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**THE STATE SENATE**  
**Wednesday, April 5, 2006**

**ENGROSSED**

**House Bill No. 2911**

ENGROSSED HOUSE BILL NO. 2911 - By: PETERSON (Ron) of the House and LASTER of the Senate.

An Act relating to professions and occupations; amending 59 O.S. 2001, Sections 858-702, 858-703, 858-704, 858-708, 858-709, 858-710, 858-711, 858-712, 858-718, 858-722, 858-723, 858-724, 858-725, 858-726 and 858-732, which relate to the Oklahoma Certified Real Estate Appraisers Act; modifying application of act; modifying definition; adding procedure to enjoin persons from engaging in certain activity; modifying fees; modifying certain application requirements; clarifying classes of real estate appraisers; modifying certain certifications; modifying certain education requirements; modifying certain notice requirements; modifying certain certification requirements; adding certain disciplinary penalties; modifying certain disciplinary procedures; clarifying requirements for ethical conduct; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2001, Section 858-702, is amended to read as follows:

Section 858-702. A. This act shall only apply to:

- 1. Any appraisal or appraiser involving the following:
  - a. a federally related transaction,
  - b. real estate-related financial transactions of the agencies, instrumentalities, and federally recognized entities covered by the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, and

1           c.    any real estate-related transactions where an  
2                    appraisal report was made under a written agreement  
3                    that the appraisal report would follow the Uniform  
4                    Standards of Professional Appraisal Practice  
5                    guidelines or where a written appraisal states that it  
6                    is in compliance with the Uniform Standards of  
7                    Professional Appraisal Practice; and

8           2.    Appraisers certified or licensed pursuant to the Oklahoma  
9    Certified Real Estate Appraisers Act or representing themselves as  
10 such, whether such license or certification is active, inactive,  
11 expired, suspended, or revoked as set forth in this act and the  
12 rules and regulations promulgated pursuant thereto, to the extent  
13 that the appraisers and any real property valuation and any real  
14 property valuation activity performed by them shall conform to the  
15 code of ethics as set forth in this act.

16           B.   Certified public accountants, licensed in the states or  
17 other U.S. jurisdictions, who perform appraisals of real estate  
18 incidental to the performance of professional services they provide  
19 to clients are excluded from the licensing and certification  
20 provisions of the Oklahoma Certified Real Estate Appraisers Act  
21 unless the appraisal is a federally related transaction or a real  
22 estate-related financial transaction of the agencies,  
23 instrumentalities and federally recognized entities covered by the

1 Financial Institutions, Reform, Recovery and Enforcement Act of  
2 1989.

3 SECTION 2. AMENDATORY 59 O.S. 2001, Section 858-703, is  
4 amended to read as follows:

5 Section 858-703. As used in the Oklahoma Certified Real Estate  
6 Appraisers Act:

7 1. "Appraisal" or "real estate appraisal" means an analysis,  
8 opinion or conclusion relating to the nature, quality, value or  
9 utility of specified interests in, or aspects of, identified real  
10 estate other than oil, gas, coal, water, and all other energy and  
11 nonfuel mineral and elements or the value of underground space to be  
12 used for storage of commodities or for the disposal of waste unless  
13 they are appraised as part of a federally related transaction  
14 covered by the Financial Institutions Reform, Recovery, and  
15 Enforcement Act of 1989. An appraisal may be classified by subject  
16 matter into either a valuation or an analysis. A "valuation" is an  
17 estimate of the value of real estate or real property. An  
18 "analysis" is a study of real estate or real property other than  
19 estimating value;

20 2. "Appraisal report" means any written or oral communication  
21 of an appraisal;

1           3. "Appraisal Subcommittee" means the subcommittee created by  
2 Title XI of the Financial Institutions Reform, Recovery, and  
3 Enforcement Act of 1989;

4           4. "Appraiser Qualifications Board" (AQB) means the independent  
5 board appointed by the Board of Trustees of the Appraisal  
6 Foundation. The AQB establishes educational, experience, and  
7 examination criteria for appraisers. Title XI of the Financial  
8 Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989  
9 requires that state certified appraisers must meet the minimum  
10 qualifications set by the AQB;

11          5. "Board" means the Real Estate ~~Appraisal~~ Appraiser Board  
12 established pursuant to the provisions of the Oklahoma Certified  
13 Real Estate Appraisers Act;

14          6. "Certification" shall refer to either a trainee appraiser, a  
15 state licensed appraiser, a state certified residential appraiser or  
16 a state certified general appraiser;

