

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0403.01 Bart Miller

SENATE BILL 10-077

SENATE SPONSORSHIP

Heath,

HOUSE SPONSORSHIP

Ferrandino,

Senate Committees
Business, Labor and Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING THE REGULATION OF APPRAISAL MANAGEMENT
102 COMPANIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries.>)

In compliance with federal law, Colorado currently requires the licensing of real estate appraisers. In order to promote enhanced consumer protection, recently adopted federal guidelines now require mortgage lenders to use entities known as appraisal management companies, which hire licensed real estate appraisers, to value property

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.

- 1 (1) "APPLICABLE APPRAISAL STANDARDS" MEANS:
- 2 (a) THE UNIFORM STANDARDS FOR PROFESSIONAL APPRAISAL
- 3 PRACTICE;
- 4 (b) THE STANDARDS SET FORTH IN SECTIONS 12-61-702 TO
- 5 12-61-718; AND
- 6 (c) RULES PROMULGATED BY THE BOARD PURSUANT TO SECTIONS
- 7 12-61-702 TO 12-61-718.
- 8 (2) "APPRAISAL" OR "REAL ESTATE APPRAISAL" HAS THE SAME
- 9 MEANING AS SET FORTH IN SECTION 12-61-702.
- 10 (3) "APPRAISAL MANAGEMENT COMPANY" MEANS A PERSON THAT,
- 11 DIRECTLY OR INDIRECTLY, PERFORMS APPRAISAL MANAGEMENT SERVICES,
- 12 REGARDLESS OF THE USE OF THE TERM APPRAISAL MANAGEMENT
- 13 COMPANY, MORTGAGE TECHNOLOGY PROVIDER, LENDER PROCESSING
- 14 SERVICES, LENDER SERVICES, LOAN PROCESSOR, MORTGAGE SERVICES,
- 15 REAL ESTATE CLOSING SERVICES PROVIDER, SETTLEMENT SERVICES
- 16 PROVIDER, REAL ESTATE CLOSING SERVICES PROVIDER, VENDOR
- 17 MANAGEMENT COMPANY, OR ANY OTHER TERM.
- 18 (4) "APPRAISAL MANAGEMENT SERVICE" MEANS ANY SERVICE OR
- 19 ACTIVITY BY WHICH A PERSON, DIRECTLY OR INDIRECTLY, PERFORMS ANY
- 20 OF THE FOLLOWING FUNCTIONS ON BEHALF OF A LENDER, FINANCIAL
- 21 INSTITUTION, CLIENT, OR ANY OTHER PERSON:
- 22 (a) ADMINISTER AN APPRAISER PANEL;
- 23 (b) CONDUCT AN APPRAISAL REVIEW OF AN APPRAISAL PRIOR TO
- 24 THE DELIVERY OF THE APPRAISAL TO THE PERSON THAT ORDERED THE
- 25 APPRAISAL;
- 26 (c) SERVE AS A THIRD-PARTY BROKER OF AN APPRAISAL
- 27 MANAGEMENT SERVICE BETWEEN A CLIENT AND A PERSON WHO IS PART OF

1 AN APPRAISER PANEL;

2 (d) AS OTHERWISE DEFINED BY THE BOARD BY RULE.

3 (5) "APPRAISAL REVIEW" MEANS THE ACT OR PROCESS OF
4 DEVELOPING AND COMMUNICATING AN OPINION ABOUT THE QUALITY OF
5 ANOTHER APPRAISER'S WORK THAT WAS PERFORMED AS PART OF AN
6 APPRAISAL ASSIGNMENT. AN EXAMINATION OF AN APPRAISAL FOR
7 GRAMMATICAL, TYPOGRAPHICAL, OR OTHER SIMILAR ERRORS IS NOT AN
8 APPRAISAL REVIEW.

9 (6) "APPRAISER" OR "REAL ESTATE APPRAISER" HAS THE SAME
10 MEANING AS SET FORTH IN SECTION 12-61-702.

11 (7) "APPRAISER FEE SCHEDULE" MEANS A LIST OF THE VARIOUS
12 APPRAISALS REQUESTED BY AN APPRAISAL MANAGEMENT COMPANY FROM
13 APPRAISERS AND THE AMOUNT THAT THE APPRAISAL MANAGEMENT
14 COMPANY PAYS TO AN APPRAISER FOR THE PERFORMANCE OF THE
15 APPRAISALS.

16 (8) "APPRAISER PANEL" MEANS A NETWORK OF APPRAISERS WHO,
17 BY DEFINITION OR FUNCTION, ARE INDEPENDENT CONTRACTORS TO THE
18 APPRAISAL MANAGEMENT COMPANY AND HAVE:

19 (a) RESPONDED TO AN INVITATION, REQUEST, OR SOLICITATION
20 FROM AN APPRAISAL MANAGEMENT COMPANY, IN ANY FORM, TO PERFORM
21 APPRAISALS FOR PERSONS THAT HAVE ORDERED APPRAISALS THROUGH
22 THE APPRAISAL MANAGEMENT COMPANY, OR TO PERFORM APPRAISALS FOR
23 THE APPRAISAL MANAGEMENT COMPANY DIRECTLY, ON A PERIODIC BASIS,
24 AS REQUESTED AND ASSIGNED BY THE APPRAISAL MANAGEMENT
25 COMPANY; AND

26 (b) BEEN SELECTED, AND APPROVED, BY AN APPRAISAL
27 MANAGEMENT COMPANY TO PERFORM APPRAISALS FOR ANY CLIENT OF THE

1 APPRAISAL MANAGEMENT COMPANY THAT HAS ORDERED AN APPRAISAL
2 THROUGH THE APPRAISAL MANAGEMENT COMPANY, OR TO PERFORM
3 APPRAISALS FOR THE APPRAISAL MANAGEMENT COMPANY DIRECTLY, ON
4 A PERIODIC BASIS, AS ASSIGNED BY THE APPRAISAL MANAGEMENT
5 COMPANY.

6 (9) "BOARD" MEANS THE BOARD OF REAL ESTATE APPRAISERS
7 CREATED IN SECTION 12-61-703.

8 (10) "CLIENT" MEANS A PERSON THAT ENTERS INTO AN
9 AGREEMENT WITH AN APPRAISAL MANAGEMENT COMPANY REQUESTING OR
10 PAYING FOR THE PERFORMANCE OF AN APPRAISAL, OR BOTH. "CLIENT"
11 INCLUDES, WITHOUT LIMITATION, A LENDER OR BORROWER, OR BOTH.

12 (11) "CONTACT INFORMATION" MEANS IDENTIFICATION OF A
13 PERSON'S NAME, BUSINESS ADDRESS, TELEPHONE NUMBER, AND E-MAIL
14 ADDRESS.

15 (12) "CONTROLLING PERSON" MEANS:

16 (a) AN OWNER, OFFICER, OR DIRECTOR OF A CORPORATION,
17 PARTNERSHIP, OR OTHER ENTITY SEEKING TO OFFER APPRAISAL
18 MANAGEMENT SERVICES IN THIS STATE; OR

19 (b) AN INDIVIDUAL EMPLOYED, APPOINTED, OR AUTHORIZED BY AN
20 APPRAISAL MANAGEMENT COMPANY THAT HAS THE AUTHORITY TO:

21 (I) ENTER INTO A CONTRACTUAL RELATIONSHIP WITH A CLIENT FOR
22 THE PERFORMANCE OF APPRAISAL MANAGEMENT SERVICES;

23 (II) ENTER INTO AN AGREEMENT WITH AN APPRAISER FOR THE
24 PERFORMANCE OF AN APPRAISAL; OR

25 (III) DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT OR
26 POLICIES OF AN APPRAISAL MANAGEMENT COMPANY, WHETHER DIRECTLY
27 OR INDIRECTLY.

1 (13) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION OF REAL
2 ESTATE.

3 (14) "DIVISION" MEANS THE DIVISION OF REAL ESTATE.

4 (15) "ENTITY" MEANS A CORPORATION, FIRM, LIMITED LIABILITY
5 COMPANY, PARTNERSHIP, SOLE PROPRIETORSHIP, OR OTHER BUSINESS
6 ENTITY AND ANY SUBSIDIARY OR UNIT THEREOF.

7 (16) "FINANCIAL INSTITUTION" HAS THE SAME MEANING AS SET
8 FORTH IN SECTION 12-61-702.

9 (17) "INDEPENDENT APPRAISAL" HAS THE SAME MEANING AS SET
10 FORTH IN SECTION 12-61-702.

