generally accepted standards of professional appraisal practice are currently evidenced by the Uniform Standard of Professional Appraisal Practice promulgated by the Appraisal Foundation; however, after a public hearing held in accordance with provisions of the state statutes applicable to public hearings, the Board may make such modifications of or additions to the Uniform Standards of Professional Appraisal Practice as the Board deems appropriate for this state.

If the Appraisal Standards Board of the Appraisal Foundation shall (1) modify the Uniform Standards of Professional Appraisal Practice, issue supplemental appraisal standards which it deems appropriate for residential real estate appraisers or for general real estate appraisers, or issue ethical rules to be observed by real estate appraisers, and (2) forward to the Board a copy of such modified or supplemental standards or a copy of such ethical rules and request the Board to consider the adoption of such modified or supplemental standards or such ethical rules, the Board shall schedule a public hearing pursuant to the provisions of the state statutes applicable to public hearings for the purpose of deciding whether or not it should require such modified or supplemental standards or such ethical rules to be observed by registered real estate appraisers in this state.

If, after notice and public hearing that is held in accordance with the provisions of the state statutes applicable to public hearings, the Board finds that the modified or supplemental standards or the ethical rules issued by the Appraisal Standards Board of the Appraisal Foundation are appropriate for registered appraisers in this state, the Board shall issue a regulation requiring all registered appraisers in this state to observe such modified or

supplemental standards or such ethical rules. A copy of each such regulation adopted by the Board shall be mailed to the business address of each appraiser currently registered under this act.

SECTION 23. Prohibited Acts and Omissions - Registrants. The following acts and omissions shall be considered grounds for disciplinary action by the Board:

(1) Procuring or attempting to procure registration under this act by knowingly making a false statement, submitting false information or making a material misrepresentation in an application filed with the Board, or procuring or attempting to procure a registration through fraud or misrepresentation;

(2) Paying money other than the fees provided for by this act to any member or employee of the Board to procure a registration under this act.

(3) An act or omission in the practice of real estate appraising which constitutes dishonesty, fraud or misrepresentation with the intent to substantially benefit the registrant or another person or with the intent to substantially injure another person;

(4) Entry of a final civil or criminal judgment against a registrant on grounds of fraud, misrepresentation or deceit in the making of an appraisal of real estate;

(5) Conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions or duties of a person developing real estate appraisals and communicating real estate appraisal to others;

(6) Engaging in the business of real estate appraising under an assumed or fictitious name not properly registered in the state of jurisdiction;

(7) Paying a finder's fee or a referral fee to a person who does not have an appraiser registration in this state in connection with an appraisal of real estate or real property in this state;

(8) Making a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications or in any testimony concerning professional qualifications;

(9) Violation of any section of this act, or any rule or regulation promulgated thereunder other than Section 22;

(10) Violation of Section 22 of this act, or any rule or regulation

promulgated thereunder, as determined by the Real Estate Appraiser Registration and Certification Board of a Decision and related Findings of Fact stating that a licensee has violated Section 22, or a rule or regulation promulgated thereunder, and recommending that disciplinary action be taken for such violation;

(11) Violation of the confidential nature of governmental records to which a registrant gained access through employment or engagement as an appraiser by a governmental agency; and

(12) Acceptance of a fee for performing an independent appraisal service (as defined in Section 25 of this act) when, in fact, the fee is or was contingent upon the appraiser reporting a predetermined analysis, opinion, or conclusion, or is or was contingent upon the analysis, opinion, conclusion or valuation reached, or upon the consequences resulting from the appraisal assignments.

(13) Violation of any of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

(14) Holding themselves out to the general public to be anything other than a "registered" appraiser, through the use of any other misleading terms or titles.

In a disciplinary proceeding based upon a civil judgment, the registrant shall be afforded an opportunity to present matters in mitigation and extenuation but may not collaterally attack the civil judgment.

SECTION 24. Retention of Records. A registered real estate appraiser shall retain for a period of five years the original or a true copy of:

(1) each written contract engaging his or her services for real estate or real property appraisal work;

(2) each appraisal report prepared or signed by such registered real estate appraiser; and

(3) all supporting data assembled and formulated by the appraiser in preparing each such appraisal report.

The five year period for retention of records is applicable to each engagement of the services of the appraiser and shall commence upon the date of the delivery of each appraisal report to the client, unless, within such five year period, the appraiser is notified that the appraisal report is involved in litigation, in which event the five year period for the retention of records shall commence upon the date of the final disposition of such

litigation.

