

1 STATE OF OKLAHOMA

2 1st Session of the 53rd Legislature (2011)

3 SENATE BILL 775

By: Anderson

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5
6 AS INTRODUCED

7 An Act relating to appraisers; amending 59 O.S. 2001,
8 Section 858-702, as amended by Section 1, Chapter
9 165, O.S.L. 2006 (59 O.S. Supp. 2010, Section 858-
10 702), which relates to application of the act;
11 including appraisal review reports; amending 59 O.S.
12 2001, Section 858-703, as amended by Section 2,
13 Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010, Section
14 858-703), which relates to definitions; adding
15 definitions; amending 59 O.S. 2001, Section 858-
16 705.1, which relates to duties of the Real Estate
17 Appraiser Board; making gender neutral; modifying
18 reference; providing for grievances; deleting
19 obsolete report requirement; amending 59 O.S. 2001,
20 Section 858-706, which relates to powers of the
21 Board; authorizing standards for courses and
22 instructors; amending 59 O.S. 2001, Section 858-708,
23 as amended by Section 4, Chapter 165, O.S.L. 2006 (59
24 O.S. Supp. 2010, Section 858-708), which relates to
fees; changing Federal Registry Fee; amending 59 O.S.
2001, Section 858-709, as amended by Section 5,
Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010, Section
858-709), which relates to consent to suits and
actions; allowing cause of action under temporary
practice permit; amending 59 O.S. 2001, Section 858-
711, as amended by Section 7, Chapter 165, O.S.L.
2006 (59 O.S. Supp. 2010, Section 858-711), which
relates to original certification; requiring
certification within certain time of examination;
deleting listing of areas of knowledge for
certification; deleting Board's condition for private
test contracting and scoring; amending 59 O.S. 2001,
Section 858-712, as amended by Section 8, Chapter
165, O.S.L. 2006 (59 O.S. Supp. 2010, Section 858-
712), which relates to prerequisites; deleting
requirement for certain regional classes; setting

1 minimum education requirements under certain
2 qualification criteria; amending 59 O.S. 2001,
3 Section 858-713, which relates to experience for
4 certification; modifying experience to comply with
5 certain criteria; amending 59 O.S. 2001, Section 858-
6 714, which relates to term of certificate; modifying
7 language; amending 59 O.S. 2001, Section 858-715,
8 which relates to nonresident applicants; allowing
9 appraisal reviews with registration of temporary
10 practice permit; amending 59 O.S. 2001, Section 858-
11 722, as amended by Section 10, Chapter 165, O.S.L.
12 2006 (59 O.S. Supp. 2010, Section 858-722), which
13 relates to continuing education requirements; setting
14 guidelines for hours under certain criteria; amending
15 59 O.S. 2001, Section 858-723, as amended by Section
16 11, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
17 Section 858-723), which relates to disciplinary
18 proceedings; including approved course providers,
19 instructors and trainees in certain proceedings;
20 requiring costs to be paid within certain time;
21 allowing suspension or revocation of certain
22 approvals; making failure to comply with certain
23 order cause for disciplinary proceedings; providing
24 for grievances; amending 59 O.S. 2001, Section 858-
724, as amended by Section 12, Chapter 165, O.S.L.
2006 (59 O.S. Supp. 2010, Section 858-724), which
relates to notice and hearing; requiring notice and
hearing for certain approval holders; amending 59
O.S. 2001, Section 858-725, as amended by Section 13,
Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010, Section
858-725), which relates to final order of Board;
providing for judicial review of final order; setting
venue in Oklahoma County; amending 59 O.S. 2001,
Section 858-726, as amended by Section 14, Chapter
165, O.S.L. 2006 (59 O.S. Supp. 2010, Section 858-
726), which relates to compliance; adding appraisal
reviews; amending 59 O.S. 2001, Section 858-732, as
amended by Section 15, Chapter 165, O.S.L. 2006 (59
O.S. Supp. 2010, Section 858-732), which relates to
code of ethics; declaring Legislative findings;
deleting provision construing certain code of ethics;
providing an effective date; and declaring an
emergency.