11 (18) "PERSON" MEANS AN INDIVIDUAL, AN ESTATE, A TRUST, AN
12 ENTITY, OR A STATE OR OTHER JURISDICTION, AS DEFINED IN SECTION
13 7-90-102 (49), C.R.S.

14 **12-61-752. Registration required - exemptions.** (1) AN
15 APPRAISAL MANAGEMENT COMPANY SHALL REGISTER WITH THE DIVISION.
16 TO REGISTER UNDER THIS SUBPART 2 AS AN APPRAISAL MANAGEMENT
17 COMPANY, A PERSON SHALL, AT A MINIMUM:

18 (a) FILE WITH THE DIVISION A REGISTRATION APPLICATION IN A
19 FORM PRESCRIBED BY THE BOARD;

20 (b) PAY THE FEE AS PRESCRIBED BY THE BOARD; AND

21 (c) OBTAIN BOARD APPROVAL OF THE APPLICATION FOR
22 REGISTRATION, SUBJECT TO THE FINDING THAT THE APPLICANT HAS
23 COMPLIED WITH THE REQUIREMENTS FOR APPLICATION OF THIS SUBPART
24 2.

25 (2) THE REGISTRATION APPLICATION SHALL INCLUDE THE
26 FOLLOWING:

27 (a) CONTACT INFORMATION FOR THE FOLLOWING:

- 1 (I) THE PERSON SEEKING REGISTRATION;
- 2 (II) IF THE PERSON IS NOT A CORPORATION THAT IS DOMICILED IN
3 THIS STATE, THE CONTACT INFORMATION FOR THE COMPANY'S AGENT FOR
4 SERVICE OF PROCESS IN THIS STATE, ALONG WITH AN IRREVOCABLE
5 CONSENT TO SERVICE OF PROCESS;
- 6 (III) OWNERS AND CONTROLLING PERSONS, AS FOLLOWS:
- 7 (A) ANY PERSON THAT OWNS TEN PERCENT OR MORE OF THE
8 APPRAISAL MANAGEMENT COMPANY;
- 9 (B) THE CONTROLLING PERSONS OF THE APPRAISAL MANAGEMENT
10 COMPANY, INCLUDING THE DESIGNATION OF ONE CONTROLLING PERSON AS
11 THE PRIMARY INDIVIDUAL RESPONSIBLE FOR THE APPRAISAL MANAGEMENT
12 COMPANY'S COMPLIANCE WITH THIS SUBPART 2 AND TO SERVE AS THE
13 MAIN CONTACT FOR COMMUNICATION WITH THE APPRAISAL MANAGEMENT
14 COMPANY, PURSUANT TO SECTION 12-61-753 (2);
- 15 (b) SUBMISSION OF FINGERPRINTS AND CONSENT FOR A CRIMINAL
16 HISTORY RECORD CHECK PURSUANT TO SECTION 12-61-754 FOR
17 INDIVIDUALS DESCRIBED IN SECTION 12-61-753 (2) (b);
- 18 (c) SUBMISSION OF AN IRREVOCABLE CONSENT FOR SERVICE OF
19 PROCESS ON A FORM PRESCRIBED BY THE BOARD. IF THE PERSON'S
20 REGISTERED AGENT IS NOT REGISTERED IN THIS STATE, NOT LOCATED
21 UNDER ITS REGISTERED AGENT NAME AT ITS REGISTERED AGENT ADDRESS,
22 OR CANNOT WITH REASONABLE DILIGENCE BE SERVED, THE ENTITY MAY
23 BE SERVED BY REGISTERED MAIL OR BY CERTIFIED MAIL, RETURN RECEIPT
24 REQUESTED, ADDRESSED TO THE PERSON AT HIS OR HER PRINCIPAL
25 ADDRESS OF RECORD WITH THE DIVISION. SERVICE IS PERFECTED AT THE
26 EARLIEST OF:
- 27 (I) THE DATE THE PERSON RECEIVES THE PROCESS, NOTICE, OR

1 DEMAND;

2 (II) THE DATE SHOWN ON THE RETURN RECEIPT, IF SIGNED BY OR
3 ON BEHALF OF THE PERSON; OR

4 (III) FIVE DAYS AFTER MAILING.

5 (d) A CERTIFICATION THAT THE APPLICANT HAS A SYSTEM AND
6 PROCESS IN PLACE THAT WILL BE IMPLEMENTED TO PROVIDE VERIFICATION
7 RELATED TO:

8 (I) ADDING OR MAINTAINING AN INDIVIDUAL ON AN APPRAISER
9 PANEL;

10 (II) REVIEW OF THE WORK OF AN APPRAISER;

11 (III) OBTAINING AND MAINTAINING DETAILED RECORDS; AND

12 (IV) COMPLIANCE WITH SECTION 12-61-753; AND

13 (e) ANY OTHER INFORMATION REQUIRED BY BOARD RULE
14 PURSUANT TO THIS SUBPART 2.

15 (3) REGISTRATION IS NOT REQUIRED FOR THE FOLLOWING,
16 REGARDLESS OF WHETHER THE PERSON USES THE TERM "APPRAISAL
17 MANAGEMENT COMPANY" TO DESCRIBE ITSELF:

18 (a) A PERSON THAT EXCLUSIVELY EMPLOYS APPRAISERS ON AN
19 EMPLOYER AND EMPLOYEE BASIS FOR THE PERFORMANCE OF APPRAISALS
20 AND IS RESPONSIBLE FOR ENSURING THAT THE APPRAISALS ARE
21 PERFORMED BY EMPLOYEES IN ACCORDANCE WITH APPLICABLE APPRAISAL
22 STANDARDS;

23 (b) A DEPARTMENT OR UNIT WITHIN A FINANCIAL INSTITUTION
24 THAT IS SUBJECT TO DIRECT REGULATION BY AN AGENCY OF THE UNITED
25 STATES GOVERNMENT OR AN AGENCY OF THIS STATE THAT RECEIVES A
26 REQUEST FOR THE PERFORMANCE OF AN APPRAISAL FROM ONE EMPLOYEE
27 OF THE FINANCIAL INSTITUTION, AND ANOTHER EMPLOYEE OF THE SAME

1 FINANCIAL INSTITUTION ASSIGNS THE REQUEST FOR THE APPRAISAL TO AN
2 APPRAISER WHO IS AN INDEPENDENT CONTRACTOR TO THE INSTITUTION;
3 EXCEPT THAT AN APPRAISAL MANAGEMENT COMPANY THAT IS A WHOLLY
4 OWNED SUBSIDIARY OF A FINANCIAL INSTITUTION SHALL NOT BE
5 CONSIDERED A DEPARTMENT OR UNIT WITHIN A FINANCIAL INSTITUTION;
6 OR

7 (c) AS OTHERWISE DEFINED BY THE BOARD BY RULE.

8 **12-61-753. Owner and controlling person requirements.**

9 (1) EACH PERSON THAT OWNS TEN PERCENT OR MORE OF AN APPRAISAL
10 MANAGEMENT COMPANY REGISTERED IN THIS STATE, AND EACH
11 CONTROLLING PERSON OF AN APPRAISAL MANAGEMENT COMPANY
12 REGISTERED IN THIS STATE, SHALL:

13 (a) BE OF GOOD MORAL CHARACTER, AS DETERMINED BY THE
14 BOARD PURSUANT TO SECTION 12-61-761 (1) (j);

15 (b) NOT HAVE HAD A REGISTRATION, LICENSE, OR CERTIFICATE TO
16 ENGAGE IN AN ACT RELATED TO A REAL ESTATE OR MORTGAGE
17 TRANSACTION REFUSED, DENIED, RELINQUISHED, CANCELED, REVOKED, OR
18 SURRENDERED IN LIEU OF A PENDING REVOCATION IN THIS STATE OR IN
19 ANOTHER STATE; AND

20 (c) MAKE WRITTEN DISCLOSURE TO THE BOARD IN THE INITIAL
21 APPLICATION AND THEREAFTER WITHIN TEN DAYS AFTER THE FOLLOWING:

22 (I) (A) ENTRY OF A CONVICTION OR PLEA OF GUILTY, NO CONTEST,
23 OR SIMILAR AGREEMENT TO A FELONY OR CRIME OF MORAL TURPITUDE AT
24 THE TIME OF INITIAL APPLICATION AND THEREAFTER WITHIN TEN DAYS
25 AFTER THE ENTRY OF SUCH CONVICTION OR PLEA; OR