Upon reasonable notice, a registered real estate appraiser shall make all records required to be maintained under the provisions of this act available to the Board for inspection and copying by the Board.

#### SECTION 25. Classification of Services.

A client or employer may retain or employ a registered real estate appraiser to act as a disinterested third party in rendering an unbiased estimate of value or an unbiased analysis, opinion or conclusion. A client or employer may also retain or employ a registered real estate appraiser to provide specialized appraisal services to facilitate the client's or employer's objectives. In either case, the appraisal and the appraisal report must comply with the provisions of this act.

For the purposes of this act, the term "independent appraisal service" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality or identified real estate or identified real property.

For the purpose of this act, the term "specialized appraisal service" means an engagement to provide an appraisal service which does not fall within the definition of independent appraisal service. The term specialized appraisal service may include valuation appraisals, analysis appraisals, and review appraisals wherein the appraiser does not act as a disinterested third party. Regardless of the intention of the client or employer, if the appraiser is, in fact, perceived by third parties or the public as acting as a disinterested third party rendering an unbiased analysis, opinion or conclusion, the work is classified as an independent appraisal service and not as a specialized appraisal service. If a registered real estate appraiser performs a "specialized appraisal service", that fact shall be clearly stated in each written and oral appraisal report. In a written report, this fact shall be shown in the letter of transmittal, the body of the report, and in the final certification statement.

The determination of the classification of types of appraisal services is the sole prerogative of the Real Estate Appraiser Registration and Certification Board.



SECTION 26. Contingent Fees. A registered real estate appraiser who enters into an agreement to perform an "independent appraisal service" (as defined in section 25 of this act) may not accept a fee that is contingent upon the appraiser reporting a predetermined analysis, opinion or conclusion reached, or is contingent upon the results achieved by the appraisal assignment.

A registered real estate appraiser who enters into an agreement to perform a "specialized appraisal service" (as defined in section 25 of this act) may be paid a fixed fee or a fee that is contingent on the results achieved by the "specialized appraisal service". If a registered real estate appraiser enters into an agreement to perform a specialized appraisal service for a contingent fee, this fact shall be clearly stated in each written and oral appraisal report. In each written report, this fact shall be clearly stated in a prominent location in the body of such report, and also in the letter of transmittal, and in the certification statement made by the appraiser contained within such report.

### PART THREE - CERTIFICATION OF REAL ESTATE APPRAISERS

SECTION 27. State Certified Real Estate Appraiser. No person other than a State Certified Real Estate Appraiser under this act shall assume or use that title or any title, designation, or abbreviation likely to create the impression of certification as a real estate appraiser by this State.

Only an individual who has qualified as a State Certified Real Estate Appraiser under this act is authorized to prepare and sign a "certified appraisal report" relating to real estate or real property in this State. If an appraisal report is prepared and signed by a State Certified Real Estate Appraiser, and the appraisal report is certified as such by the State Certified Real Estate Appraiser; a holder of a real estate appraiser registration under this act, who assisted in the preparation of such appraisal report is authorized to co-sign such appraisal report.

An individual who has not qualified as a State Certified Real Estate Appraiser under this act shall not describe or refer to any appraisal or appraisal report relating to real estate or real property in this State by the terms "certified appraisal", "certified appraisal report", "licensed

appraisal", or "licensed appraisal report".

SECTION 28. Real Estate Appraiser Registration and Certification Board.

There is hereby established a Real Estate Appraiser Registration and Certification Board. The Governor shall appoint the members of the Real Estate Appraiser Board.

A. There is hereby established an independent Real Estate Appraiser Board which shall consist of nine (9) members: two residential appraisers and five general appraisers, one senior citizen appraiser member, and one consumer advocate member.

B. The Governor shall appoint the members of the Real Estate Appraiser Registration and Certification Board. State chapters of national appraisal organizations which are members of the Appraisal Foundation, with the exception of the (IAAO) "International Association of Assessing Officers", shall each submit to the governor a list of five names of designated members. The governor shall appoint seven members to the Board from the lists received with no more than two members chosen from any one of the national organizations who are members of the Appraisal Foundation, and at least one member from each organization.

C. The real estate appraiser members appointed to the Board shall be designated members in good standing of one of the Appraisal Foundation member organizations that as of January 1, 1989 required qualified appraisal experience, education, and testing in order to become a designated member, in addition to adherence to standards of professional practice in order to retain such designation; the nominees must be from the foundation members with operating, existing chapters located within the State of Arkansas as of January 1, 1989, with the exception of the "International Association of Assessing Officers", which shall have no representation.