17          7. "Certified appraisal or certified appraisal report" means an  
18 appraisal or appraisal report given or signed and certified as such  
19 by a trainee appraiser, a state licensed, state certified  
20 residential or state certified general real estate appraiser. When  
21 identifying an appraisal or appraisal report as "certified", the  
22 trainee, state licensed, state certified residential or state  
23 certified general real estate appraiser must indicate which type of

1 certification is held. A certified appraisal or appraisal report  
2 represents to the public that it meets the appraisal standards  
3 defined in the Oklahoma Certified Real Estate Appraisers Act;

4 8. "Chairperson" means the chairperson of the Real Estate  
5 ~~Appraisal~~ Appraiser Board;

6 9. "Department" means the Oklahoma Insurance Department;

7 10. "Real estate" means an identified parcel or tract of land,  
8 including improvements, if any;

9 11. "Real property" means one or more defined interests,  
10 benefits, and rights inherent in the ownership of real estate;

11 12. "Trainee, state licensed, state certified residential or  
12 state certified general real estate appraiser" means a person who  
13 develops and communicates real estate appraisals and who holds a  
14 current, valid certificate issued to such person for either general  
15 or residential real estate pursuant to provisions of the Oklahoma  
16 Certified Real Estate Appraisers Act;

17 13. "Appraisal assignment" means an engagement for which an  
18 appraiser is employed or retained to act, or would be perceived by  
19 third parties or the public as acting, as a disinterested third  
20 party in rendering an unbiased analysis, opinion, or conclusion  
21 relating to the nature, quality, value, or utility of specified  
22 interests in, or aspects of, identified real estate; and

1        14. "Specialized services" means those appraisal services which  
2 do not fall within the definition of appraisal assignment. The term  
3 "specialized services" may include valuation work and analysis work.  
4 Regardless of the intention of the client or employer, if the  
5 appraiser would be perceived by third parties or the public as  
6 acting as a disinterested third party in rendering an unbiased  
7 analysis, opinion or conclusion, the work is classified as an  
8 appraisal assignment and not "specialized services".

9        SECTION 3.        AMENDATORY        59 O.S. 2001, Section 858-704, is  
10 amended to read as follows:

11        Section 858-704. A. No person, other than a trainee, state  
12 licensed, state certified residential or state certified general  
13 real estate appraiser, shall assume or use that title or any title,  
14 designation, or abbreviation likely to create the impression of  
15 certification as a real estate appraiser by this state. A person  
16 who is not certified pursuant to the provisions of the Oklahoma  
17 Certified Real Estate Appraisers Act shall not describe or refer to  
18 any appraisal or other evaluation of real estate located in this  
19 state by using the term "state certified".

20        B. Violation of subsection A of this section, including using  
21 or attempting to use the seal, certificate, or license of another as  
22 their own, or falsely impersonating any duly licensed appraiser, or  
23 using or attempting to use an inactive, expired, suspended, or

1 revoked license, is declared to be adverse to the public welfare, to  
2 constitute a public nuisance, and to cause irreparable harm to the  
3 public welfare. The Real Estate Appraiser Board, through the  
4 Attorney General, or the local district attorney may maintain an  
5 action for injunctive relief in the district court in the county in  
6 which a violation of this section is alleged to have occurred to  
7 enjoin any person from engaging in such practice.

8 C. Upon the filing of a verified petition in a district court,  
9 the court, if satisfied by affidavit or otherwise that a person has  
10 been engaged in the practice of real estate appraisal without a  
11 valid license, may enter a temporary restraining order without  
12 notice or bond enjoining the defendant from further practice. The  
13 showing of the absence of a valid, active, unexpired license, by  
14 affidavit or otherwise, is sufficient for the issuance of a  
15 temporary injunction. If it is established that the defendant has  
16 been or is engaged in violation of subsection A of this section, the  
17 court may enter an order or judgment perpetually enjoining the  
18 defendant from further unlawful acts. In all proceedings under this  
19 section, the court, in its discretion, may apportion the costs among  
20 the parties interested in the action, including the cost of filing  
21 the complaint, service of process, witness fees and expenses, court-  
22 reported charges, and reasonable attorney fees. These injunctive  
23 proceedings shall be in addition to, and not in lieu of, all

1 penalties and other remedies provided in the Oklahoma Certified Real  
2 Estate Appraisers Act.

3 D. This act is hereby deemed to be voluntary on the part of  
4 those who apply to become trainee, state licensed, state certified  
5 residential or state certified general real estate appraisers.  
6 Users of appraisals may determine, by their own discretion or by  
7 guidelines, whether or not to use a trainee, state licensed, state  
8 certified residential or state certified general real estate  
9 appraiser.