26 (B) RESOLUTION OF A CRIMINAL CASE BY A DIVERSION
27 AGREEMENT, ABEYANCE, OR OTHER AGREEMENT UNDER WHICH A

1 CRIMINAL CHARGE IS HELD IN SUSPENSE FOR A PERIOD OF TIME; AND

2 (II) FILING OF PERSONAL BANKRUPTCY OR BANKRUPTCY OF A

3 BUSINESS THAT TRANSACTS APPRAISAL MANAGEMENT SERVICES;

4 (III) ANY STATE'S DETERMINATION TO REFUSE, DENY, RELINQUISH,

5 CANCEL, REVOKE, OR ACCEPT A SURRENDER IN LIEU OF A PENDING

6 REVOCATION OF, ANY REGISTRATION, LICENSE, OR CERTIFICATE TO

7 ENGAGE IN AN ACT RELATED TO A REAL ESTATE OR MORTGAGE

8 TRANSACTION; AND

9 (IV) ISSUANCE OF A CEASE-AND-DESIST ORDER OR A TEMPORARY

10 OR PERMANENT INJUNCTION BY ANY COURT OR GOVERNMENT AGENCY FOR

11 ANY CONDUCT OR PRACTICE INVOLVING:

12 (A) THE BUSINESS OF APPRAISAL MANAGEMENT SERVICES; OR

13 (B) FRAUD, DECEIT, OR MISREPRESENTATION; AND

14 (d) SUBMIT TO A CRIMINAL HISTORY RECORD CHECK, AS

15 DETERMINED BY THE BOARD PURSUANT TO SECTION 12-61-754.

16 (2) A PERSON APPLYING FOR A REGISTRATION IN THIS STATE

17 SHALL:

18 (a) ENSURE AND CERTIFY TO THE BOARD THAT EACH PERSON THAT

19 OWNS TEN PERCENT OR MORE OF THE APPRAISAL MANAGEMENT COMPANY

20 AND EACH CONTROLLING PERSON OF AN APPRAISAL MANAGEMENT

21 COMPANY IS IN COMPLIANCE WITH THE REQUIREMENTS OF THIS SECTION;

22 AND

23 (b) DESIGNATE ONE CONTROLLING PERSON, WHO HOLDS A LICENSE

24 OR CERTIFICATE TO ACT AS AN APPRAISER IN AT LEAST ONE STATE, TO ACT

25 AS THE MAIN CONTACT FOR ALL COMMUNICATION WITH THE DIVISION. THE

26 DESIGNATED PERSON SHALL SUBMIT FINGERPRINTS PURSUANT TO SECTION

27 12-61-754.

1 **12-61-754. Criminal history record check required.** PRIOR TO
2 SUBMITTING AN APPLICATION FOR REGISTRATION AS AN APPRAISAL
3 MANAGEMENT COMPANY, EACH APPLICANT SHALL SUBMIT A SET OF
4 FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
5 CONTROLLING PERSON DESIGNATED AS THE CONTACT AS REQUIRED IN
6 SECTIONS 12-61-752 (2) (a) (III) (B) AND 12-61-753 (2) (b) FOR THE
7 PURPOSE OF CONDUCTING A STATE AND NATIONAL FINGERPRINT-BASED
8 CRIMINAL HISTORY RECORD CHECK UTILIZING RECORDS OF THE COLORADO
9 BUREAU OF INVESTIGATION AND THE FEDERAL BUREAU OF INVESTIGATION.
10 THE APPLICANT SHALL PAY TO THE COLORADO BUREAU OF INVESTIGATION
11 THE FEE ESTABLISHED FOR CONDUCTING THE FINGERPRINT-BASED
12 CRIMINAL HISTORY RECORD CHECK. UPON COMPLETION OF THE CRIMINAL
13 HISTORY RECORD CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO
14 THE BOARD. THE BOARD MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY
15 RECORD CHECK FOR ANY INDIVIDUAL DESCRIBED IN SECTION 12-61-753
16 WHO HAS TWICE SUBMITTED TO A FINGERPRINT-BASED CRIMINAL HISTORY
17 RECORD CHECK AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE. IN
18 ADDITION TO THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
19 FOR THE CONTROLLING PERSON DESIGNATED AS THE CONTACT AS
20 REQUIRED IN SECTIONS 12-61-752 (2) (a) (III) (B) AND 12-61-753 (2) (b),
21 THE BOARD MAY, BY RULE, PRESCRIBE ADDITIONAL CRIMINAL HISTORY
22 CHECK REQUIREMENTS FOR ANY INDIVIDUAL DESCRIBED IN SECTION
23 12-61-753, AS NECESSARY.

24 **12-61-755. Expiration and renewal of registration.** (1) A
25 REGISTRATION GRANTED BY THE BOARD PURSUANT TO THIS SUBPART 2
26 SHALL BE VALID FOR ONE YEAR AFTER THE DATE ON WHICH IT IS ISSUED.

27 (2) TO RENEW A REGISTRATION UNDER THIS SUBPART 2, BEFORE

1 THE DAY ON WHICH THE REGISTRATION EXPIRES, AN APPRAISAL
2 MANAGEMENT COMPANY SHALL:

3 (a) FILE WITH THE BOARD A RENEWAL REGISTRATION APPLICATION
4 ON A FORM PRESCRIBED BY THE BOARD. SUCH RENEWAL REGISTRATION
5 APPLICATION SHALL INCLUDE THE APPRAISAL MANAGEMENT COMPANY'S
6 APPRAISAL FEE SCHEDULE AND SUBSTANTIALLY SIMILAR INFORMATION
7 AND DOCUMENTATION AS THAT REQUIRED BY SECTION 12-61-752 (2); AND

8 (b) PAY A FEE AS PRESCRIBED BY THE BOARD.

9 (3) A REGISTRATION EXPIRES IF IT IS NOT RENEWED ON OR BEFORE
10 ITS EXPIRATION DATE; EXCEPT THAT, FOR A PERIOD OF THIRTY DAYS AFTER
11 THE EXPIRATION DATE, THE REGISTRATION MAY BE REINSTATED UPON
12 COMPLIANCE WITH THIS SECTION, INCLUDING PAYMENT OF A RENEWAL FEE
13 AND A LATE FEE DETERMINED BY THE BOARD.

14 **12-61-756. Fees, penalties, and fines.** ALL FEES, PENALTIES, AND
15 FINES COLLECTED PURSUANT TO THIS SUBPART 2 SHALL BE TRANSMITTED
16 TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO THE DIVISION
17 OF REAL ESTATE CASH FUND CREATED IN SECTION 12-61-111.5.

18 **12-61-757. Prohibited activities - grounds for disciplinary**
19 **actions - procedures.** (1) THE BOARD, UPON ITS OWN MOTION OR UPON
20 THE COMPLAINT IN WRITING OF ANY PERSON, MAY INVESTIGATE THE
21 ACTIVITIES OF ANY REGISTRANT. THE BOARD HAS THE POWER TO IMPOSE
22 AN ADMINISTRATIVE FINE, NOT TO EXCEED TWO THOUSAND FIVE HUNDRED
23 DOLLARS, FOR EACH SEPARATE OFFENSE; ISSUE A LETTER OF ADMONITION;
24 IMPOSE PUBLIC CENSURE; PLACE A REGISTRANT ON PROBATION UNDER ITS
25 CLOSE SUPERVISION ON SUCH TERMS AND FOR SUCH TIME AS IT DEEMS
26 APPROPRIATE; REFUSE TO ISSUE, RENEW, REINSTATE, OR REVOKE A
27 REGISTRATION; OR SUSPEND THE REGISTRATION OF ANY PERSON OR

1 REGISTRANT IF THE BOARD DETERMINES THAT ANY EMPLOYEE, DIRECTOR,
2 OFFICER, OWNER, CONTROLLING PERSON, OR OTHER AGENT OF AN
3 APPRAISAL MANAGEMENT COMPANY HAS PERFORMED, IS PERFORMING, OR
4 IS ATTEMPTING TO PERFORM ANY OF THE FOLLOWING ACTS:

5 (a) FAILS TO DISCLOSE TO A CLIENT, PRIOR TO COLLECTING A FEE:

6 (I) THE TOTAL COMPENSATION THAT THE APPRAISAL
7 MANAGEMENT COMPANY PAYS TO THE APPRAISER WHO PERFORMS THE
8 APPRAISAL;

9 (II) THE SERVICES ACTUALLY PERFORMED BY THE APPRAISAL
10 MANAGEMENT COMPANY; OR

11 (III) OTHER INFORMATION AS REQUIRED BY BOARD RULE;