D. Each real estate appraiser member of the Board appointed after January 1, 1991, must be a State Certified Real Estate Appraiser. At least 5 of the appraiser members shall hold the general appraisal certificate.

E. The term of each member shall be three years; except that, of the members first appointed, five shall serve for three years and four shall serve for two years.

F. Upon expiration of their terms, members of the Board shall continue to hold office until the appointment and qualification of their successors.

No person shall serve as a member of the Board for more than two consecutive terms. The appointing authority may remove a member for cause.

G. The Board shall meet not less frequently than once each calendar quarter to conduct its business. Places of future meetings shall be decided by the vote of members at meetings. Written notice shall be given to each member of the time and place of each meeting of the Board at least 20 days before the scheduled date of the meetings.

H. The members of the Board shall elect a Chairperson annually during the first meeting of each year from among the appraiser members, to preside at Board meetings.

I. A quorum of the Board shall be five members. At least four of these five members shall be general appraiser members.

J. Each member of the Board shall be entitled to a per diem allowance of fifty dollars (\$50) for each meeting of the Board at which the member is present and for each day or substantial part thereof actually spent in the conduct of the business of the Board, plus all actual expenses.

K. Additionally, the Governor shall appoint from the list of designated appraisers submitted to him by the organizations which are members of the Appraisal Foundation, an organizational sub-committee to be composed of three members of each of the state chapters of national appraisal organizations which are members of the Appraisal Foundation, with the exception of the IAAO, said sub-committee to assist the Board in the duties required in an efficient organization of this act. These sub-committee members are to serve for a period of two years without reimbursement and this sub-committee will not be reappointed after the initial two year organization period.

SECTION 29. Responsibilities, Powers, Duties and Immunities of the Board. The Real Estate Appraiser Registration and Certification Board shall have the following responsibilities, powers, and duties:

(1) To consider from time to time the experience, education and examination requirements that would be appropriate for each classification of State Certified Real Estate Appraiser in this State; to develop programs to upgrade and improve such experience, education and examination requirements;

(2) To consider from time to time the continuing education requirements that would be appropriate for the renewal of the registration and the renewal of the certification of each classification of real estate

appraiser in this State; to develop programs to upgrade and improve such continuing education requirements;

(3) To consider the proper interpretation or explanation of the Standards of Professional Appraisal Practice required by section 22 of this act when an interpretation or explanation becomes necessary in the enforcement of this act and the Appraisal Standards Board of the Appraisal Foundation has not as yet issued an interpretation or explanation;

(4) To develop and establish the examination specifications (and the minimum score required to pass) for the examinations that are required by section 34 of this act for each classification of State Certified Real Estate Appraiser, provided, however, that in no event shall the examination specifications established by the Board for each such classification be less than the minimum criteria established for such classification from time to time by the Appraisers Qualification Board of the Appraiser Foundation, unless, after notice and a public hearing held in accordance with the provisions of the State statutes applicable to public hearings, the Board has found that such minimum criteria are not appropriate for State Certified Appraisers in this State.

(5) To review from time to time the bank of questions and answers that are provided to the Board by the contractor that is hired by the Board to prepare such bank of questions and answers; to review from time to time the procedure that is established for the purpose of selecting individual questions from the bank of questions for use in connection with each scheduled examination; and to review from time to time the questions in the bank of questions and the related answers to ascertain that they meet the examination specifications established by the Board; and

(6) To conduct administrative hearings in connection with all disciplinary proceedings under section 40 of this act relating to a State Certified Real Estate Appraiser; to conduct administrative hearings in connection with all disciplinary proceedings under section 23 of this act relating to the failure of the registrant under this act to observe the Standards of Professional Appraisal Practice established under section 22 of this act; to issue in each such administrative hearing a decision that contains findings of fact; and, when a determination is made that a State Certified Real Estate Appraiser has violated section 40, or that a registered

real estate appraiser has violated section 23, to issue a Formal Decision with respect to the appropriate disciplinary action to be taken.

(7) To provide to the Board the names of each applicant who meets the requirements for certification or registration under this act. The members of the Board shall be immune from any civil action or criminal prosecution for initiating or assisting in any lawful investigation of the actions of, or any disciplinary proceedings concerning, a registered or certified real estate appraiser pursuant to this act, provided that such action is taken without malicious intent and in the reasonable belief that the action taken was taken pursuant to the powers and duties vested in the members of the Board under this act.

SECTION 30. Certification Process. Applications for original certification, applications for renewal certification and applications to take an examination shall be made in writing to the Board on forms approved by the Board.

