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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO BUSINESSES AND PROFESSIONS -- REAL ESTATE APPRAISER
CERTIFICATION ACT

Introduced By: Representatives Marshall, and O'Brien

Date Introduced: February 14, 2013

Referred To: House Corporations

(Business Regulation)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 5-20.7-8, 5-20.7-10 and 5-20.7-17 of the General Laws in Chapter
2 5-20.7 entitled "Real Estate Appraiser Certification Act" are hereby amended to read as follows:

3 **5-20.7-8. Classes of certification and licensing -- Residential and general. --** (a) There
4 are two (2) classes for state certified real estate appraisers: and two (2) classes of licensed real
5 estate appraisers.

6 (1) A state certified residential real estate appraiser is a person who fulfills the
7 requirements for certification for the appraisal of residential real property. For the purposes of
8 this section residential property means property which is used for noncomplex single or multi-
9 family dwellings of 1 -- 4 units having no minimum transaction value, or property used for
10 complex 1 -- 4 residential units having a transaction value of less than two hundred fifty thousand
11 dollars (\$250,000).

12 (2)(a) A state certified general real estate appraiser is a person who fulfills the
13 requirements for certification for the appraisal of all types of real property.

14 (b) A state licensed appraiser is a person who fulfills the requirements for licensing for
15 the appraisal of residential property. For purposes of this section, residential property applies to
16 the appraisal of noncomplex 1 -- 4 residential units having a transaction value of less than one
17 million dollars (\$1,000,000) and complex 1 -- 4 residential units having a transaction value of less
18 than two hundred fifty thousand dollars (\$250,000).

1 (c) ~~An individual who meets the requirements of section 5-20.7-9 shall be allowed two~~
2 ~~(2) years from the date of issue of a trainee license to complete the experience requirement,~~
3 ~~providing that the individual works directly under a certified appraiser. Upon request, the trainee~~
4 ~~shall be granted only a two (2) year extension to complete his or her experience requirement. No~~
5 ~~further extensions shall be granted. All continuing education requirements shall be fulfilled. A~~
6 licensed appraiser trainee is an individual who has successfully completed all requisite core
7 courses as required by the appraisal qualifications board.

8 ~~(d) No certified appraiser shall supervise more than five (5) trainees.~~

9 **5-20.7-10. Experience requirement.** -- (a) An original certification as a state certified
10 real estate appraiser or licensing as a state licensed appraiser shall not be issued to any person
11 who does not possess the requisite experience in real property appraisal as required by the
12 appraisal qualifications board of the Appraisal Foundation and supported by adequate written
13 reports or file memoranda. The experience must be acquired within a period of five (5) years
14 immediately preceding the filing of the application for certification. The experience shall be of
15 the type of appraisal for which the applicant is seeking certification/licensing and shall meet the
16 minimum standards of the Appraisal Foundation and/or applicable federal regulations.

17 (b) Each applicant for certification and licensing shall furnish, under oath, a detailed
18 listing of the real estate appraisal reports or file memoranda for each year for which experience is
19 claimed by the applicant. For an applicant for general certification at least fifty percent (50%) of
20 the prepared reports must demonstrate knowledge and working understanding of income
21 capitalization or other nonresidential reports. Upon request, the applicant shall make available to
22 the director or board for examination a sample of appraisal reports, which the applicant has
23 prepared in the course of his or her practice.

24 (c) In order for a licensed trainee appraiser to be issued certification as a state certified
25 appraiser or licensing as a state licensed appraiser, the trainee must have completed the requisite
26 experience in real property appraisal as required by the appraisal qualification board and
27 supported by adequate written reports or file memoranda. That experience must be completed
28 under the direct supervision of certified real estate appraisers. The trainee may rely on more than
29 one supervising appraiser in order to complete this experience requirement, and no certified
30 appraiser shall supervise more than three (3) trainees.

31 **5-20.7-17. Continuing education prerequisite to renewal.** -- (a) As a prerequisite to
32 certificate or license renewal, a state certified or licensed real estate appraiser shall present
33 evidence satisfactory to the director of having met the continuing education requirements of this
34 section.

1 (b) The basic continuing education requirement for renewal of a certificate or license is
2 the completion by the applicant, during the immediately preceding term of certification, of not
3 less than ~~twenty (20) classroom~~ twenty-eight (28) hours of instruction in courses or seminars
4 from a duly licensed real estate school pursuant to the provisions of section 5-20.5-19 or a
5 nationally recognized appraisal organization, college, university, or other school approved by the
6 appraiser qualifications board of the Appraisal Foundation or such other school as approved by
7 the board.

8 (c) In lieu of meeting the requirements of subsection (b) of this section, an applicant for
9 certificate or license renewal may satisfy all or part of the recertification requirements by
10 presenting evidence of the following:

11 (1) Completion of an educational program of study determined by the board to be
12 equivalent, for continuing education purposes, to courses meeting the requirements of subsection
13 (b) of this section; or

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

18 ~~(3) The director may, for good cause, renew the license and/or certificate of an~~
19 ~~individual pending a review of the applicant's qualifications by the board and the department. The~~
20 ~~renewal shall be for a period not in excess of six (6) months.~~

21 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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RELATING TO BUSINESSES AND PROFESSIONS -- REAL ESTATE APPRAISER
CERTIFICATION ACT

- 1 This act would add two (2) new classes of state licensed real estate appraisers.
- 2 This act would take effect upon passage.

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