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

2 SECTION 1. AMENDATORY 59 O.S. 2001, Section 858-702, as
3 amended by Section 1, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
4 Section 858-702), is amended to read as follows:

5 Section 858-702. A. ~~This act~~ The Oklahoma Certified Real
6 Estate Appraisers Act shall only apply to:

7 1. Any appraisal or appraiser involving the following:

8 a. a federally related transaction,

9 b. real estate-related financial transactions of the
10 agencies, instrumentalities, and federally recognized
11 entities covered by the Financial Institutions Reform,
12 Recovery, and Enforcement Act of 1989, and

13 c. any real estate-related transactions where an
14 appraisal report or appraisal review report was made
15 under a written agreement that the appraisal report or
16 appraisal review report would follow the Uniform
17 Standards of Professional Appraisal Practice
18 guidelines or where a written appraisal report or
19 appraisal review report states that it is in
20 compliance with the Uniform Standards of Professional
21 Appraisal Practice; and

22 2. Appraisers certified or licensed pursuant to the Oklahoma
23 Certified Real Estate Appraisers Act or representing themselves as
24 such, whether such license or certification is active, inactive,

1 expired, suspended, or revoked as set forth in ~~this act~~ the Oklahoma
2 Certified Real Estate Appraisers Act and the rules and regulations
3 promulgated pursuant thereto, to the extent that the appraisers and
4 any real property valuation and any real property valuation activity
5 performed by them shall conform to the code of ethics as set forth
6 in ~~this act~~ the Oklahoma Certified Real Estate Appraisers Act.

7 B. Certified public accountants, licensed in the states or
8 other U.S. jurisdictions, who perform appraisals of real estate
9 incidental to the performance of professional services they provide
10 to clients are excluded from the licensing and certification
11 provisions of the Oklahoma Certified Real Estate Appraisers Act
12 unless the appraisal is a federally related transaction or a real
13 estate-related financial transaction of the agencies,
14 instrumentalities and federally recognized entities covered by the
15 Financial Institutions, Reform, Recovery and Enforcement Act of
16 1989.

17 SECTION 2. AMENDATORY 59 O.S. 2001, Section 858-703, as
18 amended by Section 2, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
19 Section 858-703), is amended to read as follows:

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

22 1. "Appraisal" or "real estate appraisal" means an analysis,
23 opinion or conclusion relating to the nature, quality, value or
24 utility of specified interests in, or aspects of, identified real

1 estate other than oil, gas, coal, water, and all other energy and
2 nonfuel mineral and elements or the value of underground space to be
3 used for storage of commodities or for the disposal of waste unless
4 they are appraised as part of a federally related transaction
5 covered by the Financial Institutions Reform, Recovery, and
6 Enforcement Act of 1989. An appraisal may be classified by subject
7 matter into either a valuation or an analysis. A "valuation" is an
8 estimate of the value of real estate or real property. An
9 "analysis" is a study of real estate or real property other than
10 estimating value;

11 2. "Appraisal report" means any written or oral communication
12 of an appraisal;

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

16 4. "Appraiser Qualifications Board" (AQB) means the independent
17 board appointed by the Board of Trustees of the Appraisal
18 Foundation. The AQB establishes educational, experience, and
19 examination criteria for appraisers. Title XI of the Financial
20 Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989
21 requires that state certified appraisers must meet the minimum
22 qualifications set by the AQB;

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1 5. "Board" means the Real Estate Appraiser Board established
2 pursuant to the provisions of the Oklahoma Certified Real Estate
3 Appraisers Act;

4 6. "Certification" shall refer to either a trainee appraiser, a
5 state licensed appraiser, a state certified residential appraiser or
6 a state certified general appraiser;

7 7. "Certified appraisal or certified appraisal report" means an
8 appraisal or appraisal report given or signed and certified as such
9 by a trainee appraiser, a state licensed, state certified
10 residential or state certified general real estate appraiser. When
11 identifying an appraisal or appraisal report as "certified", the
12 trainee, state licensed, state certified residential or state
13 certified general real estate appraiser must indicate which type of
14 certification is held. A certified appraisal or appraisal report
15 represents to the public that it meets the appraisal standards
16 defined in the Oklahoma Certified Real Estate Appraisers Act;

17 8. "Chairperson" means the chairperson of the Real Estate
18 Appraiser Board;

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

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

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

1 12. "Trainee, state licensed, state certified residential or
2 state certified general real estate appraiser" means a person who
3 develops and communicates real estate appraisals and who holds a
4 current, valid certificate issued to such person for either general
5 or residential real estate pursuant to provisions of the Oklahoma
6 Certified Real Estate Appraisers Act;

7 13. "Appraisal assignment" means an engagement for which an
8 appraiser is employed or retained to act, or would be perceived by
9 third parties or the public as acting, as a disinterested third
10 party in rendering an unbiased analysis, opinion, or conclusion
11 relating to the nature, quality, value, or utility of specified
12 interests in, or aspects of, identified real estate; ~~and~~

13 14. "Specialized services" means those appraisal services which
14 do not fall within the definition of appraisal assignment. The term
15 "specialized services" may include valuation work and analysis work.
16 Regardless of the intention of the client or employer, if the
17 appraiser would be perceived by third parties or the public as
18 acting as a disinterested third party in rendering an unbiased
19 analysis, opinion or conclusion, the work is classified as an
20 appraisal assignment and not "specialized services";

21 15. "Appraisal review" means the act or process of developing
22 and communicating an opinion about the quality of another
23 appraiser's work that was performed as part of an appraisal or
24 appraisal review assignment;

1 16. "Appraisal review report" means any written or oral
2 communication of an appraisal review; and

3 17. "Grievance" means a written articulation of allegations of
4 violations of the Oklahoma Certified Real Estate Appraisers Act by a
5 certified holder, course provider or instructor to include any
6 supporting documents.