The payment of the appropriate fee, as fixed by the Board pursuant to section 43 must accompany all applications for original certification, renewal of certification, and all applications to take an examination.

At the time of filing an application for original certification or for renewal of certification, each applicant shall sign a pledge to comply with the Standards of Professional Appraisal Practice and the ethical rules to be observed by an appraiser that are established from time to time for State Certified Real Estate Appraisers under this act. Each applicant shall also certify that he or she understands the types of misconduct, as set forth in this act, for which disciplinary proceedings may be initiated against a State Certified Real Estate Appraiser.

SECTION 31. Classes of Certification. There shall be two classes of certification for State Certified Real Estate Appraisers:

(1) The State Certified Residential Real Estate Appraiser. The State Certified Residential Real Estate Appraiser classification shall consist of those persons meeting the requirements for certification relating to the appraisal of residential real estate of one to four units.

(2) The State Certified General Real Estate Appraiser. The State Certified General Real Estate Appraiser classification shall consist of those

persons meeting the requirements for certification relating to the appraisal of all types of real property.

Each application for original certification or for the renewal of certification and each application to take an examination shall specify the classification of certification being applied for and, if applicable, the certification previously granted.

SECTION 32. Experience Requirement. As a prerequisite to taking the examination for certification as a State Certified Real Estate Appraiser, an applicant shall present evidence satisfactory to the Board that he or she possesses the equivalent of three (3) full years of experience in real property appraisal supported by adequate written reports or file memoranda. Such experience, or the equivalent thereof, must be acquired within a period of five years immediately preceding the filing of the application for certification.

Each applicant for certification shall furnish under oath a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the Board for examination, a sample of appraisal reports which the applicant has prepared in the course of his or her appraisal practice. The Board will be the sole determinant of which appraisals and how many of the applicant's appraisals will be reviewed; and also where and in what manner said appraisal reviews will be conducted. Additionally, the Board will be the sole determinant of how many appraisal reports must be completed to equate to the required three (3) years of real property appraisal experience.

SECTION 33. Education Requirement. A. Residential Classification - As a prerequisite to taking the examination for certification as a State Certified Residential Real Estate Appraiser, an applicant shall present evidence satisfactory to the Board that he or she (1) is the holder of a valid Real Estate Appraiser Registration under this act, and (2) has successfully completed no less than 75 classroom hours in courses of study approved by the Board.

To meet the 75 classroom hour requirement, an application must successfully complete not less than 60 classroom hours in courses of study

approved by the Board which relate to real estate appraisal theory and practice, plus 15 classroom hours in courses of study approved by the Board which relate to the Standards of Professional Appraisal Practice, to the ethical rules to be observed by a real estate appraiser, and to the provisions of this act. The courses of study referred to above must be conducted by:

(1) a Board approved accredited university, college or junior college, (2) a Board approved appraisal society, appraisal institute or appraisal association.

B. General Classification - As a prerequisite to taking the examination for certification as a State Certified General Real Estate Appraiser, an applicant shall present evidence satisfactory to the Board that he or she:

(1) is the holder of a valid Real Estate Appraiser Registration under this act, and

(2) has successfully completed not less than (165) classroom hours in courses of study approved by the Board. To meet the 165 classroom requirement, an applicant must successfully complete not less than 150 classroom hours of courses of study approved by the Board which relate to real estate appraisal theory and practice, plus 15 hours devoted specifically to the Standards of Professional Appraisal Practice, to the ethical rules to be observed by a real estate appraiser, and to the provisions of this act. The courses of study referred to above must be conducted by:

(1) a Board approved accredited university, college or junior college,

(2) a Board approved appraisal society, appraisal institute or appraisal association.

Additional Requirements - The Board may, adopt regulations that add to or supplement the requirements in Part A and Part B of this section.

SECTION 34. Examination Requirement. An original certification as a State Certified Real Estate Appraiser shall not be issued to any person who has not demonstrated through a written examination process that he or she possesses the following:

(1) Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate;

(2) An understanding of the basic principles of land economics, the

basic principles of the real estate appraisal process, and the problems likely to be encountered in gathering, interpreting, and processing the sales data that is required in the real estate appraisal process;

(3) An understanding of the standards for the development and communication of real estate appraisals as provided in this act;

(4) An understanding of the ethical rules that a real estate appraiser is required to observe;

(5) Knowledge of theories of description, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for the classification of certification applied for;

(6) Knowledge of such other principles and procedures as may be appropriate for the classification of certification applied for;

(7) An understanding of basic real estate law; and

(8) An understanding of the types of misconduct for which disciplinary proceedings may be initiated against a State Certified Real Estate Appraiser, as set forth in this act.