10 SECTION 4. AMENDATORY 59 O.S. 2001, Section 858-708, is  
11 amended to read as follows:

12 Section 858-708. A. The Insurance Department shall charge and  
13 collect fees not to exceed the following:

- |    |  |                     |
|----|--|---------------------|
| 14 | 1. Trainee Appraiser Certificate         |                     |
| 15 | (annually)                               | <del>\$150.00</del> |
| 16 |  | <u>\$300.00</u>     |
| 17 | 2. State Licensed Appraiser              |                     |
| 18 | Certificate (annually)                   | <del>\$150.00</del> |
| 19 |  | <u>\$300.00</u>     |
| 20 | 3. State Certified General Appraiser     |                     |
| 21 | Certificate (annually)                   | <del>\$150.00</del> |
| 22 |  | <u>\$300.00</u>     |
| 23 | 4. State Certified Residential Appraiser |                     |

1	Certificate (annually)	<del>\$150.00</del>
2		<u>\$300.00</u>
3	5. <del>Trainee and State Licensed</del>	
4	Appraiser Examination	\$150.00
5	6. State Certified General Appraiser Examination	\$150.00
6	7. State Certified Residential Appraiser	
7	Examination	\$150.00
8	8. Reexamination Fee	\$150.00
9	9. Late Fee	\$50.00
10	10. Reinstatement Fee	\$50.00
11	11. Duplicate for Lost or Destroyed Certificate	\$5.00
12	12. Temporary Practice Fee Per Appraisal	\$50.00
13	<u>13. Maximum Temporary Practice Fee Per Assignment</u>	<u>\$150.00</u>

14 B. The Department shall charge and collect such fees as may be  
15 promulgated by administrative rule by the Real Estate Appraiser  
16 Board for the conduct of experience reviews required in the  
17 licensing process.

18 C. The Department shall charge and collect such fees as may be  
19 promulgated by administrative rule by the Real Estate Appraiser  
20 Board for review of submissions by course providers and instructors.

21 D. The Insurance Department shall charge and collect a Federal  
22 Registry Fee of Twenty-five Dollars (\$25.00) for all state licensed,  
23 state certified residential, and state certified general appraisers.

1 Said fee shall be transmitted to the Appraisal Subcommittee of the  
2 Federal Financial Institutions Examination Council.

3 SECTION 5. AMENDATORY 59 O.S. 2001, Section 858-709, is  
4 amended to read as follows:

5 Section 858-709. A. Applications for original certification,  
6 renewal certification and examinations shall be made in writing to  
7 the Oklahoma Insurance Department on forms approved by the Real  
8 Estate Appraiser Board.

9 B. Appropriate fees, as fixed by the Department pursuant to  
10 Section 858-708 of this title, must accompany all applications for  
11 ~~original certification, renewal certification and examination.~~

12 C. At the time of filing an application for certification, each  
13 applicant shall sign a pledge to comply with the standards set forth  
14 in the Oklahoma Certified Real Estate Appraisers Act, and state that  
15 such applicant understands the types of misconduct for which  
16 disciplinary proceedings may be initiated against an Oklahoma  
17 certified real estate appraiser, as set forth in the Oklahoma  
18 Certified Real Estate Appraisers Act.

19 D. In accordance with Section 3351 of Title 12 of the United  
20 States Code, the Board shall recognize, on a temporary basis, the  
21 certification or license of an appraiser issued by another state if:

1           1. The property to be appraised is part of a federally related  
2 transaction, as defined in the federal real estate appraisal reform  
3 amendments;

4           2. The appraiser's business is of a temporary nature and  
5 certified by the appraiser;

6           3. The appraiser registers the temporary practice with the  
7 Board and pays fees as provided herein; and

8           4. The appraiser resides in or is working out of a state that  
9 is also in compliance with Section 3351 of Title 12 of the United  
10 States Code, that recognizes, on a temporary basis, the  
11 certification or license of an Oklahoma appraiser in their state; or

12           5. As otherwise approved by the Board.

13           E. The applicant or any person registering with the Board for  
14 temporary practice shall file an irrevocable consent that suits and  
15 actions may be commenced against such person:

16           1. In the proper court of any county of this state in which a  
17 cause of action may arise due to the person's actions as a state  
18 licensed or certified real estate appraiser; or

19           2. In the county in which the plaintiff may reside.

20           The consent also shall stipulate and agree that service of  
21 process or pleadings on the person shall be made by service upon the  
22 Board as the person's agent and held in all courts to be as valid  
23 and binding as if personal service had been made upon the applicant

1 in Oklahoma. In case any processes or pleading mentioned in the  
2 case is served upon the Board, it shall be by duplicate copies, one  
3 of which shall be filed with the Board administrator and the other  
4 immediately forwarded by registered mail to the nonresident state  
5 licensed or certified real estate appraiser to whom the processes or  
6 pleadings are directed.