7 SECTION 3. AMENDATORY 59 O.S. 2001, Section 858-705.1,
8 is amended to read as follows:

9 Section 858-705.1 A. In addition to the seven (7) appointed
10 members of the Real Estate Appraiser Board, the Insurance
11 Commissioner shall serve as ex-officio Chairperson of the Board,
12 voting only in case of a tie.

13 B. As Chairperson, the Insurance Commissioner, in addition to
14 his or her duties prescribed by law as Insurance Commissioner ~~on the~~
15 ~~effective date of this act~~, shall be required to perform the
16 following duties, for which duties ~~he~~ the Commissioner shall be paid
17 an additional Twelve Thousand Dollars (\$12,000.00) annually, payable
18 monthly from appropriations made to the Insurance Department:

19 1. Keep records of the proceedings of the Board;

20 2. Call special meetings of the Board when in the judgment of
21 the chairperson it is necessary or proper to do so;

22 3. Procure appropriate examination questions and answers which
23 shall meet criteria established by the Appraisal Subcommittee and
24 approved by the Board;

1 4. Develop guidelines for administration of and grading of the
2 examinations in accordance with standards promulgated by the
3 Appraisal Subcommittee and approved by the Board;

4 5. Prepare and file a annual report with the Speaker of the
5 House, the President Pro Tempore of the Senate, and the Governor
6 detailing the number of applicants for the examination and the
7 pass/fail rate;

8 6. Formulate a study to evaluate the number of appraisers
9 licensed or certified by the state on a countywide basis and report
10 to the Speaker of the House, the President Pro Tempore of the
11 Senate, and the Governor concerning whether there is a shortage of
12 qualified appraisers in the state;

13 7. Establish and maintain a recordkeeping system approved by
14 the Board to monitor compliance with the continuing education
15 requirements imposed by law;

16 8. Make recommendations to the Board concerning the
17 establishment of administrative procedures for conducting
18 disciplinary proceedings pursuant to the provisions of ~~this act~~ the
19 Oklahoma Certified Real Estate Appraisers Act;

20 9. Develop a procedure approved by the Board whereby persons
21 aggrieved by the actions of a licensed or certified appraiser may
22 file ~~complaints~~ grievances with the Board;

23 10. Annually compile and file a report with the Speaker of the
24 House, President Pro Tempore of the Senate, and the Governor

1 detailing the number of ~~complaints~~ grievances received by the Board,
2 the resulting number of investigations and hearings conducted and
3 the final disposition of these matters; and

4 11. Prepare and file a report with the Speaker of the House,
5 the President Pro Tempore of the Senate, and the Governor evaluating
6 the impact of the voluntary licensure/certification program on
7 future appraisers and recommend whether an appraiser trainee or
8 apprenticeship program should be instituted; ~~and~~

9 ~~12. Submit to the Speaker of the House, the President Pro~~
10 ~~Tempore of the Senate, and the Governor on or before January 1,~~
11 ~~1994, a report evaluating the impact of the licensure/certification~~
12 ~~requirements imposed by this act on the appraiser and banking~~
13 ~~industry and include in the report any recommendations for~~
14 ~~amendments to the Oklahoma Certified Real Estate Appraisers Act.~~

15 SECTION 4. AMENDATORY 59 O.S. 2001, Section 858-706, is
16 amended to read as follows:

17 Section 858-706. A. The Real Estate Appraiser Board shall
18 promulgate rules ~~and regulations~~ to implement the provisions of the
19 Oklahoma Certified Real Estate Appraisers Act.

20 B. The Board shall have the following powers and duties:

21 1. To further define by regulation and with respect to each
22 category of Oklahoma certified real estate appraisers the type of
23 educational experience, appraisal experience, and equivalent
24 experience that will meet the requirements of the Oklahoma Certified

1 Real Estate Appraisers Act, as approved by the Appraisal
2 Subcommittee;

3 2. To establish the examination specifications for each
4 category of Oklahoma certified real estate appraiser;

5 3. To approve or disapprove applications for certification and
6 issue certificates;

7 4. To further define by regulation and with respect to each
8 category of Oklahoma certified real estate appraiser, the continuing
9 education requirements for the renewal of certification that will
10 meet the requirements of the Oklahoma Certified Real Estate
11 Appraisers Act as approved by the Appraisal Subcommittee;