SECTION 35. Term of Certification. The initial certification issued under the authority of this act shall expire upon the expiration date of the registration held by a certificate holder. Thereafter, a certification issued under the authority of this act shall expire two (2) years from the date of issuance or upon the date that the State Certified Appraiser no longer holds a valid registration as a real estate appraiser in this State, whichever shall first occur. The scheduled expiration date of the certificate shall appear on the certificate and no other notice of its expiration need be given to its holder.

SECTION 36. Renewal of Certification. A.(1) To obtain a renewal certificate of a State Certified Real Estate Appraiser, the holder of a current, valid certificate shall make application and pay the prescribed fee to the Board not later than 90 days prior to the expiration date of the certificate than held. With the application for renewal, the State Certified Real Estate Appraiser shall present evidence in the form prescribed by the Board of having completed the continuing education requirements for renewal specified in this act.

(2) If the Board determines that an applicant has failed to meet



the requirements for renewal of certification through mistake, misunderstanding, or circumstances beyond the control of the applicant, the Board may extend the term of the certificate for a period not to exceed one year, upon payment by the applicant of a prescribed delinquent fee for the extension.

(3) If the applicant satisfies the requirements for renewal during the extended term of certification, the beginning date of the new renewal certificate shall be the day following the expiration of the certificate previously held by the applicant.

B. If a person fails to renew a certificate as a State Certified Real Estate Appraiser prior to its expiration or within a period of extension granted by the Board pursuant to this act, the person may obtain a renewal certificate by satisfying all of the requirements specified for initial applicants for certification.

SECTION 37. Basis for Denial. A.(1) The Board may deny the issuance of a certificate as a State Certified Real Estate Appraiser to an applicant on any of the grounds enumerated in this act.

SECTION 38. Use of the Term "State Certified Real Estate Appraiser". The term "State Certified Real Estate Appraiser" may be used to refer to an individual who is a State Certified Real Estate Appraiser under this act and may not be used following, or immediately in connection with, the name or signature of a firm, partnership, corporation or group, or in such manner that it might be interpreted as referring to a firm, partnership, corporation, group or to anyone other than the individual who is certified under this act. This requirement shall not be construed to prevent a State Certified Real Estate Appraiser from signing an appraisal report on behalf of a corporation, partnership, firm or group practice if it is clear that only the individual is certified and that the corporation, partnership, firm or group practice is not.

No certificate shall be issued under the provisions of this act to a corporation, partnership, firm or group.

SECTION 39. Continuing Education Requirement. A. As a prerequisite to

renewal of certification, a State Certified Real Estate Appraiser shall present evidence satisfactory to the Board of having met the continuing education requirements of this section.

B. The basic continuing education requirement for renewal of certification shall be the completion by the applicant, during the immediately preceding term of certification, of not less than 20 classroom hours of instruction in courses or seminars which have received the approval of the Board; plus, a minimum of 7 hours of continuing education related to the standards of professional practice and the provisions of this act.

C. In lieu of meeting the requirements of subdivision (B) an applicant for re-certification may satisfy all or part of the requirements by presenting evidence of the following:

(1) Completion of an educational program of study determined by the Board to be equivalent, for continuing education purposes, to courses approved by the Board pursuant to subdivision (B); or

(2) Participation other than as a student in educational processes and programs approved by the Board which relate to real property appraisal theory, practices or techniques, including, but not necessarily limited to, teaching, program development and preparation of textbooks, monographs, articles, and other instructional materials.

D. The Board shall adopt regulations for implementation of the provisions of this section to the end of assuring that persons renewing their certifications as State Certified Real Estate Appraisers have current knowledge of real property appraisal theories, practices, and techniques which will provide a high degree of service and protection to those members of the public with whom they deal in a professional relationship under authority of the certification. The regulations shall prescribe the following:

(1) Policies and procedures for obtaining Board approval of courses of instruction pursuant to subdivision (B);

(2) Standards, policies, and procedures to be applied by the Board in evaluating applicant's claims of equivalency in accordance with subdivision (C);

(3) Standards, monitoring methods, and systems for recording attendance to be employed by course and seminar sponsors as a prerequisite to Board approval of courses and seminars for credit.