7 SECTION 6. AMENDATORY 59 O.S. 2001, Section 858-710, is  
8 amended to read as follows:

9 Section 858-710. A. There shall be four classes for Oklahoma  
10 certified real estate appraisers:

11 1. State Licensed Appraiser as defined by ~~Title XI of the~~  
12 ~~Financial Institutions Reform, Recovery and Enforcement Act of 1989~~  
13 the Appraiser Qualification Criteria promulgated by the Appraiser  
14 Qualifications Board of the Appraisal Foundation;

15 2. State Certified Residential Appraiser as defined by ~~Title XI~~  
16 ~~of the Financial Institutions Reform, Recovery and Enforcement Act~~  
17 ~~of 1989~~ the Appraiser Qualification Criteria promulgated by the  
18 Appraiser Qualifications Board of the Appraisal Foundation;

19 3. State Certified General Appraiser as defined by ~~Title XI of~~  
20 ~~the Financial Institutions Reform, Recovery and Enforcement Act of~~  
21 ~~1989~~ the Appraiser Qualification Criteria promulgated by the  
22 Appraiser Qualifications Board of the Appraisal Foundation; and

1        4. Trainee Appraiser as defined by the Appraiser Qualification  
2 Criteria promulgated by the Appraiser Qualifications Board of the  
3 Appraisal Foundation.

4        B. The application for original certification, renewal  
5 certification and examination shall specify the classification of  
6 certification being applied for and previously granted.

7        SECTION 7.        AMENDATORY        59 O.S. 2001, Section 858-711, is  
8 amended to read as follows:

9        Section 858-711. A. An original certification as a ~~trainee,~~  
10 state licensed, state certified residential or state certified  
11 general real estate appraiser shall not be issued to any person who  
12 has not made application with the Real Estate Appraiser Board within  
13 ninety (90) days of having demonstrated through a written  
14 examination process that such person possesses the following:

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

18        2. Understanding of the principles of land economics, real  
19 estate appraisal processes, and of problems likely to be encountered  
20 in gathering, interpreting, and processing of data in carrying out  
21 appraisal disciplines;

1           3. Understanding of the standards for the development and  
2 communication of real estate appraisals as provided in the Oklahoma  
3 Certified Real Estate Appraisers Act;

4           4. Knowledge of theories of depreciation, cost estimating,  
5 methods of capitalization, and the mathematics of real estate  
6 appraisal that are appropriate for the classification of certificate  
7 applied for;

8           5. Knowledge of other principles and procedures as may be  
9 appropriate for the respective classifications;

10          6. Basic understanding of real estate law; and

11          7. Understanding of the types of misconduct for which  
12 disciplinary proceedings may be initiated against a trainee, state  
13 licensed, state certified residential or state certified general  
14 real estate appraiser, as set forth in the Oklahoma Certified Real  
15 Estate Appraisers Act.

16          B. As long as the Board contracts with a private testing firm  
17 in the administration of the written examination process, the Board  
18 shall not require passing test scores which deviate from the  
19 recommendations of such private testing firm.

20          SECTION 8.           AMENDATORY           59 O.S. 2001, Section 858-712, is  
21 amended to read as follows:

22          Section 858-712. A. State Certified General Appraiser - As a  
23 prerequisite to taking the examination for certification as a State

1 Certified General Appraiser, an applicant shall present satisfactory  
2 evidence to the Real Estate Appraiser Board that such applicant has  
3 successfully completed the minimum educational requirement ~~of~~  
4 ~~classroom hours~~ specified by the Appraiser Qualification Criteria  
5 promulgated by the Appraiser Qualifications Board of the Appraisal  
6 Foundation ~~of courses in subjects related to real estate appraisal~~  
7 ~~from a nationally recognized appraisal organization or college or~~  
8 ~~university or technology center school or private school approved by~~  
9 ~~the Board and such classes shall be made available on a regional~~  
10 ~~basis throughout the State of Oklahoma prior to the required~~  
11 ~~examination date which must include classroom hours related to~~  
12 ~~standards of professional practice.~~

13 B. State Certified Residential Appraiser - As a prerequisite to  
14 taking the examination for certification as a State Certified  
15 Residential Appraiser, an applicant shall present satisfactory  
16 evidence to the Board that such applicant has successfully completed  
17 the minimum educational requirement ~~of classroom hours~~ specified by  
18 the Appraiser Qualification Criteria promulgated by the Appraiser  
19 Qualifications Board of the Appraisal Foundation ~~of courses in~~  
20 ~~subjects related to real estate appraisal from a nationally~~  
21 ~~recognized appraisal organization or college or university or~~  
22 ~~technology center school or private school approved by the Board and~~  
23 ~~such classes shall be made available on a regional basis throughout~~