12 (b) EMPLOYS OR ENTERS INTO ANY INDEPENDENT CONTRACTOR
13 ARRANGEMENT FOR THE PERFORMANCE OF WORK FOR WHICH AN
14 APPRAISAL LICENSE OR CERTIFICATE IS REQUIRED PURSUANT TO THIS PART
15 7 WITH ANY PERSON WHO HAS HAD A LICENSE OR CERTIFICATE TO ACT AS
16 AN APPRAISER IN THIS STATE OR IN ANY OTHER STATE REFUSED, DENIED,
17 RELINQUISHED, CANCELED, REVOKED, OR SURRENDERED IN LIEU OF A
18 PENDING REVOCATION;

19 (c) ENTERS INTO ANY CONTRACT, AGREEMENT, OR OTHER
20 BUSINESS RELATIONSHIP, WHETHER IN ORAL, WRITTEN, OR OTHER FORM,
21 FOR THE PERFORMANCE OF WORK FOR WHICH AN APPRAISAL LICENSE OR
22 CERTIFICATE IS REQUIRED PURSUANT TO THIS PART 7 WITH ANY ENTITY
23 THAT EMPLOYS, HAS ENTERED INTO AN INDEPENDENT CONTRACT
24 ARRANGEMENT, OR ENTERS INTO ANY CONTRACT, AGREEMENT, OR OTHER
25 BUSINESS RELATIONSHIP, WHETHER IN ORAL, WRITTEN, OR OTHER FORM,
26 WITH ANY PERSON WHO HAS EVER HAD A LICENSE OR CERTIFICATE TO ACT
27 AS AN APPRAISER IN THIS STATE OR IN ANY OTHER STATE REFUSED,

1 DENIED, RELINQUISHED, CANCELED, REVOKED, OR SURRENDERED IN LIEU
2 OF A PENDING REVOCATION;

3 (d) FAILS TO VERIFY THAT THE APPRAISER WITH WHOM AN
4 ASSIGNMENT IS PLACED IS QUALIFIED UNDER THIS PART 7 TO PERFORM
5 SUCH APPRAISAL AND HAS NO PRACTICE PROHIBITIONS CURRENTLY IN
6 EFFECT;

7 (e) FAILS TO ENSURE THAT THE WORK OF ALL APPRAISERS WHO
8 ARE PERFORMING APPRAISALS FOR THE APPRAISAL MANAGEMENT
9 COMPANY IS IN COMPLIANCE WITH APPLICABLE APPRAISAL STANDARDS;

10 (f) FAILS TO CONDUCT AN ANNUAL AUDIT, CONSISTING OF A
11 RANDOM SELECTION OF AT LEAST TEN PERCENT OF ALL OF THE APPRAISALS
12 RECEIVED WITHIN THE PREVIOUS YEAR BY THE APPRAISAL MANAGEMENT
13 COMPANY, TO ENSURE THAT THE APPRAISALS ARE BEING PERFORMED IN
14 ACCORDANCE WITH APPLICABLE APPRAISAL STANDARDS;

15 (g) FAILS TO MAINTAIN POSSESSION, FOR FUTURE USE OR
16 INSPECTION BY THE DIVISION, FOR A PERIOD OF AT LEAST FIVE YEARS OR
17 AT LEAST TWO YEARS AFTER FINAL DISPOSITION OF ANY JUDICIAL
18 PROCEEDING IN WHICH ANY REPRESENTATIVE OF THE APPRAISAL
19 MANAGEMENT COMPANY PROVIDED TESTIMONY RELATED TO THE
20 ASSIGNMENT, WHICHEVER PERIOD EXPIRES LAST, OF THE DOCUMENTS OR
21 RECORDS PRESCRIBED BY THE RULES OF THE BOARD OR TO PRODUCE SUCH
22 DOCUMENTS OR RECORDS UPON REASONABLE REQUEST BY THE BOARD OR
23 BY THE DIVISION;

24 (h) STRUCTURES AN APPRAISAL ASSIGNMENT, EMPLOYMENT, OR A
25 CONTRACT WITH AN APPRAISER FOR THE PURPOSE OF EVADING THE
26 PROVISIONS OF THIS SUBPART 2 RELATING TO APPRAISAL MANAGEMENT
27 COMPANY REGULATION, AS DETERMINED AT THE SOLE DISCRETION OF THE

1 BOARD;

2 (i) ALTERS, MODIFIES, OR CHANGES A COMPLETED APPRAISAL
3 REPORT SUBMITTED BY AN APPRAISER;

4 (j) REMOVES AN APPRAISER FROM AN APPRAISER PANEL OR
5 OTHERWISE REFUSES TO ASSIGN REQUESTS FOR REAL ESTATE APPRAISAL
6 SERVICES TO AN APPRAISER THAT HAS BEEN ON THE PANEL FOR MORE
7 THAN THIRTY DAYS WITHOUT:

8 (I) WRITTEN NOTIFICATION TO THE APPRAISER OF:

9 (A) THE REASONS WHY THE APPRAISER IS BEING REMOVED FROM
10 THE APPRAISER PANEL OF THE APPRAISAL MANAGEMENT COMPANY; AND

11 (B) THE NATURE OF THE ALLEGED CONDUCT OR VIOLATION IF THE
12 APPRAISER IS BEING REMOVED FROM THE APPRAISER PANEL FOR ILLEGAL
13 CONDUCT OR A VIOLATION OF THE BOARD RULES OR THE APPLICABLE
14 APPRAISAL STANDARDS; AND

15 (II) PROVIDING AN OPPORTUNITY FOR THE APPRAISER TO RESPOND
16 TO SUCH WRITTEN NOTIFICATION;

17 (k) FAILS TO MAKE PAYMENT TO AN APPRAISER FOR THE
18 COMPLETION OF AN APPRAISAL OR VALUATION ASSIGNMENT WITHIN SIXTY
19 DAYS AFTER THE DATE ON WHICH THE APPRAISER TRANSMITS OR
20 OTHERWISE PROVIDES THE COMPLETED APPRAISAL TO THE APPRAISAL
21 MANAGEMENT COMPANY OR ITS ASSIGNEE, EXCEPT IN CASES OF
22 VERIFIABLE OR DOCUMENTED BREACH OF CONTRACT OR SUBSTANDARD
23 PERFORMANCE OF SERVICES;

24 (l) HAS BEEN CONVICTED OF A FELONY OR HAS HAD ACCEPTED BY
25 A COURT A PLEA OF GUILTY OR NOLO CONTENDERE TO A FELONY. A
26 CERTIFIED COPY OF THE JUDGMENT OF A COURT OF COMPETENT
27 JURISDICTION OF SUCH CONVICTION OR PLEA SHALL BE CONCLUSIVE

1 EVIDENCE OF SUCH CONVICTION OR PLEA. IN CONSIDERING THE
2 DISCIPLINARY ACTION, THE BOARD SHALL BE GOVERNED BY SECTION
3 24-5-101, C.R.S.

4 (m) HAS VIOLATED, OR ATTEMPTED TO VIOLATE, DIRECTLY OR
5 INDIRECTLY, OR ASSISTED IN OR ABETTED THE VIOLATION OF, OR
6 CONSPIRED TO VIOLATE ANY PROVISION OR TERM OF THIS SUBPART 2,
7 RULES PROMULGATED PURSUANT TO THIS SUBPART 2, OR ANY ORDER OF
8 THE BOARD ESTABLISHED PURSUANT TO THIS SUBPART 2;

9 (n) HAS BEEN SUBJECT TO AN ADVERSE OR DISCIPLINARY ACTION
10 IN ANOTHER STATE, TERRITORY, OR COUNTRY RELATING TO A LICENSE,
11 CERTIFICATE, REGISTRATION, OR OTHER AUTHORIZATION TO PRACTICE AS
12 AN APPRAISAL MANAGEMENT COMPANY, A REAL ESTATE APPRAISER, A
13 REAL ESTATE BROKER OR SALESPERSON, A SUBDIVISION DEVELOPER, A
14 MORTGAGE LOAN ORIGINATOR, AN ATTORNEY, AN INSURANCE PRODUCER,
15 A SECURITIES BROKER-DEALER, A SECURITIES ADVISOR, AN INVESTMENT
16 ADVISOR, OR AN INVESTMENT ADVISOR REPRESENTATIVE. A DISCIPLINARY
17 ACTION IN ANY OTHER STATE, TERRITORY, OR COUNTRY FOR DISCIPLINARY
18 REASONS SHALL BE DEEMED TO BE PRIMA FACIE EVIDENCE OF GROUNDS
19 FOR DISCIPLINARY ACTION OR DENIAL OF LICENSURE OR CERTIFICATION BY
20 THE BOARD.