E. In adopting regulations pursuant to subpart 1 of paragraph (D), the

Board may give favorable consideration to courses of instruction, seminars, and other real property appraisal educational courses or programs previously or hereafter developed by or under the auspices of professional appraisal organizations, who are members of the Appraisal Foundation, and utilized by those associations for purposes of designation, or indicating compliance with the continuing education requirements of such organizations.

F. No amendment or repeal of a regulation adopted by the Board pursuant to this section shall operate to deprive a State Certified Real Estate Appraiser of credit toward renewal of certification for any course of instruction completed by the applicant prior to the amendment or repeal of the regulation which would have qualified for continuing education credit under the regulation as it existed prior to the repeal or amendment.

G. On or after January 1, 1991, a certification as a State Certified Real Estate Appraiser that has been revoked as a result of a disciplinary action by the Board shall not be reinstated unless the applicant presents evidence of completion of the continuing education required by this act and successfully completes the examination for State certified real estate appraiser as a condition to reinstatement of certification. A revoked certification may be reinstated at the discretion of the Board, subject to the provisions of this section.

SECTION 40. Prohibited Acts and Omissions - State Certified Real Estate Appraiser. An application for certification or re-certification may be denied, and the rights of any State Certified Real Estate Appraiser may be revoked or suspended, or the holder of the certificate may be otherwise disciplined in accordance with the provisions of this act, for any of the following acts or omissions:

(1) Procuring or attempting to procure a certificate pursuant to this act by knowingly making a false statement, submitting false information, refusing to provide complete information in response to a question in an application for certification or through any form of fraud or misrepresentation;

(2) Failing to meet the minimum qualifications established by this act;

(3) Paying money other than provided for by this act to any member or employee of the Board to procure a certificate under this act;

(4) A conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions, and duties of a person developing real estate appraisals and communicating real estate appraisals to others;

(5) An act or omission involving dishonesty, fraud, or misrepresentation with the intent to substantially benefit the certificate holder or another person or with the intent to substantially injure another person.

(6) Violation of any of the standards for the development of communication of real estate appraisals as provided in this act;

(7) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;

(8) Negligence or incompetence in developing an appraisal, in preparing an appraisal report, or in communicating an appraisal.

(9) Willfully disregarding or violating any of the provisions of this act or the regulations of the Board for the administration and enforcement of the provisions of this act;

(10) Accepting an appraisal assignment when the employment itself is contingent upon the appraiser reporting a predetermined estimate, analysis or opinion, or where the fee to be paid is contingent upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment;

(11) Violating the confidential nature of governmental records to which he or she gained access through employment or engagement as an appraiser by a governmental agency;

(12) Entry of a final civil judgement against the person on the grounds of fraud, misrepresentation or deceit in the making of any appraisal of real property; or

(13) Violating any of the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.

(14) Violating any term or condition of a certificate issued by the Board under authority of this section.

In a disciplinary proceeding based upon a civil judgment, the State Certified Real Estate Appraiser shall be afforded an opportunity to present matters in mitigation and extenuation, but may not collaterally attack the

civil judgment.

SECTION 41. Disciplinary Proceedings. The Board may investigate the actions of a State Certified Real Estate Appraiser or an applicant for certification or re-certification and may, upon compliance with the procedural requirements set forth in this act, revoke or suspend both the registration and the certificate or otherwise discipline a State Certified Real Estate Appraiser, or deny an application, for any of the acts or omissions set forth in section 40.

Upon receipt of information indicating that a State Certified Real Estate Appraiser under this act may have violated section 40 of this act, the Board shall cause one or more of the investigators on its staff to make an investigation of the facts to determine whether or not there is admissible evidence of any such violation. If technical assistance is required, a staff investigator may consult with one of the appraiser members of the Board. If an appraiser member of the Board is consulted and renders assistance in an investigation, such appraiser member may be excused from service on the Board in connection with any administrative hearing that may result from such

In any investigation made by the Boards' investigative staff, the Board shall have the power to subpoena to compel the attendance of witnesses and the production of books, documents, records and other papers; to administer oaths; and to take testimony and receive evidence concerning all matters within its jurisdiction.

If an investigation indicates that a Certified Real Estate Appraiser under this act has violated section 40 of this act, a formal complaint shall be prepared by the Board staff and served upon such State Certified Real Estate Appraiser. This complaint shall require the accused party to file an Answer to Complaint within 30 days of the date of service.

In responding to a Complaint filed by the staff of the Board, the accused party may admit the allegations of the Complaint, deny the allegations of the Complaint or otherwise plead. Failure to make a timely response shall be deemed an admission to the allegations of the Complaint.