1 ~~this state prior to the required examination date which must include~~  
2 ~~classroom hours related to standards of professional practice.~~

3 C. State Licensed Appraiser - As a prerequisite to taking the  
4 examination for certification as a State Licensed Appraiser, an  
5 applicant shall present satisfactory evidence to the Board that such  
6 applicant has successfully completed the minimum education  
7 ~~requirement of classroom hours~~ specified by the Appraiser  
8 Qualification Criteria promulgated by the Appraiser Qualifications  
9 Board of the Appraisal Foundation ~~of courses in subjects related to~~  
10 ~~real estate appraisal from a nationally recognized appraisal~~  
11 ~~organization or a college or university or technology center school~~  
12 ~~or private school approved by the Board and such classes shall be~~  
13 ~~made available on a regional basis throughout the State of Oklahoma~~  
14 ~~prior to the required examination date which must include classroom~~  
15 ~~hours related to standards of professional practice.~~ Provided, that  
16 any appraiser who becomes state licensed prior to July 1, 2001,  
17 shall not be required to complete any additional classroom hours  
18 necessary to meet the minimum requirements of the Appraiser  
19 Qualifications Board of the Appraisal Foundation in order to  
20 maintain certification as a state licensed appraiser.

21 D. Trainee Appraiser - There shall be no examination for  
22 certification as a Trainee Appraiser. As a prerequisite to ~~taking~~  
23 ~~the examination for~~ certification as a Trainee Appraiser, an

1 applicant shall present satisfactory evidence to the Board that such  
2 applicant has successfully completed ~~not less than seventy-five (75)~~  
3 ~~classroom hours of courses in subjects related to real estate~~  
4 ~~appraisal from a nationally recognized appraisal organization or a~~  
5 ~~college or university or area technology center school or private~~  
6 ~~school approved by the Board and such classes shall be made~~  
7 ~~available on a regional basis throughout the State of Oklahoma prior~~  
8 ~~to the required examination date with the cost of the classes being~~  
9 ~~established by the Board which must include classroom hours related~~  
10 ~~to standards of professional practice~~ the minimum educational  
11 requirement specified by the Appraiser Qualification Criteria  
12 promulgated by the Appraiser Qualifications Board of the Appraisal  
13 Foundation.

14 SECTION 9. AMENDATORY 59 O.S. 2001, Section 858-718, is  
15 amended to read as follows:

16 Section 858-718. A. Each trainee, state licensed, state  
17 certified residential or state certified general real estate  
18 appraiser shall advise the Real Estate Appraiser Board of the  
19 address of that appraiser's principal place of business and all  
20 other addresses at which such appraiser is currently engaged in the  
21 business of preparing real property appraisal reports.

22 B. Whenever a trainee, state licensed, state certified  
23 residential or state certified general real estate appraiser changes

1 a place of business, that appraiser shall immediately give written  
2 notification of the change to the Board ~~and apply for an amended~~  
3 ~~certificate.~~

4 C. Every trainee, state licensed, state certified residential  
5 or state certified general real estate appraiser shall notify the  
6 Board of that appraiser's current residence address. Residence  
7 addresses on file with the Board are exempt from disclosure as  
8 public records.

9 SECTION 10. AMENDATORY 59 O.S. 2001, Section 858-722, is  
10 amended to read as follows:

11 Section 858-722. A. As a prerequisite to renewal of  
12 certification, a trainee, state licensed, state certified  
13 residential or state certified general real estate appraiser shall  
14 present evidence satisfactory to the Real Estate Appraiser Board of  
15 having met the continuing education requirements of this section.

16 B. The basic continuing education requirement of renewal of  
17 certification shall be the completion by the applicant, during the  
18 immediately preceding term of certification, of the minimum number  
19 of classroom hours of instruction in courses or seminars according  
20 to the guidelines promulgated by the Appraiser Qualifications Board.  
21 ~~Provided, the continuing education requirement of the trainee~~  
22 ~~appraiser shall be the same as that of the state licensed appraiser.~~

1           C. ~~In lieu of meeting the requirements of subsection B of this~~  
2 ~~section, an applicant for recertification may satisfy all or part of~~  
3 ~~the requirements by presenting evidence of the following:~~

4           1. ~~Completion of an educational program of study determined by~~  
5 ~~the Board to be equivalent, for continuing education purposes, to~~  
6 ~~courses approved by the Board pursuant to subsection B of this~~  
7 ~~section; or~~