21 (o) HAS COMMITTED AN ACT OR OMISSION IN THE BUSINESS OF
22 APPRAISAL MANAGEMENT THAT CONSTITUTES DISHONESTY, FRAUD, OR
23 MISREPRESENTATION;

24 (p) HAS COMMITTED UNPROFESSIONAL CONDUCT AS DETERMINED
25 BY THE BOARD;

26 (q) ENGAGES IN CONDUCT THAT CONSTITUTES DISHONEST
27 DEALING;

1 (r) PROCURES, OR ATTEMPTS TO PROCURE, AN APPRAISAL
2 MANAGEMENT COMPANY REGISTRATION OR RENEWS OR REINSTATES, OR
3 ATTEMPTS TO RENEW OR REINSTATE, AN APPRAISAL MANAGEMENT
4 COMPANY REGISTRATION BY FRAUD, MISREPRESENTATION, OR DECEIT OR
5 BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN APPLICATION FOR
6 SUCH REGISTRATION;

7 (s) ENGAGES IN THE BUSINESS OF AN APPRAISAL MANAGEMENT
8 COMPANY UNDER AN ASSUMED OR FICTITIOUS NAME NOT PROPERLY
9 REGISTERED IN THIS STATE;

10 (t) IMPROPERLY INFLUENCES OR ATTEMPTS TO IMPROPERLY
11 INFLUENCE THE DEVELOPMENT, REPORTING, OR REVIEW OF AN APPRAISAL
12 THROUGH COERCION, EXTORTION, COLLUSION, COMPENSATION,
13 INSTRUCTION, INDUCEMENT, INTIMIDATION, BRIBERY, OR IN ANY OTHER
14 MANNER THAT WOULD CONSTITUTE UNDUE INFLUENCE, INCLUDING BUT
15 NOT LIMITED TO:

16 (I) WITHHOLDING OR THREATENING TO WITHHOLD TIMELY
17 PAYMENT FOR AN APPRAISAL;

18 (II) WITHHOLDING OR THREATENING TO WITHHOLD FUTURE
19 BUSINESS FOR AN APPRAISER, OR DEMOTING OR TERMINATING OR
20 THREATENING TO DEMOTE OR TERMINATE AN APPRAISER;

21 (III) EXPRESSLY OR IMPLIEDLY PROMISING FUTURE BUSINESS,
22 PROMOTIONS, OR INCREASED COMPENSATION FOR AN APPRAISER;

23 (IV) CONDITIONING THE REQUEST FOR AN APPRAISAL OR THE
24 PAYMENT OF AN APPRAISAL FEE OR SALARY OR BONUS ON THE OPINION,
25 CONCLUSION, OR VALUATION TO BE REACHED OR ON A PRELIMINARY
26 ESTIMATE OR OPINION REQUESTED FROM AN APPRAISER;

27 (V) REQUESTING THAT AN APPRAISER PROVIDE AN ESTIMATED,

1 PREDETERMINED, OR DESIRED VALUATION IN AN APPRAISAL REPORT, OR
2 PROVIDE ESTIMATED VALUES OR COMPARABLE SALES AT ANY TIME PRIOR
3 TO THE APPRAISER'S COMPLETION OF AN APPRAISAL;

4 (VI) PROVIDING TO AN APPRAISER AN ANTICIPATED, ESTIMATED,
5 ENCOURAGED, OR DESIRED VALUE FOR A SUBJECT PROPERTY OR A
6 PROPOSED OR TARGET AMOUNT TO BE LOANED TO THE BORROWER; EXCEPT
7 THAT A COPY OF THE SALES CONTRACT FOR PURCHASE TRANSACTIONS
8 MAY BE PROVIDED;

9 (VII) PROVIDING TO AN APPRAISER, OR ANY ENTITY OR PERSON
10 RELATED TO THE APPRAISER, STOCK OR OTHER FINANCIAL OR
11 NONFINANCIAL BENEFITS;

12 (VIII) ALLOWING THE REMOVAL OF AN APPRAISER FROM AN
13 APPRAISER PANEL WITHOUT PRIOR WRITTEN NOTICE TO SUCH APPRAISER
14 PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (j) OF THIS SUBSECTION
15 (1);

16 (IX) OBTAINING, USING, OR PAYING FOR A SECOND OR
17 SUBSEQUENT APPRAISAL OR ORDERING AN AUTOMATED VALUATION
18 MODEL IN CONNECTION WITH A MORTGAGE FINANCING TRANSACTION
19 UNLESS THERE IS A REASONABLE BASIS TO BELIEVE THAT THE INITIAL
20 APPRAISAL WAS FLAWED OR TAINTED AND SUCH BASIS IS CLEARLY AND
21 APPROPRIATELY NOTED IN THE LOAN FILE, OR UNLESS SUCH APPRAISAL OR
22 AUTOMATED VALUATION MODEL IS DONE PURSUANT TO A BONA FIDE PRE-
23 OR POST-FUNDING APPRAISAL REVIEW OR QUALITY CONTROL PROCESS;

24 (X) COMPENSATING AN APPRAISER IN A MANNER THAT THE PERSON
25 SHOULD REASONABLY HAVE KNOWN WOULD RESULT IN THE APPRAISER
26 NOT CONDUCTING AN APPRAISAL IN A MANNER CONSISTENT WITH
27 APPLICABLE APPRAISAL STANDARDS;

1 (XI) ACCEPTING A CONTINGENT FEE FOR PERFORMING AN
2 APPRAISAL MANAGEMENT SERVICE IF THE FEE IS CONTINGENT ON:

3 (A) THE APPRAISAL REPORT HAVING A PREDETERMINED ANALYSIS,
4 OPINION, OR CONCLUSION;

5 (B) THE ANALYSIS, OPINION, CONCLUSION, OR VALUATION
6 REACHED IN AN APPRAISAL REPORT;

7 (C) THE CONSEQUENCES RESULTING FROM THE APPRAISAL
8 ASSIGNMENT; OR

9 (D) ANY OTHER ACT OR PRACTICE THAT IMPAIRS OR ATTEMPTS TO
10 IMPAIR AN APPRAISER'S INDEPENDENCE, OBJECTIVITY, OR IMPARTIALITY;
11 OR

12 (XII) IMPOSING WORK ASSIGNMENT CONDITIONS THAT WOULD
13 PRECLUDE THE AVERAGE APPRAISER FROM COMPLETING THE ASSIGNMENT
14 IN A COMPETENT MANNER.

15 (2) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
16 INSTANCE OF MISCONDUCT BY A REGISTRANT THAT, IN THE OPINION OF THE
17 BOARD, DOES NOT WARRANT FORMAL ACTION BY THE BOARD BUT SHOULD
18 NOT BE DISMISSED AS BEING WITHOUT MERIT, THE BOARD MAY SEND A
19 LETTER OF ADMONITION BY CERTIFIED MAIL TO THE REGISTRANT WHO IS
20 THE SUBJECT OF THE COMPLAINT OR INVESTIGATION. THE LETTER SHALL
21 ADVISE THE REGISTRANT OF THE RIGHT TO MAKE A WRITTEN REQUEST,
22 WITHIN TWENTY DAYS AFTER RECEIPT OF THE LETTER OF ADMONITION, TO
23 THE BOARD TO BEGIN FORMAL DISCIPLINARY PROCEEDINGS AS PROVIDED
24 IN THIS SECTION TO ADJUDICATE THE CONDUCT OR ACTS ON WHICH THE
25 LETTER WAS BASED.

26 (3) A PROCEEDING FOR DISCIPLINE OF A REGISTRANT MAY BE
27 COMMENCED WHEN THE BOARD HAS REASONABLE GROUNDS TO BELIEVE

1 THAT A REGISTRANT HAS COMMITTED ANY ACT OR FAILED TO ACT
2 PURSUANT TO THE GROUNDS ESTABLISHED IN SUBSECTION (1) OF THIS
3 SECTION.

4 (4) DISCIPLINARY PROCEEDINGS SHALL BE CONDUCTED IN THE
5 MANNER PRESCRIBED BY THE "STATE ADMINISTRATIVE PROCEDURE ACT",
6 ARTICLE 4 OF TITLE 24, C.R.S.

7 (5) COMPLAINTS OF RECORD IN THE OFFICE OF THE BOARD AND THE
8 RESULTS OF DIVISION INVESTIGATIONS SHALL BE CLOSED TO PUBLIC
9 INSPECTION DURING THE INVESTIGATORY PERIOD AND UNTIL DISMISSED OR
10 UNTIL NOTICE OF HEARING AND CHARGES ARE SERVED ON A REGISTRANT,
11 EXCEPT AS PROVIDED BY COURT ORDER. COMPLAINTS OF RECORD THAT
12 ARE DISMISSED BY THE BOARD AND THE RESULTS OF INVESTIGATION OF
13 SUCH COMPLAINTS SHALL BE CLOSED TO PUBLIC INSPECTION EXCEPT AS
14 PROVIDED BY COURT ORDER. THE BOARD'S RECORDS ARE SUBJECT TO
15 SECTIONS 24-72-203 AND 24-72-204, C.R.S., REGARDING PUBLIC RECORDS
16 AND CONFIDENTIALITY.