Upon receipt of an Answer to the Complaint, the Board staff shall refer the file to the Chairperson of the Board. Upon receipt of such file, the Chairperson of the Board shall set a date, time and place for an administrative hearing by the Board on the Complaint. The date of the hearing

shall not be less than 30 nor more than 90 days from the date that the file is received by the Chairperson of the Board, unless such date is extended by the Board for good cause shown.

SECTION 42. Hearing and Judicial Review. The administrative hearing on the allegations in the Complaint shall be heard by the Board at the time and place prescribed by the Board and in accordance with the provisions of the Administrative Procedures Act of this State. If, at the conclusion of the hearing, the Board determines that a State Certified Real Estate Appraiser is guilty of a violation of any of the provisions of this act, it shall prepare a formal decision that shall contain findings of fact concerning the appropriate disciplinary action to be taken.

Disciplinary actions include suspension and revocation of certification, suspension and revocation of registration, and formal reprimand.

The decision and order of the Board with respect to the disciplinary action to be taken shall be final. Each final decision and order of the Board shall be reviewable by a court of appropriate jurisdiction as to questions of law only. To be effective, an application for review made by an aggrieved party must be filed within thirty days after such party's receipt of the final decision and order of the Board.

If an application is filed for review of a final decision and order of the Board, the case shall be fixed for trial within a reasonable period after the date of the filing of an answer by the Board. If the court finds that the Board has regularly pursued its authority and has not acted arbitrarily, it shall affirm the decision and order of the Board.

All records of a disciplinary proceeding shall be retained for a period of not less than five (5) years from the date that the action of the Board becomes final.

SECTION 43. Licensing and Certification Fees. The Board shall charge and collect appropriate fees for its services under this act. The fees charged by the Board for the following items shall not exceed the amounts indicated below:

- |                                       |       |
|---------------------------------------|-------|
| (1) A registration application fee of | \$300 |
| (2) A registration examination fee of | \$125 |
| (3) A registration renewal fee of     | \$200 |

- |     |                                     |       |
|-----|-------------------------------------|-------|
| (4) | A delinquent renewal penalty fee of | \$100 |
| (5) | A temporary registration fee of     | \$200 |
| (6) | A certification application fee of  | \$300 |
| (7) | A certification examination fee of  | \$125 |
| (8) | A certification renewal fee of      | \$200 |
| (9) | A delinquent renewal penalty fee of | \$100 |

The Board may, by regulation, establish such fees as it deems appropriate for special examinations and other services provided by the Board. All fees, fines, and other revenues collected by the Board pursuant to this act shall be deposited in a special fund that shall be used solely for the purpose of paying the expenses incurred in connection with the administration of this act.

SECTION 44. Registration, Certificates, and Related Records. The Board shall issue to each registrant a numbered document stating that such registration has been issued under this act and specifying the expiration date. The Board may also issue a pocket card in such size and form as the Board may approve.

The Board shall issue to each State Certified Real Estate Appraiser under this act a numbered certificate evidencing such certification and specifying the expiration date. The Board shall also issue a pocket card in such size and form as the Board may approve.

A certificate or registration issued under authority of this act shall bear a certificate or registration number assigned by the Board. When signing a certified appraisal report, a State Certified Real Estate Appraiser shall place his or her certificate number adjacent to or immediately below his or her title of "State Certified Residential Real Estate Appraiser" or "State Certified General Real Estate Appraiser". Such certificate number shall also be used in all statements of qualification, contracts or other instruments used by the certificate holder when reference is made to his or her status as a State Certified Real Estate Appraiser. The registered appraiser is likewise obligated to a similar use of the registration number issued on any appraisal

License documents, certificates, and pocket cards shall remain the property of the State, and upon any suspension or revocation of a registration or certification pursuant to this act, the individual holding the related registration document, certificate and pocket card shall immediately return

such document, certificate and pocket card to the Board.

The Board shall maintain and keep open for public inspection during office hours, a complete and properly indexed record of all applications for registration or certification received, registrations and certificates issued, registrations and certificates renewed, and registrations and certificates revoked, cancelled or suspended under the provisions of this act. A copy of any such or record shall be made available to the public, upon application to the Board, at such reasonable price per copy as may be fixed by the Board.

Any type of media advertising by an appraiser must refer to the appropriate registration or certificate number.

SECTION 45. Roster of Registered Appraisers and Certified Appraisers. The Board shall prepare and issue at least once each calendar year a roster showing the name and place of business of each real estate appraiser currently registered under the provisions of this act and each real estate appraiser currently certified under the provisions of this act. A copy of such roster shall be made available to the public, upon application to the Board, at such reasonable price per copy as may be fixed by the Board.