12 5. To review from time to time the standards for the
13 development and communication of real estate appraisals provided in
14 the Oklahoma Certified Real Estate Appraisers Act and to adopt
15 ~~regulations~~ rules explaining and interpreting the standards;

16 6. To establish standards and criteria for approving and
17 withdrawing approval of course providers, instructors, and courses;

18 7. To establish administrative procedures for disciplinary
19 proceedings conducted pursuant to the provisions of the Oklahoma
20 Certified Real Estate Appraisers Act;

21 ~~7.~~ 8. To censure, suspend and revoke certificates pursuant to
22 the disciplinary proceedings provided in the Oklahoma Certified Real
23 Estate Appraisers Act; and

24

1 ~~8-~~ 9. To perform such other functions and duties as may be
2 necessary in carrying out the provisions of the Oklahoma Certified
3 Real Estate Appraisers Act.

4 In the exercise of all powers and the performance of all duties
5 provided in ~~this act~~ the Oklahoma Certified Real Estate Appraisers
6 Act, the Board shall comply with the procedures provided in the
7 Administrative Procedures Act.

8 C. Actions of the Board shall not be subject to review by the
9 Department.

10 D. The members of the Board shall not be held civilly liable
11 for any action taken in good faith by the Board in its official
12 capacity pursuant to law unless such action is arbitrary and
13 capricious.

14 SECTION 5. AMENDATORY 59 O.S. 2001, Section 858-708, as
15 amended by Section 4, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
16 Section 858-708), is amended to read as follows:

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

- | | | |
|----|---|----------|
| 19 | 1. Trainee Appraiser Certificate | |
| 20 | (annually) | \$300.00 |
| 21 | 2. State Licensed Appraiser Certificate | |
| 22 | (annually) | \$300.00 |
| 23 | 3. State Certified General Appraiser | |
| 24 | Certificate (annually) | \$300.00 |

1	4. State Certified Residential	
2	Appraiser Certificate (annually)	\$300.00
3	5. State Licensed Appraiser Examination	\$150.00
4	6. State Certified General Appraiser	
5	Examination	\$150.00
6	7. State Certified Residential	
7	Appraiser 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	
12	Certificate	\$5.00
13	12. Temporary Practice Fee Per	
14	Appraisal	\$50.00
15	13. Maximum Temporary Practice Fee Per	
16	Assignment	\$150.00

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

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

24

1 D. The Insurance Department shall charge and collect a Federal
2 Registry Fee ~~of Twenty five Dollars (\$25.00)~~ in such amount as may
3 be assessed from time to time by the Appraisal Subcommittee of the
4 Federal Financial Institutions Examination Council for all state
5 licensed, state certified residential, and state certified general
6 appraisers. Said fee shall be transmitted to the Appraisal
7 Subcommittee of the Federal Financial Institutions Examination
8 Council.

9 SECTION 6. AMENDATORY 59 O.S. 2001, Section 858-709, as
10 amended by Section 5, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
11 Section 858-709), is amended to read as follows:

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

16 B. Appropriate fees, as fixed by the Department pursuant to
17 Section 858-708 of this title, must accompany all applications for
18 renewal certification.

19 C. At the time of filing an application for certification, each
20 applicant shall sign a pledge to comply with the standards set forth
21 in the Oklahoma Certified Real Estate Appraisers Act, and state that
22 such applicant understands the types of misconduct for which
23 disciplinary proceedings may be initiated against an Oklahoma
24

1 certified real estate appraiser, as set forth in the Oklahoma
2 Certified Real Estate Appraisers Act.

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

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

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

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

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

17 5. As otherwise approved by the Board.

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

21 1. In the proper court of any county of this state in which a
22 cause of action may arise due to the person's actions ~~as a state~~
23 ~~licensed or certified real estate appraiser~~ under a temporary
24 practice permit; or

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

2 The consent also shall stipulate and agree that service of
3 process or pleadings on the person shall be made by service upon the
4 Board as the person's agent and held in all courts to be as valid
5 and binding as if personal service had been made upon the applicant
6 in Oklahoma. In case any processes or pleading mentioned in the
7 case is served upon the Board, it shall be by duplicate copies, one
8 of which shall be filed with the Board administrator and the other
9 immediately forwarded by registered mail to the nonresident state
10 licensed or certified real estate appraiser to whom the processes or
11 pleadings are directed.