17 (6) ANY PERSON PARTICIPATING IN GOOD FAITH IN THE MAKING OF
18 A COMPLAINT OR REPORT OR PARTICIPATING IN ANY INVESTIGATIVE OR
19 ADMINISTRATIVE PROCEEDING BEFORE THE BOARD PURSUANT TO THIS
20 ARTICLE IS IMMUNE FROM ANY LIABILITY, CIVIL OR CRIMINAL, THAT
21 OTHERWISE MIGHT RESULT BY REASON OF SUCH ACTION.

22 (7) ANY BOARD MEMBER HAVING AN IMMEDIATE PERSONAL,
23 PRIVATE, OR FINANCIAL INTEREST IN ANY MATTER PENDING BEFORE THE
24 BOARD SHALL DISCLOSE THE FACT TO THE BOARD AND SHALL NOT VOTE
25 UPON SUCH MATTER.

26 (8) ANY REGISTRANT HAVING KNOWLEDGE THAT ANY PERSON HAS
27 VIOLATED ANY PROVISION OF THIS SUBPART 2 SHALL REPORT SUCH

1 KNOWLEDGE TO THE BOARD.

2 **12-61-758. Judicial review of final board actions and orders.**

3 FINAL ACTIONS AND ORDERS OF THE BOARD UNDER THIS SUBPART 2 THAT
4 ARE APPROPRIATE FOR JUDICIAL REVIEW SHALL BE JUDICIALLY REVIEWED
5 IN THE COURT OF APPEALS IN ACCORDANCE WITH SECTION 24-4-106 (11),
6 C.R.S.

7 **12-61-759. Injunctive proceedings.** (1) THE BOARD MAY, IN THE
8 NAME OF THE PEOPLE OF THE STATE OF COLORADO, THROUGH THE
9 ATTORNEY GENERAL OF THE STATE OF COLORADO, APPLY FOR AN
10 INJUNCTION IN ANY COURT OF COMPETENT JURISDICTION TO PERPETUALLY
11 ENJOIN ANY PERSON FROM COMMITTING ANY ACT PROHIBITED BY THIS
12 SUBPART 2.

13 (2) INJUNCTIVE PROCEEDINGS SHALL BE IN ADDITION TO, AND NOT
14 IN LIEU OF, ALL PENALTIES AND OTHER REMEDIES PROVIDED IN THIS
15 SUBPART 2.

16 (3) WHEN SEEKING AN INJUNCTION UNDER THIS SECTION, THE
17 BOARD SHALL NOT BE REQUIRED TO ALLEGE OR PROVE EITHER THAT AN
18 ADEQUATE REMEDY AT LAW DOES NOT EXIST OR THAT SUBSTANTIAL OR
19 IRREPARABLE DAMAGE WOULD RESULT FROM A CONTINUED VIOLATION.

20 **12-61-760. Unlawful acts.** ANY PERSON VIOLATING THIS
21 SUBPART 2 BY PROVIDING APPRAISAL MANAGEMENT SERVICES, ACTING AS
22 AN APPRAISAL MANAGEMENT COMPANY IN THIS STATE WITHOUT HAVING
23 REGISTERED AS AN APPRAISAL MANAGEMENT COMPANY IN ACCORDANCE
24 WITH THIS SUBPART 2, OR BY ACTING AS AN APPRAISAL MANAGEMENT
25 COMPANY AFTER THE APPRAISAL MANAGEMENT COMPANY'S REGISTRATION
26 HAS BEEN REVOKED, SUSPENDED, OR HAS EXPIRED COMMITS A
27 MISDEMEANOR AND, UPON CONVICTION THEREOF, IF A NATURAL PERSON,

1 SHALL BE PUNISHED BY A FINE OF NOT MORE THAN FIVE HUNDRED
2 DOLLARS, OR BY IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN
3 SIX MONTHS, OR BY BOTH SUCH FINE AND IMPRISONMENT AND, IF AN
4 ENTITY, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN FIVE
5 THOUSAND DOLLARS. A SECOND VIOLATION, IF BY A NATURAL PERSON,
6 SHALL BE PUNISHABLE BY A FINE OF NOT MORE THAN ONE THOUSAND
7 DOLLARS, OR BY IMPRISONMENT IN THE COUNTY JAIL FOR NOT MORE THAN
8 SIX MONTHS, OR BY BOTH SUCH FINE AND IMPRISONMENT AND, IF AN
9 ENTITY, SHALL BE PUNISHED BY A FINE OF NOT MORE THAN FIVE
10 THOUSAND DOLLARS.

11 **12-61-761. Powers, duties, and immunity of the board - rules.**

12 (1) THE BOARD OPERATES PURSUANT TO SECTION 12-61-703. IN
13 ADDITION TO ALL OTHER POWERS AND DUTIES IMPOSED UPON IT BY LAW,
14 THE BOARD HAS THE FOLLOWING POWERS AND DUTIES:

15 (a) TO PROMULGATE AND AMEND, AS NECESSARY, RULES
16 PURSUANT TO ARTICLE 4 OF TITLE 24, C.R.S., FOR THE IMPLEMENTATION,
17 ENFORCEMENT, AND ADMINISTRATION OF THIS SUBPART 2;

18 (b) TO CHARGE APPLICATION, EXAMINATION, REGISTRATION, AND
19 RENEWAL FEES ESTABLISHED PURSUANT TO SECTION 12-61-704 (1) FROM
20 ALL APPLICANTS FOR REGISTRATION, EXAMINATION, AND RENEWAL UNDER
21 THIS SUBPART 2. NO FEES RECEIVED FROM APPLICANTS SEEKING
22 REGISTRATION, EXAMINATION, OR RENEWAL SHALL BE REFUNDED.

23 (c) (I) TO KEEP ALL RECORDS OF PROCEEDINGS AND ACTIVITIES OF
24 THE BOARD CONDUCTED UNDER AUTHORITY OF THIS SUBPART 2, WHICH
25 RECORDS SHALL BE OPEN TO PUBLIC INSPECTION AT SUCH TIME AND IN
26 SUCH MANNER AS MAY BE PRESCRIBED BY RULES OF THE BOARD.

27 (II) THE BOARD IS NOT REQUIRED TO MAINTAIN OR PRESERVE

1 REGISTRATION HISTORY RECORDS OF ANY PERSON REGISTERED UNDER THIS
2 SUBPART 2 FOR ANY PERIOD LONGER THAN SEVEN YEARS.

3 (d) THROUGH THE DEPARTMENT OF REGULATORY AGENCIES AND
4 SUBJECT TO APPROPRIATIONS MADE TO THE DEPARTMENT OF REGULATORY
5 AGENCIES, TO EMPLOY ADMINISTRATIVE LAW JUDGES ON A FULL-TIME OR
6 PART-TIME BASIS TO CONDUCT ANY HEARINGS REQUIRED BY THIS SUBPART
7 2. SUCH ADMINISTRATIVE LAW JUDGES SHALL BE APPOINTED PURSUANT
8 TO PART 10 OF ARTICLE 30 OF TITLE 24, C.R.S.