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

14           D. The Board shall adopt regulations for implementation of the  
15 provisions of this section assuring that persons renewing their  
16 certifications as trainee, state licensed, state certified  
17 residential or state certified general real estate appraisers have  
18 current knowledge of real property appraisal theories, practices,  
19 and techniques which will provide a high degree of service and  
20 protection to those members of the public with whom they deal in a  
21 professional relationship under authority of the certification. The  
22 regulations shall prescribe the following:

1        1. Policies and procedures for obtaining Board approval of  
2 courses of instruction pursuant to subsection B of this section; and

3        2. ~~Standards, policies, and procedures to be applied by the~~  
4 ~~Board in evaluating applicant's claims of equivalency in accordance~~  
5 ~~with subsection C of this section;~~

6        ~~3.~~ Standards, monitoring methods, and systems for recording  
7 attendance to be employed by course sponsors as a prerequisite to  
8 Board approval of courses for credit.

9        ~~E.~~ D. No amendment or repeal of a regulation adopted by the  
10 Board pursuant to this section shall operate to deprive a trainee,  
11 state licensed, state certified residential or state certified  
12 general real estate appraiser of credit toward renewal of  
13 certification for any course of instruction completed by the  
14 applicant prior to the amendment or repeal of the regulation which  
15 would have qualified for continuing education credit under the  
16 regulation as it existed prior to the repeal or amendment.

17        ~~F.~~ E. Commencing thirty (30) days after the effective date of  
18 this act, a certification as a trainee, state licensed, state  
19 certified residential or state certified general real estate  
20 appraiser that has been revoked as a result of disciplinary action  
21 by the Board shall not be reinstated unless the applicant presents  
22 evidence of completion of the continuing education required pursuant  
23 to the provisions of the Oklahoma Real Estate Appraisers Act. This

1 requirement of evidence of continuing education shall not be imposed  
2 upon an applicant for reinstatement who has been required to  
3 successfully complete the examination for trainee, state licensed,  
4 state certified residential or state certified general real estate  
5 appraiser as a condition to reinstatement of certification.

6 SECTION 11. AMENDATORY 59 O.S. 2001, Section 858-723, is  
7 amended to read as follows:

8 Section 858-723. A. The Real Estate Appraiser Board, after  
9 notice and opportunity for a hearing, pursuant to Article II of the  
10 Administrative Procedures Act, may issue an order imposing one or  
11 more of the following penalties whenever the Board finds, by clear  
12 and convincing evidence, that a certificate holder has violated any  
13 provision of the Oklahoma Certified Real Estate Appraisers Act, or  
14 rules promulgated pursuant thereto:

15 1. Revocation of the certificate with or without the right to  
16 reapply;

17 2. Suspension of the certificate for a period not to exceed  
18 five (5) years;

19 3. Probation, for a period of time and under such terms and  
20 conditions as deemed appropriate by the Board;

21 4. Stipulations, limitations, restrictions, and conditions  
22 relating to practice;

23 5. Censure, including specific redress, if appropriate;

1 6. Reprimand, either public or private;

2 7. Satisfactory completion of an educational program or  
3 programs;

4 8. Administrative fines as authorized by the Oklahoma Certified  
5 Real Estate Appraisers Act; and

6 9. Payment of costs expended by the Board for any legal fees  
7 and costs and probation and monitoring fees including, but not  
8 limited to, administrative costs, witness fees and attorney fees.

9 B. 1. Any administrative fine imposed as a result of a  
10 violation of the Oklahoma Certified Real Estate Appraisers Act or  
11 the rules of the Board promulgated pursuant thereto shall not:

12 a. be less than Fifty Dollars (\$50.00) and shall not  
13 exceed Two Thousand Dollars (\$2,000.00) for each  
14 violation of this act or the rules of the Board, or

15 b. exceed Five Thousand Dollars (\$5,000.00) for all  
16 violations resulting from a single incident or  
17 transaction.

18 2. All administrative fines shall be paid within thirty (30)  
19 days of notification of the certificate holder by the Board of the  
20 order of the Board imposing the administrative fine, unless the  
21 certificate holder has entered into an agreement with the Board  
22 extending the period for payment.

1        3. The certificate may be suspended until any fine imposed upon  
2 the licensee by the Board is paid.

3        4. Unless the certificate holder has entered into an agreement  
4 with the Board extending the period for payment, if fines are not  
5 paid in full by the licensee within thirty (30) days of the  
6 notification by the Board of the order, the fines shall double and  
7 the certificate holder shall have an additional thirty-day period.  
8 If the double fine is not paid within the additional thirty-day  
9 period, the certificate shall automatically be revoked.

10       5. All monies received by the Board as a result of the  
11 imposition of the administrative fine provided for in this section  
12 shall be deposited in the Oklahoma Certified Real Estate Appraisers  
13 Revolving Fund created pursuant to Section 858-730 of this title.