12 SECTION 7. AMENDATORY 59 O.S. 2001, Section 858-711, as
13 amended by Section 7, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
14 Section 858-711), is amended to read as follows:

15 Section 858-711. ~~A.~~ An original certification as a state
16 licensed, state certified residential or state certified general
17 real estate appraiser shall not be issued to any person who has not
18 ~~made~~ completed an application with the Real Estate Appraiser Board
19 within ninety (90) days of having ~~demonstrated through a written~~
20 ~~examination process that such person possesses the following:~~

21 ~~1. Appropriate knowledge of technical terms commonly used in or~~
22 ~~related to real estate appraising, appraisal report writing, and~~
23 ~~economic concepts applicable to real estate;~~

1 ~~2. Understanding of the principles of land economics, real~~
2 ~~estate appraisal processes, and of problems likely to be encountered~~
3 ~~in gathering, interpreting, and processing of data in carrying out~~
4 ~~appraisal disciplines;~~

5 ~~3. Understanding of the standards for the development and~~
6 ~~communication of real estate appraisals as provided in the Oklahoma~~
7 ~~Certified Real Estate Appraisers Act;~~

8 ~~4. Knowledge of theories of depreciation, cost estimating,~~
9 ~~methods of capitalization, and the mathematics of real estate~~
10 ~~appraisal that are appropriate for the classification of certificate~~
11 ~~applied for;~~

12 ~~5. Knowledge of other principles and procedures as may be~~
13 ~~appropriate for the respective classifications;~~

14 ~~6. Basic understanding of real estate law; and~~

15 ~~7. Understanding of the types of misconduct for which~~
16 ~~disciplinary proceedings may be initiated against a trainee, state~~
17 ~~licensed, state certified residential or state certified general~~
18 ~~real estate appraiser, as set forth in the Oklahoma Certified Real~~
19 ~~Estate Appraisers Act successfully completed the written examination~~
20 ~~promulgated by the Appraiser Qualifications Board of the Appraisal~~
21 ~~Foundation by furnishing proof of completion to the Board.~~

22 ~~B. As long as the Board contracts with a private testing firm~~
23 ~~in the administration of the written examination process, the Board~~

1 ~~shall not require passing test scores which deviate from the~~
2 ~~recommendations of such private testing firm.~~

3 SECTION 8. AMENDATORY 59 O.S. 2001, Section 858-712, as
4 amended by Section 8, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
5 Section 858-712), is amended to read as follows:

6 Section 858-712. A. State Certified General Appraiser - As a
7 prerequisite to taking the examination for certification as a State
8 Certified General Appraiser, an applicant shall present satisfactory
9 evidence to the Real Estate Appraiser Board that such applicant has
10 successfully completed the minimum educational requirement specified
11 by the Appraiser Qualification Criteria promulgated by the Appraiser
12 Qualifications Board of the Appraisal Foundation ~~of courses in~~
13 ~~subjects related to real estate appraisal~~ from a nationally
14 recognized appraisal organization or college or university or
15 technology center school or private school approved by the Board ~~and~~
16 ~~such classes shall be made available on a regional basis throughout~~
17 ~~the State of Oklahoma prior to the required examination date which~~
18 ~~must include classroom hours related to standards of professional~~
19 ~~practice.~~

20 B. State Certified Residential Appraiser - As a prerequisite to
21 taking the examination for certification as a State Certified
22 Residential Appraiser, an applicant shall present satisfactory
23 evidence to the Board that such applicant has successfully completed
24 the minimum educational requirement specified by the Appraiser

1 Qualification Criteria promulgated by the Appraiser Qualifications
2 Board of the Appraisal Foundation ~~of courses in subjects related to~~
3 ~~real estate appraisal~~ from a nationally recognized appraisal
4 organization or college or university or technology center school or
5 private school approved by the Board ~~and such classes shall be made~~
6 ~~available on a regional basis throughout this state prior to the~~
7 ~~required examination date which must include classroom hours related~~
8 ~~to standards of professional practice.~~

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

1 of the Appraisal Foundation in order to maintain certification as a
2 state licensed appraiser.

3 D. Trainee Appraiser - There shall be no examination for
4 certification as a Trainee Appraiser. As a prerequisite to
5 certification as a Trainee Appraiser, an applicant shall present
6 satisfactory evidence to the Board that such applicant has
7 successfully completed ~~not less than seventy-five (75) classroom~~
8 ~~hours of courses in subjects related to real estate appraisal the~~
9 minimum education requirements specified by the Appraiser
10 Qualification Criteria promulgated by the Appraiser Qualification
11 Board of the Appraisal Foundation from a nationally recognized
12 appraisal organization or a college or university or area technology
13 center school or private school approved by the Board ~~and such~~
14 ~~classes shall be made available on a regional basis throughout the~~
15 ~~State of Oklahoma prior to the required examination date with the~~
16 ~~cost of the classes being established by the Board which must~~
17 ~~include classroom hours related to standards of professional~~
18 ~~practice the minimum educational requirement specified by the~~
19 ~~Appraiser Qualification Criteria promulgated by the Appraiser~~
20 ~~Qualifications Board of the Appraisal Foundation.~~