9 (e) TO ISSUE, DENY, OR REFUSE TO RENEW A REGISTRATION
10 PURSUANT TO THIS SUBPART 2;

11 (f) TO TAKE DISCIPLINARY ACTION IN CONFORMITY WITH THIS
12 SUBPART 2;

13 (g) TO DELEGATE TO THE DIRECTOR THE ADMINISTRATION AND
14 ENFORCEMENT OF THIS SUBPART 2 AND THE AUTHORITY TO ACT ON
15 BEHALF OF THE BOARD ON SUCH OCCASIONS AND IN SUCH CIRCUMSTANCES
16 AS THE BOARD DIRECTS, INCLUDING TO ACT AS A HEARING OFFICER IN LIEU
17 OF APPOINTING AN ADMINISTRATIVE LAW JUDGE;

18 (h) IN COMPLIANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., TO MAKE
19 INVESTIGATIONS, SUBPOENA PERSONS AND DOCUMENTS, WHICH
20 SUBPOENAS MAY BE ENFORCED BY A COURT OF COMPETENT JURISDICTION
21 IF NOT OBEYED, HOLD HEARINGS, AND TAKE EVIDENCE IN ALL MATTERS
22 RELATING TO THE EXERCISE OF THE BOARD'S POWER UNDER THIS SUBPART
23 2;

24 (i) TO DETERMINE WHETHER AN APPLICANT FOR REGISTRATION
25 POSSESSES THE NECESSARY QUALIFICATIONS FOR REGISTRATION AS
26 REQUIRED BY THIS SUBPART 2. THE BOARD MAY CONSIDER QUALITIES
27 SUCH AS THE APPLICANT'S TRUTHFULNESS AND HONESTY AND WHETHER

1 THE APPLICANT HAS BEEN CONVICTED OF A CRIME INVOLVING MORAL
2 TURPITUDE. IF THE BOARD DETERMINES THAT AN APPLICANT DOES NOT
3 POSSESS THE QUALIFICATIONS REQUIRED BY THIS SUBPART 2 OR THAT THE
4 APPLICANT HAS VIOLATED THIS SUBPART 2, RULES OF THE BOARD, OR AN
5 ORDER OF THE BOARD, THE BOARD MAY DENY THE APPLICANT A
6 REGISTRATION OR DENY THE RENEWAL OR REINSTATEMENT OF A
7 REGISTRATION PURSUANT TO THIS SUBPART 2 AND, IN SUCH INSTANCE, THE
8 BOARD SHALL PROVIDE THE APPLICANT WITH A STATEMENT IN WRITING
9 SETTING FORTH THE BASIS OF THE BOARD'S DETERMINATION THAT THE
10 APPLICANT DOES NOT POSSESS THE QUALIFICATIONS OR PROFESSIONAL
11 COMPETENCE REQUIRED BY THIS SUBPART 2. THE APPLICANT MAY
12 REQUEST A HEARING ON SUCH DETERMINATION AS PROVIDED IN SECTION
13 24-4-104 (9), C.R.S.

14 (j) TO RECOVER REASONABLE COSTS OF INVESTIGATION,
15 ENFORCEMENT, PROSECUTION OF THE CASE, AND COSTS INCURRED FOR
16 COLLECTION EFFORTS OF SUCH COSTS AS FOLLOWS: EXCEPT AS
17 OTHERWISE PROVIDED BY LAW, ANY ORDER ISSUED IN RESOLUTION OF A
18 DISCIPLINARY PROCEEDING MAY DIRECT A PERSON WHO ACTS IN A
19 CAPACITY THAT REQUIRES A LICENSE, CERTIFICATION, OR REGISTRATION
20 UNDER THIS PART 7 WHO IS FOUND TO HAVE COMMITTED A VIOLATION OR
21 VIOLATIONS OF THIS SUBPART 2 TO PAY A SUM NOT TO EXCEED THE
22 REASONABLE COSTS OF INVESTIGATION, ENFORCEMENT, PROSECUTION OF
23 THE CASE, AND COSTS INCURRED FOR COLLECTION EFFORTS OF SUCH
24 COSTS. NOTHING IN THIS SECTION PRECLUDES THE DIVISION FROM
25 INCLUDING THE RECOVERY OF THE COSTS OF INVESTIGATION AND
26 ENFORCEMENT OF A CASE IN ANY DEFAULT DECISION OR STIPULATED
27 SETTLEMENT, NOR DOES THIS SECTION AFFECT THE ABILITY OF THE BOARD

1 TO IMPOSE ANY OTHER FEES, PENALTIES, FINES, OR OTHER AMOUNTS
2 REFERENCED IN THIS SUBPART 2.

3 **SECTION 2.** 12-61-701, Colorado Revised Statutes, is amended
4 to read:

5 **12-61-701. Legislative declaration.** The general assembly finds,
6 determines, and declares that ~~this part 7 is~~ SECTIONS 12-61-702 TO
7 12-61-718 ARE enacted pursuant to the requirements of the federal "Real
8 Estate Appraisal Reform Amendments", Title XI of the federal "Financial
9 Institutions Reform, Recovery, and Enforcement Act of 1989". The
10 general assembly further finds, determines, and declares that ~~this part 7~~
11 ~~is~~ SECTIONS 12-61-702 TO 12-61-718 ARE intended to implement the
12 minimum requirements of federal law in the least burdensome manner to
13 real estate appraisers.

14 **SECTION 3.** The introductory portion to 12-61-702 and
15 12-61-702 (1), Colorado Revised Statutes, are amended to read:

16 **12-61-702. Definitions.** As used in this ~~part 7~~ SUBPART 1, unless
17 the context otherwise requires:

18 (1) "Appraisal", "appraisal report", or "real estate appraisal"
19 means a written analysis, opinion, or conclusion relating to the nature,
20 quality, value, or utility of specified interests in, or aspects of, identified
21 real estate. Such terms include a valuation, which is an opinion of the
22 value of real estate, and an analysis, which is a general study of real estate
23 not specifically performed only to determine value; except that such terms
24 include any valuation completed by any appraiser employee of a county
25 assessor as defined in section 39-1-102 (2), C.R.S. ~~Such~~ THE terms do
26 not include an analysis, valuation, opinion, conclusion, notation, or
27 compilation of data by an officer, director, or regular salaried employee

1 of a financial institution or its affiliate, made for internal use only by the
2 said financial institution or affiliate, concerning an interest in real estate
3 that is owned or held as collateral by the ~~said~~ financial institution or
4 affiliate ~~which~~ THAT is not represented or deemed to be an appraisal
5 except to the ~~said~~ financial institution, the agencies regulating the ~~said~~
6 financial institution, and any secondary markets that purchase real estate
7 secured loans. Any ~~such~~ appraisal prepared by an officer, director, or
8 regular salaried employee of ~~said~~ THE financial institution who is not
9 registered, licensed, or certified under this ~~part 7~~ SUBPART 1 shall contain
10 a written notice that the preparer is not registered, licensed, or certified
11 as an appraiser under this ~~part 7~~ SUBPART 1.

12 **SECTION 4.** 12-61-704 (1) (a), (1) (b), (1) (c), (1) (d), (1) (e), (1)
13 (f), (1) (g), (1) (h), and (1) (i), Colorado Revised Statutes, are amended
14 to read:

15 **12-61-704. Powers and duties of the board.** (1) In addition to
16 all other powers and duties imposed upon it by law, the board has the
17 following powers and duties:

18 (a) To promulgate and amend, as necessary, rules ~~and regulations~~
19 pursuant to article 4 of title 24, C.R.S., for the implementation and
20 administration of this ~~part 7~~ SUBPART 1 and as required to comply with
21 the federal "Real Estate Appraisal Reform Amendments", Title XI of the
22 federal "Financial Institutions Reform, Recovery, and Enforcement Act
23 of 1989", and with any requirements imposed by amendments to such
24 federal law. The board shall not establish any requirements that are more
25 stringent than the requirements of any applicable federal law.

26 (b) To charge application, examination, ~~and~~ registration, license,
27 and certificate renewal fees established pursuant to section 12-61-111.5

1 from all applicants for registration, licensure, certification, examination,
2 and renewal under this ~~part 7~~ SUBPART 1. No fees received from
3 applicants seeking registration, licensure, certification, examination, or
4 renewal shall be refunded.

5 (c) (I) To keep all records of proceedings and activities of the
6 board conducted under authority of this ~~part 7~~ SUBPART 1, which records
7 shall be open to public inspection at such time and in such manner as may
8 be prescribed by rules ~~and regulations~~ formulated by the board.

9 (II) The board shall not be required to maintain or preserve
10 licensing history records of ~~any~~ A person licensed or certified under ~~the~~
11 ~~provisions of this part 7~~ SUBPART 1 for any period of time longer than
12 seven years.

13 (d) Through the department of regulatory agencies and subject to
14 appropriations made to the department of regulatory agencies, to employ
15 administrative law judges on a full-time or part-time basis to conduct any
16 hearings required by this ~~part 7~~ SUBPART 1. Such administrative law
17 judges shall be appointed pursuant to part 10 of article 30 of title 24,
18 C.R.S.

19 (e) To issue, deny, or refuse to renew a registration, license, or
20 certificate pursuant to this ~~part 7~~ SUBPART 1;

21 (f) To take disciplinary actions in conformity with this ~~part 7~~
22 SUBPART 1;

23 (g) To delegate to the director the administration and enforcement
24 of this ~~part 7~~ SUBPART 1 and the authority to act on behalf of the board on
25 such occasions and in such circumstances as the board directs;

26 (h) (I) To develop, purchase, or contract for any examination
27 required for the administration of this ~~part 7~~ SUBPART 1, to offer each

1 such examination at least twice a year or, if demand warrants, at more
2 frequent intervals, and to establish a passing score for each examination
3 that reflects a minimum level of competency.