14       C. The rights of any holder under a certificate as a trainee,  
15 state licensed, state certified residential or state certified  
16 general real estate appraiser may be revoked or suspended, or the  
17 holder of the certificate may be otherwise disciplined pursuant to  
18 the provisions of the Oklahoma Certified Real Estate Appraisers Act,  
19 upon any of the grounds set forth in this section. The Board may  
20 investigate the actions of a trainee, state licensed, state  
21 certified residential or state certified general real estate  
22 appraiser, and may revoke or suspend the rights of a certificate  
23 holder or otherwise discipline a trainee, state licensed, state

1 certified residential or state certified general real estate  
2 appraiser for any of the following acts or omissions:

3 1. Procuring or attempting to procure a certificate pursuant to  
4 the provisions of the Oklahoma Certified Real Estate Appraisers Act  
5 by knowingly making a false statement, knowingly submitting false  
6 information, refusing to provide complete information in response to  
7 a question in an application for certification or through any form  
8 of fraud or misrepresentation;

9 2. Failing to meet the minimum qualifications established  
10 pursuant to the provisions of the Oklahoma Certified Real Estate  
11 Appraisers Act;

12 3. Paying money other than provided for by the Oklahoma  
13 Certified Real Estate Appraisers Act to any member or employee of  
14 the Board to procure a certificate pursuant to the Oklahoma  
15 Certified Real Estate Appraisers Act;

16 4. A conviction, including a conviction based upon a plea of  
17 guilty or nolo contendere, of a felony which is substantially  
18 related to the qualifications, functions, and duties of a person  
19 developing real estate appraisals and communicating real estate  
20 appraisals to others;

21 5. An act or omission involving dishonesty, fraud, or  
22 misrepresentation with the intent to substantially benefit the

1 certificate holder or another person or with the intent to  
2 substantially injure another person;

3 6. Violation of any of the standards for the development or  
4 communication of real estate appraisals as provided in the Oklahoma  
5 Certified Real Estate Appraisers Act;

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

9 8. Negligence or incompetence in developing an appraisal, in  
10 preparing an appraisal report, or in communicating an appraisal;

11 9. Willfully disregarding or violating any of the provisions of  
12 the Oklahoma Certified Real Estate Appraisers Act or the regulations  
13 of the Board for the administration and enforcement of the  
14 provisions of the Oklahoma Certified Real Estate Appraisers Act;

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

20 11. Violating the confidential nature of governmental records  
21 to which the appraiser gained access through employment or  
22 engagement as an appraiser by a governmental agency;

1           12. Entry of a final civil judgment against the person on  
2 grounds of deceit, fraud, or willful or knowing misrepresentation in  
3 the making of any appraisal of real property;

4           13. Violating any of the provisions in the code of ethics set  
5 forth in this act; or

6           14. Failing to at any time properly identify themselves  
7 according to the specific type of certification held.

8           ~~B.~~ D. In a disciplinary proceeding based upon a civil judgment,  
9 the trainee, state licensed, state certified residential or state  
10 certified general real estate appraiser shall be afforded an  
11 opportunity to present matters in mitigation and extenuation, but  
12 may not collaterally attack the civil judgment.

13           ~~C.~~ E. 1. A complaint may be filed with the Board against a  
14 trainee or state licensed or state certified appraiser for any  
15 violations relating to a specific transaction of the Oklahoma  
16 Certified Real Estate Appraisers Act by any person who is the  
17 recipient of, relies upon or uses an appraisal prepared for a  
18 federally related transaction or real-estate-related financial  
19 transaction as described in Section 858-701 of this title.

20           2. Any person with knowledge of any circumstances surrounding  
21 an act or omission by a trainee or state licensed or state certified  
22 appraiser involving fraud, dishonesty or misrepresentation in any  
23 real property valuation-related activity, not limited to federally

1 related transactions, may file a complaint with the Board setting  
2 forth all facts surrounding the act or omission.

3 3. A complaint may be filed against a trainee or state licensed  
4 or state certified appraiser directly by the Board, if reasonable  
5 cause exists for violations of the code of ethics set forth in this  
6 act.

7 4. Any complaint filed pursuant to this subsection shall be in  
8 writing and signed by the person filing same and shall be on a form  
9 approved by the Board. The trainee or state licensed or state  
10 certified appraiser shall be entitled to any hearings or subject to  
11 any disciplinary proceedings provided for in the Oklahoma Certified  
12 Real Estate Appraisers Act based upon any complaint filed pursuant  
13 to this subsection.