SECTION 46. Certificate of Good Standing. The Board may, upon payment of a fee in an amount specified in its regulations, issue a Certificate of Good Standing to any registered real estate appraiser or any Certified Real Estate Appraiser who is in good standing in this State.

SECTION 47. Registration and Certification of Nonresidents.

A. Consent to Service or Process. Each applicant for registration and each applicant for certification under this act who is not a resident of this State shall submit, with his or her application, an irrevocable consent that service of process upon him or her may be made by delivery of the process to the Secretary of State if, in an action against the applicant in a court of this State arising out of the applicant's activities as a real estate appraiser in this State, the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

B. Nonresident Registration. A non resident of this State who has complied with the provisions of subpart A of this section may obtain registration as a real estate appraiser of this State by complying with all of



the provisions of this act relating to the registration of real estate appraisers.

C. Temporary Registration. A nonresident of this State who has complied with the provisions of subpart A of this section may obtain a temporary registration to perform a contract relating to the appraisal of real or real property in this State that requires only the services of a "registered appraiser". To qualify for the issuance of a temporary registration, an applicant must:

- (1) Submit an application of a form approved by the Board.
  - (2) Submit evidence that he or she is registered to appraise real estate and real property in his or her State of domicile;
  - (3) Submit a copy of the contract for appraisal services that requires the applicant to appraise real estate or real property in this State and certify that such contract is in full force and effect.
  - (4) Certify that disciplinary proceedings are not pending against the applicant in the applicant's State of domicile;
  - (5) Pay an application fee in an amount established by the Board;
- and
- (6) Comply with such other requirements as may be established by the Board.

No more than two temporary licenses shall be granted to an individual in any two year period.

A temporary license under this section shall be expressly limited to a grant of authority to perform "registered" appraisal work required by the contract for appraisal services, that is submitted with the application for a temporary license.

Each temporary registration shall expire upon the completion of the appraisal work required by the contract for appraisal services or upon the expiration of a period four months from the date of issuance, whichever shall first occur. A temporary license may not be renewed.

D. Nonresident Certification by Reciprocity. Non residents of this State may make appraisals requiring the services of a "Certified Appraiser" in this State only if they are Arkansas State Certified or they are working with and signing the report appraisal with an Arkansas State Certified General Real Estate Appraiser.

If, in the determination of the Board another state is deemed to have

substantially equivalent certification requirements, an applicant who is certified under the laws of such other state may obtain a certificate as a State Certified Real Estate Appraiser in this state upon such terms and conditions as may be determined by the Board, said conditions to include as a minimum passing the appropriate Arkansas Certification Examination and paying the appropriate fees.

SECTION 48. Attorney General Opinions and Duties. At the request of the Board, the State Attorney General shall render to the Board an opinion with respect to all questions of law arising in connection with the administration of this act, and shall act as attorney for the Board in all actions and proceedings brought by or against the Board under, or pursuant to, any of the provisions of this act.

SECTION 49. Partial Invalidity. If any provision of this act or its application to any person or in any circumstance is declared by a court of competent jurisdiction to be invalid or unenforceable, provisions constituting the remainder of the act and the application of those provisions to other persons and in other circumstances shall not be affected.

SECTION 50. Effective Dates. This act shall become effective 18 months after it has been signed by the Governor. For a period of twelve (12) months immediately following the effective date of this act, the Board may, by regulation, adopted after a public hearing held in accordance with the statutes of this State applicable to public hearings, extend the effective date of any of the provisions of this act relating to the registration of real estate appraisers.

SECTION 51. Recovery Fund Exemption. The provisions of subchapter 4 of chapter 35, Title 17 (Arkansas Code Annotated §17-35-401 et seq.) pertaining to the Real Estate Recovery Fund shall not apply to violations occurring as a result of or in connection with any provision of this act.

SECTION 52. Exclusion of employees of the Arkansas Assessment Coordination Division of the Public Service Commission and employees of the Various Arkansas County Assessors. Employees of the State Assessment

Coordination Division and employees of the various County Assessors' offices are specifically excluded from every section of this act, except section 27; when said employees are acting within the scope of their employment as a state or county employee. If employees of the State Assessment Coordination Division or the various County Assessors' offices perform appraisals for a fee or other consideration, outside the direct scope of their employment, they then become subject to each and every provision of this act.

SECTION 53. All provisions of this act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