21 SECTION 9. AMENDATORY 59 O.S. 2001, Section 858-713, is
22 amended to read as follows:

23 Section 858-713. A. An original certification as a state
24 certified general or a state certified residential or state licensed

1 appraiser shall not be issued to any person who does not possess the
2 equivalent of the minimum requirements of experience promulgated by
3 the Appraisal Qualifications Board of the Appraisal Foundation in
4 real property appraisal supported by adequate written reports or
5 file memoranda. Provided, there shall be no experience requirement
6 for a trainee appraiser. Provided, any state licensed appraiser who
7 becomes state licensed prior to July 1, 2001, shall not be required
8 to attain the minimum requirements of experience set forth by the
9 Appraiser Qualification Criteria promulgated by the Appraiser
10 Qualifications Board to maintain certification as a state licensed
11 appraiser.

12 B. Each applicant for certification as a state certified
13 general or a state certified residential or state licensed appraiser
14 shall furnish under oath a detailed listing of the real estate
15 appraisal reports or file memoranda for each year for which
16 experience is claimed by the applicant. Upon request, the applicant
17 shall make available to the Board for examination, a sample of
18 appraisal reports which the applicant has prepared in the course of
19 that applicant's appraisal practice.

20 SECTION 10. AMENDATORY 59 O.S. 2001, Section 858-714, is
21 amended to read as follows:

22 Section 858-714. The term of a certificate issued under the
23 authority of ~~this act~~ the Oklahoma Certified Real Estate Appraisers
24 Act shall be three (3) years from the date of issuance. The

1 expiration date of the certificate shall appear on the certificate
2 and no other notice of its expiration need be given to its holder.

3 SECTION 11. AMENDATORY 59 O.S. 2001, Section 858-715, is
4 amended to read as follows:

5 Section 858-715. A. Every applicant for certification pursuant
6 to the provisions of the Oklahoma Certified Real Estate Appraisers
7 Act who is not a resident of this state shall submit, with the
8 application for certification, an irrevocable consent that service
9 of process upon the applicant may be made by delivery of the process
10 to the Secretary of State if, in an action against the applicant in
11 a court of this state arising out of the applicant's activities as
12 an Oklahoma certified real estate appraiser, the plaintiff cannot,
13 in the exercise of due diligence, effect personal service upon the
14 applicant.

15 B. Nonresidents of this state may make certified appraisals or
16 appraisal reviews pertaining to real estate situated in this state
17 only if the appraiser is certified in a state with a reciprocity
18 agreement to recognize the certification of appraisers from Oklahoma
19 and has applied for and been issued an Oklahoma certification, or
20 has registered for temporary practice with the Appraiser
21 Qualifications Board as provided in the Oklahoma Certified Real
22 Estate Appraisers Act.

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1 SECTION 12. AMENDATORY 59 O.S. 2001, Section 858-722, as
2 amended by Section 10, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
3 Section 858-722), is amended to read as follows:

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

9 B. The basic continuing education requirement of renewal of
10 certification shall be the completion by the applicant, during the
11 immediately preceding term of certification, of the minimum number
12 of classroom hours of instruction in courses or seminars according
13 to the guidelines set forth in the Appraiser Qualification Criteria
14 promulgated by the Appraiser Qualifications Board.

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

24

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, monitoring methods, and systems for recording
4 attendance to be employed by course sponsors as a prerequisite to
5 Board approval of courses for credit.

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

14 E. Commencing thirty (30) days after ~~the effective date of this~~
15 ~~act~~ May 31, 1990, a certification as a trainee, state licensed,
16 state certified residential or state certified general real estate
17 appraiser that has been revoked as a result of disciplinary action
18 by the Board shall not be reinstated unless the applicant presents
19 evidence of completion of the continuing education required pursuant
20 to the provisions of the Oklahoma Real Estate Appraisers Act. This
21 requirement of evidence of continuing education shall not be imposed
22 upon an applicant for reinstatement who has been required to
23 successfully complete the examination for trainee, state licensed,

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1 state certified residential or state certified general real estate
2 appraiser as a condition to reinstatement of certification.

3 SECTION 13. AMENDATORY 59 O.S. 2001, Section 858-723, as
4 amended by Section 11, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
5 Section 858-723), is amended to read as follows:

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

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

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

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

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

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

23 6. Reprimand, either public or private;

24

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

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

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

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

11 a. be less than Fifty Dollars (\$50.00) and shall not
12 exceed Two Thousand Dollars (\$2,000.00) for each
13 violation of ~~this act~~ the Oklahoma Certified Real
14 Estate Appraisers 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 and costs shall be paid within
19 thirty (30) days of notification of the certificate holder, approved
20 course provider or approved instructor by the Board of the order of
21 the Board imposing the administrative fine, unless the certificate
22 holder, approved course provider or approved instructor has entered
23 into an agreement with the Board extending the period for payment.

