

Second Regular Session
Sixty-third General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 02-7004.01 Matthew Dawkins

HOUSE BILL 02-1701

HOUSE SPONSORSHIP

Witwer

SENATE SPONSORSHIP

(None)

House Committees

Civil Justice & Judiciary
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE LICENSURE OF REAL ESTATE APPRAISERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Requires an applicant for licensed appraiser to have at least one year of experience before qualifying for a license. Permits appraisers to renew a license on inactive status. Clarifies that a licensee on inactive status is not required to comply with continuing education requirements, but the licensee cannot appraise homes within the scope of the article. Requires the licensee on inactive status to become up to date on continuing education requirements before the license can become active. Adds public censure to the sanctions the board of real estate appraisers may apply to persons violating the applicable laws.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
September 5, 2001

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-61-702 (6), Colorado Revised Statutes, is
3 amended, and the said 12-61-702 is further amended BY THE
4 ADDITION OF A NEW SUBSECTION, to read:

5 **12-61-702. Definitions.** As used in this part 7, unless the context
6 otherwise requires:

7 (4.3) "FINANCIAL INSTITUTION" MEANS ANY "BANK" OR "SAVINGS
8 ASSOCIATION" AS SUCH TERMS ARE DEFINED IN 12 U.S.C. 1813, ANY STATE
9 OR INDUSTRIAL BANK INCORPORATED UNDER TITLE 11, C.R.S., ANY STATE
10 OR FEDERALLY CHARTERED CREDIT UNION, OR ANY COMPANY WHICH HAS
11 DIRECT OR INDIRECT CONTROL OVER ANY OF SUCH ENTITIES.

12 ~~(6) "Financial institution" means any "bank" or "savings~~
13 ~~association" as such terms are defined in 12 U.S.C. 1813, any state or~~
14 ~~industrial bank incorporated under title 11, C.R.S., any state or federally~~
15 ~~chartered credit union, or any company which has direct or indirect~~
16 ~~control over any of such entities.~~

17 **SECTION 2.** 12-61-706 (1), Colorado Revised Statutes, is
18 amended, and the said 12-61-706 is further amended BY THE
19 ADDITION OF A NEW SUBSECTION, to read:

20 **12-61-706. Qualifications for registration, licensing, and**
21 **certification of appraisers - continuing education.** (1) (a) The board
22 shall, by rule, prescribe requirements for the initial registration, licensing,
23 or certification of persons under this part 7 to meet the requirements of
24 the federal "Real Estate Appraisal Reform Amendments", Title XI of the
25 federal "Financial Institutions Reform, Recovery, and Enforcement Act
26 of 1989" and shall develop or purchase examinations to be passed by

1 applicants. The board shall not establish any requirements for initial
2 registration, licensing, or certification that are more stringent than the
3 requirements of any applicable federal law; except that all applicants
4 shall pass an examination developed or purchased by the board. If there
5 is no applicable federal law, the board shall consider and may use as
6 guidelines the most recent available criteria published by the appraiser
7 qualifications board of the appraisal foundation or its successor
8 organization.

9 (b) THE FOUR LEVELS OF APPRAISER LICENSURE, PURSUANT TO
10 PARAGRAPH (a) OF THIS SUBSECTION (1), SHALL BE DEFINED AS FOLLOWS:

11 (I) "CERTIFIED GENERAL APPRAISER" MEANS AN APPRAISER
12 MEETING THE REQUIREMENTS SET BY THE BOARD FOR GENERAL
13 CERTIFICATION;

14 (II) "CERTIFIED RESIDENTIAL APPRAISER" MEANS AN APPRAISER
15 MEETING THE REQUIREMENTS SET BY THE BOARD FOR RESIDENTIAL
16 CERTIFICATION;

17 (III) "LICENSED APPRAISER" MEANS AN APPRAISER MEETING THE
18 REQUIREMENTS SET BY THE BOARD FOR A LICENSE;

19 (IV) "REGISTERED APPRAISER" MEANS AN APPRAISER MEETING THE
20 REQUIREMENTS SET BY THE BOARD FOR REGISTRATION.

21 (9) THE BOARD SHALL NOT ISSUE AN APPRAISER'S LICENSE UNLESS
22 THE APPLICANT HAS AT LEAST TWELVE MONTHS APPRAISAL EXPERIENCE.

23 **SECTION 3.** 12-61-707, Colorado Revised Statutes, is amended
24 BY THE ADDITION OF A NEW SUBSECTION to read:

25 **12-61-707. Expiration of licenses - renewal - penalties.**

26 (3) (a) IF THE APPLICANT HAS COMPLIED WITH THIS SECTION AND ANY
27 APPLICABLE RULES AND REGULATIONS OF THE BOARD REGARDING

1 RENEWAL, EXCEPT FOR THE CONTINUING EDUCATION REQUIREMENTS
2 PURSUANT TO SECTION 12-61-706, THE LICENSEE MAY RENEW THE LICENSE
3 ON INACTIVE STATUS. AN INACTIVE LICENSE MAY BE ACTIVATED IF THE
4 LICENSEE SUBMITS WRITTEN CERTIFICATION OF COMPLIANCE WITH
5 SECTION 12-61-706 FOR THE PREVIOUS LICENSING PERIOD. THE
6 COMMISSION MAY ADOPT RULES ESTABLISHING PROCEDURES TO
7 FACILITATE SUCH A REACTIVATION.

8 (b) THE HOLDER OF AN INACTIVE LICENSE SHALL NOT PERFORM A
9 REAL ESTATE APPRAISAL IN CONJUNCTION WITH A DEBT INSTRUMENT THAT
10 IS FEDERALLY GUARANTEED, IN THE FEDERAL SECONDARY MARKET, OR
11 REGULATED PURSUANT TO TITLE 12, U.S.C.

12 (c) THE HOLDER OF AN INACTIVE LICENSE SHALL NOT HOLD
13 HIMSELF OR HERSELF OUT AS HAVING AN ACTIVE LICENSE PURSUANT TO
14 THIS PART 7.

15

16 **SECTION 4.** 12-61-710 (5), Colorado Revised Statutes, is
17 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

18 **12-61-710. Prohibited activities - grounds for disciplinary**
19 **actions - procedures.** (5) As authorized in subsection (2) of this section,
20 disciplinary actions by the board may consist of the following:

21 (e) **Public censure.** IF AFTER NOTICE AND HEARING THE DIRECTOR
22 OR THE DIRECTOR'S DESIGNEE DETERMINES THAT THE LICENSEE HAS
23 COMMITTED ANY OF THE ACTS SPECIFIED IN THIS SECTION, THE BOARD MAY
24 IMPOSE PUBLIC CENSURE.

25 **SECTION 5. Effective date.** This act shall take effect at 12:01
26 a.m. on the day following the expiration of the ninety-day period after

1 final adjournment of the general assembly that is allowed for submitting
2 a referendum petition pursuant to article V, section 1 (3) of the state
3 constitution; except that, if a referendum petition is filed against this act
4 or an item, section, or part of this act within such period, then the act,
5 item, section, or part, if approved by the people, shall take effect on the
6 date of the official declaration of the vote thereon by proclamation of the
7 governor.