14 SECTION 12. AMENDATORY 59 O.S. 2001, Section 858-724, is  
15 amended to read as follows:

16 Section 858-724. A. Before suspending or revoking any  
17 certification, the ~~subcommittee~~ Real Estate Appraiser Board shall  
18 notify the appraiser in writing of any charges made at least thirty  
19 (30) days prior to the date set for the hearing and shall afford the  
20 appraiser an opportunity to be heard in person or by counsel.

21 B. The written notice may be served either personally or sent  
22 by registered or certified mail to the last-known business and/or  
23 residence address of the appraiser.

1 C. The Board shall have the power to subpoena and issue  
2 subpoenas duces tecum and to bring before it any person in this  
3 state, or to take testimony by deposition, in the same manner as  
4 prescribed by law in judicial proceedings in the courts of this  
5 state.

6 SECTION 13. AMENDATORY 59 O.S. 2001, Section 858-725, is  
7 amended to read as follows:

8 Section 858-725. A. The hearing on the charges shall be at a  
9 time and place prescribed by the Real Estate Appraiser Board and in  
10 accordance with the provisions of the Administrative Procedures Act.

11 B. If the Board determines that an Oklahoma certified appraiser  
12 is guilty of a violation of any of the provisions of the Oklahoma  
13 Certified Real Estate Appraisers Act, it shall prepare ~~a finding~~ an  
14 order containing findings of fact ~~and recommend that the appraiser~~  
15 ~~be reprimanded or that his certification be suspended or revoked,~~  
16 conclusions of law, and disciplinary penalties in accordance with  
17 Section 858-723 of this title. The decision and order of the Board  
18 shall be final.

19 C. Any final decision or order of the Board shall be reviewable  
20 by a court of appropriate jurisdiction in accordance with the  
21 provisions of the Administrative Procedures Act.

22 SECTION 14. AMENDATORY 59 O.S. 2001, Section 858-726, is  
23 amended to read as follows:

1 Section 858-726. An Oklahoma certified real estate appraiser  
2 must comply with the current edition of the Uniform Standards of  
3 Professional Appraisal Practice, as ~~approved~~ promulgated by the  
4 Appraisal ~~Subcommittee~~ Standards Board of the Appraisal Foundation  
5 when involved in a federally related transaction or a real estate-  
6 related financial transaction of the agencies, instrumentalities and  
7 federally recognized entities as defined and recognized by the  
8 Financial Institutions Reform, Recovery, and Enforcement Act of  
9 1989, or when both the appraiser and user of appraisal services  
10 agree in writing that the work product is an appraisal, or when a  
11 written appraisal states that it is in compliance with the Uniform  
12 Standards of Professional Appraisal Practice.

13 SECTION 15. AMENDATORY 59 O.S. 2001, Section 858-732, is  
14 amended to read as follows:

15 Section 858-732. A. All ~~appraisers certified or licensed~~  
16 ~~pursuant to the Oklahoma Certified Real Estate Appraisers Act~~  
17 persons listed in paragraph 2 of subsection A of Section 858-702 of  
18 this title must conduct all real property valuations and any real  
19 property valuation-related activity in conformance with the  
20 following:

21 1. An appraiser must perform ethically and competently and not  
22 engage in conduct that is unlawful, unethical or improper. An  
23 appraiser who could reasonably be perceived to act as a

1 disinterested third party in rendering an unbiased real property  
2 valuation must perform assignments with impartiality, objectivity  
3 and independence and without accommodation of personal interests;

4 2. The acceptance of compensation that is contingent upon the  
5 reporting of a predetermined value or a direction in value that  
6 favors the cause of the client, the amount of the value estimate,  
7 the attainment of a stipulated result or the occurrence of a  
8 subsequent event is unethical;

9 3. The payment of undisclosed fees, commissions or things of  
10 value in connection with the procurement of real property valuation  
11 assignments is unethical;

12 4. Advertising for or soliciting appraisal assignments in a  
13 manner which is false, misleading or exaggerated is unethical; ~~and~~

14 5. An appraiser must protect the confidential nature of the  
15 appraiser-client relationship; and

16 6. Using or attempting to use the seal, certificate, or license  
17 of another as their own; falsely impersonating any duly licensed  
18 appraiser; using or attempting to use an inactive, expired,  
19 suspended, or revoked license; or aiding or abetting any of the  
20 foregoing is unethical.

21 B. Although this code of ethics is based upon the ethics  
22 provisions of the Uniform Standards of Professional Appraisal  
23 Practice, it is not the intent of the Legislature to incorporate the

1 standards set forth in the Uniform Standards of Professional  
2 Appraisal Practice.

3 SECTION 16. This act shall become effective November 1, 2006.

4 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND LABOR, dated 4-3-06 -  
5 DO PASS.