24

1 3. The certificate or approval may be suspended until any fine
2 and costs imposed upon the licensee by the Board ~~is~~ are paid.

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

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

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

1 certified residential or state certified general real estate
2 appraiser, approved course provider or approved instructor, and may
3 revoke or suspend the rights of a certificate or approval holder or
4 otherwise discipline a trainee, state licensed, state certified
5 residential or state certified general real estate appraiser, an
6 approved course provider or approved instructor for any of the
7 following acts or omissions:

8 1. Procuring or attempting to procure a certificate or approval
9 pursuant to the provisions of the Oklahoma Certified Real Estate
10 Appraisers Act by knowingly making a false statement, knowingly
11 submitting false information, refusing to provide complete
12 information in response to a question in an application for
13 certification or approval or through any form of fraud or
14 misrepresentation;

15 2. Failing to meet the minimum qualifications established
16 pursuant to the provisions of the Oklahoma Certified Real Estate
17 Appraisers Act;

18 3. Paying money other than provided for by the Oklahoma
19 Certified Real Estate Appraisers Act to any member or employee of
20 the Board to procure a certificate or approval pursuant to the
21 Oklahoma Certified Real Estate Appraisers Act;

22 4. A conviction, including a conviction based upon a plea of
23 guilty or nolo contendere, of a felony which is substantially
24 related to the qualifications, functions, and duties of a person

1 developing real estate appraisals and communicating real estate
2 appraisals to others;

3 5. An act or omission involving dishonesty, fraud, or
4 misrepresentation with the intent to substantially benefit the
5 certificate or approval holder or another person or with the intent
6 to substantially injure another person;

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

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

13 8. Negligence or incompetence in developing an appraisal, in
14 preparing an appraisal report, or in communicating an appraisal;

15 9. Willfully disregarding or violating any of the provisions of
16 the Oklahoma Certified Real Estate Appraisers Act or the ~~regulations~~
17 rules of the Board for the administration and enforcement of the
18 provisions of the Oklahoma Certified Real Estate Appraisers Act;

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

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

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

7 13. Violating any of the provisions in the code of ethics set
8 forth in ~~this act~~ the Oklahoma Certified Real Estate Appraisers Act;
9 ~~or~~

10 14. Failing to at any time properly identify themselves
11 according to the specific type of certification held; or

12 15. Failing to comply with an order lawfully issued pursuant to
13 the provisions of the Oklahoma Certified Real Estate Appraisers Act.

14 D. In a disciplinary proceeding based upon a civil judgment,
15 the trainee, state licensed, state certified residential or state
16 certified general real estate appraiser, or an approved course
17 provider or approved instructor shall be afforded an opportunity to
18 present matters in mitigation and extenuation, but may not
19 collaterally attack the civil judgment.

20 E. 1. A ~~complaint~~ grievance may be filed with the Board
21 against a trainee or state licensed or state certified appraiser for
22 any violations relating to a specific transaction of the Oklahoma
23 Certified Real Estate Appraisers Act by any person who is the
24 recipient of, relies upon or uses an appraisal prepared for a

1 federally related transaction or real-estate-related financial
2 transaction as described in Section 858-701 of this title.

3 2. Any person with knowledge of any circumstances surrounding
4 an act or omission by a trainee or state licensed or state certified
5 appraiser, or an approved course provider or approved instructor,
6 involving fraud, dishonesty or misrepresentation in any real
7 property valuation-related activity, not limited to federally
8 related transactions, may file a ~~complaint~~ grievance with the Board
9 setting forth all facts surrounding the act or omission.

10 3. A complaint may be filed against a trainee or state licensed
11 or state certified appraiser directly by the Board, if reasonable
12 cause exists for violations of the code of ethics set forth in ~~this~~
13 ~~act~~ the Oklahoma Certified Real Estate Appraisers Act.

14 4. Any complaint or grievance filed pursuant to this subsection
15 shall be in writing and signed by the person filing same ~~and shall~~
16 ~~be on a form approved by the Board.~~ The trainee or state licensed
17 or state certified appraiser, or the approved course provider or
18 approved instructor, shall be entitled to any hearings or subject to
19 any disciplinary proceedings provided for in the Oklahoma Certified
20 Real Estate Appraisers Act based upon any complaint filed pursuant
21 to this subsection.

22 SECTION 14. AMENDATORY 59 O.S. 2001, Section 858-724, as
23 amended by Section 12, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
24 Section 858-724), is amended to read as follows:

1 Section 858-724. A. Before suspending or revoking any
2 certification or approval, the Real Estate Appraiser Board shall
3 notify the appraiser or approval holder in writing of any charges
4 made at least thirty (30) days prior to the date set for the hearing
5 and shall afford the appraiser an opportunity to be heard in person
6 or by counsel.

7 B. The written notice may be served either personally or sent
8 by registered or certified mail to the last-known business and/or
9 residence address of the appraiser or approval holder.

10 C. The Board shall have the power to subpoena and issue
11 subpoenas duces tecum and to bring before it any person in this
12 state, or to take testimony by deposition, in the same manner as
13 prescribed by law in judicial proceedings in the courts of this
14 state.

15 SECTION 15. AMENDATORY 59 O.S. 2001, Section 858-725, as
16 amended by Section 13, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
17 Section 858-725), is amended to read as follows:

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

21 B. If the Board determines that an Oklahoma certified appraiser
22 or approval holder is guilty of a violation of any of the provisions
23 of the Oklahoma Certified Real Estate Appraisers Act, it shall
24 prepare an order containing findings of fact, conclusions of law,

1 and disciplinary penalties in accordance with Section 858-723 of
2 this title. The decision and order of the Board shall be final.

3 C. Any person aggrieved by a final decision or order of the
4 Board ~~shall be reviewable by a court of appropriate jurisdiction~~ may
5 obtain judicial review in accordance with the provisions of the
6 Administrative Procedures Act. The venue of any such action shall
7 be in the district court of Oklahoma County.

8 SECTION 16. AMENDATORY 59 O.S. 2001, Section 858-726, as
9 amended by Section 14, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
10 Section 858-726), is amended to read as follows:

11 Section 858-726. An Oklahoma certified real estate appraiser
12 must comply with the current edition of the Uniform Standards of
13 Professional Appraisal Practice, as promulgated by the Appraisal
14 Standards Board of the Appraisal Foundation when involved in a
15 federally related transaction or a real estate-related financial
16 transaction of the agencies, instrumentalities and federally
17 recognized entities as defined and recognized by the Financial
18 Institutions Reform, Recovery, and Enforcement Act of 1989, or when
19 both the appraiser and user of appraisal services agree in writing
20 that the work product is an appraisal or an appraisal review, or
21 when a written appraisal or appraisal review states that it is in
22 compliance with the Uniform Standards of Professional Appraisal
23 Practice.

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1 SECTION 17. AMENDATORY 59 O.S. 2001, Section 858-732, as
2 amended by Section 15, Chapter 165, O.S.L. 2006 (59 O.S. Supp. 2010,
3 Section 858-732), is amended to read as follows:

4 Section 858-732. A. It is the finding of the Legislature that
5 the profession of real estate appraisal is vested with a fiduciary
6 relationship of trust and confidence with respect to clients,
7 lending institutions, both public and private guarantors or insurers
8 of funds in real estate transactions, and to the citizens of
9 Oklahoma, and that the qualifications of honesty, integrity, candor
10 and trustworthiness are directly and substantially related to and
11 indispensible to establishment and maintenance of the public trust
12 in the appraisal profession.

13 B. All persons listed in paragraph 2 of subsection A of Section
14 858-702 of this title must conduct all real property valuations and
15 any real property valuation-related activity in conformance with the
16 following:

- 17 1. An appraiser must perform ethically and competently and not
18 engage in conduct that is unlawful, unethical or improper. An
19 appraiser who could reasonably be perceived to act as a
20 disinterested third party in rendering an unbiased real property
21 valuation must perform assignments with impartiality, objectivity
22 and independence and without accommodation of personal interests;
- 23 2. The acceptance of compensation that is contingent upon the
24 reporting of a predetermined value or a direction in value that

1 favors the cause of the client, the amount of the value estimate,
2 the attainment of a stipulated result or the occurrence of a
3 subsequent event is unethical;

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

7 4. Advertising for or soliciting appraisal assignments in a
8 manner which is false, misleading or exaggerated is unethical;

9 5. An appraiser must protect the confidential nature of the
10 appraiser-client relationship; and

11 6. Using or attempting to use the seal, certificate, or license
12 of another as their own; falsely impersonating any duly licensed
13 appraiser; using or attempting to use an inactive, expired,
14 suspended, or revoked license; or aiding or abetting any of the
15 foregoing is unethical.

16 ~~B. Although this code of ethics is based upon the ethics~~
17 ~~provisions of the Uniform Standards of Professional Appraisal~~
18 ~~Practice, it is not the intent of the Legislature to incorporate the~~
19 ~~standards set forth in the Uniform Standards of Professional~~
20 ~~Appraisal Practice.~~

21 SECTION 18. This act shall become effective July 1, 2011.

22 SECTION 19. It being immediately necessary for the preservation
23 of the public peace, health and safety, an emergency is hereby

24

1 declared to exist, by reason whereof this act shall take effect and
2 be in full force from and after its passage and approval.

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