4 (II) If study materials are developed by a testing company or other
5 entity, the board shall make ~~such~~ THE materials available to persons
6 desiring to take examinations pursuant to this ~~part 7~~ SUBPART 1. The
7 board may charge fees for ~~such~~ THE materials to defray any costs
8 associated with making ~~such~~ THE materials available.

9 (i) In compliance with ~~the provisions of~~ article 4 of title 24,
10 C.R.S., to make investigations, subpoena persons and documents, which
11 subpoenas may be enforced by a court of competent jurisdiction if not
12 obeyed, hold hearings, and take evidence in all matters relating to the
13 exercise of the board's power under this ~~part 7~~ SUBPART 1;

14 **SECTION 5.** 12-61-705, Colorado Revised Statutes, is amended
15 to read:

16 **12-61-705. Fees, penalties, and fines collected under subpart**
17 **1.** All fees, penalties, and fines collected pursuant to this ~~part 7~~ SUBPART
18 1, not including fees retained by contractors pursuant to contracts entered
19 into in accordance with section 12-61-103, 12-61-706, or 24-34-101,
20 C.R.S., shall be transmitted to the state treasurer, who shall credit the
21 same to the division of real estate cash fund created in section
22 12-61-111.5.

23 **SECTION 6.** 12-61-706 (1) (a), (2), (3), and (5) (b), Colorado
24 Revised Statutes, are amended to read:

25 **12-61-706. Qualifications for registration, licensing, and**
26 **certification of appraisers - continuing education.** (1) (a) The board
27 shall, by rule, prescribe requirements for the initial registration, licensing,

1 or certification of persons under this ~~part 7~~ SUBPART 1 to meet the
2 requirements of the federal "Real Estate Appraisal Reform Amendments",
3 Title XI of the federal "Financial Institutions Reform, Recovery, and
4 Enforcement Act of 1989" and shall develop, purchase, or contract for
5 examinations to be passed by applicants. The board shall not establish
6 any requirements for initial registration, licensing, or certification that are
7 more stringent than the requirements of any applicable federal law; except
8 that all applicants shall pass an examination offered by the board. If there
9 is no applicable federal law, the board shall consider and may use as
10 guidelines the most recent available criteria published by the appraiser
11 qualifications board of the appraisal foundation or its successor
12 organization.

13 (2) The board shall, by rule, prescribe continuing education
14 requirements for persons registered, licensed, or certified under this ~~part~~
15 ~~7~~ SUBPART 1 as needed to meet the requirements of the federal "Real
16 Estate Appraisal Reform Amendments", Title XI of the federal "Financial
17 Institutions Reform, Recovery, and Enforcement Act of 1989". The
18 board shall not establish any continuing education requirements that are
19 more stringent than the requirements of any applicable law; except that
20 all persons registered, licensed, or certified under this ~~part 7~~ SUBPART 1
21 shall be subject to continuing education requirements. If there is no
22 applicable federal law, the board shall consider and may use as guidelines
23 the most recent available criteria published by the appraiser qualifications
24 board of the appraisal foundation or its successor organization. The
25 board shall not grant continuing education credits for attendance at the
26 board's meetings.

27 (3) Any provision of this section to the contrary notwithstanding,

1 the criteria established by the board for the registration, licensing, or
2 certification of appraisers pursuant to this ~~part 7~~ SUBPART 1 shall not
3 include membership or lack of membership in any appraisal organization.

4 (5) (b) Appraiser employees of county assessors who are
5 employed to appraise real property ~~shall be~~ ARE subject to ~~all provisions~~
6 of this ~~part 7~~ SUBPART 1; except that appraiser employees of county
7 assessors who are employed to appraise real property ~~shall~~ ARE not ~~be~~
8 subject to disciplinary actions by the board on the ground that they have
9 performed appraisals beyond their level of competency when appraising
10 real estate in fulfillment of their official duties. County assessors, if
11 registered, licensed, or certified as provided in subsections (1) and (2) of
12 this section, ~~shall~~ ARE not ~~be~~ subject to disciplinary actions by the board
13 on the ground that they have performed appraisals beyond their level of
14 competency when appraising real estate in fulfillment of their official
15 duties.

16 **SECTION 7.** 12-61-707 (3) (c), Colorado Revised Statutes, is
17 amended to read:

18 **12-61-707. Expiration of licenses - renewal - penalties.**
19 (3) (c) The holder of an inactive license shall not hold himself or herself
20 out as having an active license pursuant to this ~~part 7~~ SUBPART 1.

21 **SECTION 8.** 12-61-708 (1) (a), Colorado Revised Statutes, is
22 amended to read:

23 **12-61-708. Licensure or certification by endorsement -**
24 **temporary practice.** (1) The board may issue a license or certification
25 to an appraiser by endorsement to engage in the occupation of real estate
26 appraisal to any applicant who has a license, registration, or certification
27 in good standing as a real estate appraiser under the laws of another

1 jurisdiction if:

2 (a) The applicant presents proof satisfactory to the board that, at
3 the time of application for a Colorado registration, license, or certificate
4 by endorsement, the applicant possesses credentials and qualifications
5 ~~which~~ THAT are substantially equivalent to the requirements of this ~~part~~
6 ~~7~~ SUBPART 1; or

7 **SECTION 9.** 12-61-709, Colorado Revised Statutes, is amended
8 to read:

9 **12-61-709. Denial of registration, license, or certificate -**
10 **renewal.** (1) The board is empowered to determine whether an applicant
11 for registration, licensure, or certification possesses the necessary
12 qualifications for registration, licensure, or certification required by this
13 ~~part 7~~ SUBPART 1. The board may consider such qualities as the
14 applicant's truthfulness and honesty and whether the applicant has been
15 convicted of a crime involving moral turpitude.

16 (2) If the board determines that an applicant does not possess the
17 applicable qualifications required by this ~~part 7~~ SUBPART 1, or such
18 applicant has violated any provision of this ~~part 7~~ SUBPART 1 or the rules
19 ~~and regulations~~ promulgated by the board or any board order, the board
20 may deny the applicant a registration, license, or certificate or deny the
21 renewal or reinstatement of a registration, license, or certificate pursuant
22 to section 12-61-707; and, in such instance, the board shall provide ~~such~~
23 THE applicant with a statement in writing setting forth the basis of the
24 board's determination that the applicant does not possess the
25 qualifications or professional competence required by this ~~part 7~~. ~~Such~~
26 SUBPART 1. THE applicant may request a hearing on such determination
27 as provided in section 24-4-104 (9), C.R.S.

1 **SECTION 10.** The introductory portion to 12-61-710 (1),
2 12-61-710 (1) (b), (1) (e), (1) (i), and (5) (a) (II), the introductory portion
3 to 12-61-710 (6), and 12-61-710 (6) (b) and (10), Colorado Revised
4 Statutes, are amended to read:

5 **12-61-710. Prohibited activities - grounds for disciplinary**
6 **actions - procedures.** (1) A real estate appraiser is in violation of this
7 ~~part 7~~ SUBPART 1 if the appraiser:

8 (b) Has violated, or attempted to violate, directly or indirectly, or
9 assisted in or abetted the violation of, or conspired to violate any
10 provision or term of this ~~part 7~~ SUBPART 1 or rule ~~or regulation~~
11 promulgated pursuant to this ~~part 7~~ SUBPART 1 or any order of the board
12 established pursuant to this ~~part 7~~ SUBPART 1;

13 (e) Has used fraud or misrepresentation in obtaining a license or
14 certificate under this ~~part 7~~ SUBPART 1;

15 (i) Has been subject to an adverse or disciplinary action in another
16 state, territory, or country relating to a license, certificate, registration, or
17 other authorization to practice as an appraiser. A disciplinary action
18 relating to a registration, license, or certificate as an appraiser registered,
19 licensed, or certified under this ~~part 7~~ SUBPART 1 or any related
20 occupation in any other state, territory, or country for disciplinary reasons
21 shall be deemed to be prima facie evidence of grounds for disciplinary
22 action or denial of licensure or certification by the board. This paragraph
23 (i) ~~shall apply~~ APPLIES only to violations based upon acts or omissions in
24 such other state, territory, or country that are also violations of this ~~part~~
25 ~~7~~ SUBPART 1.

26 (5) As authorized in subsection (2) of this section, disciplinary
27 actions by the board may consist of the following:

1 (a) **Revocation of a registration, license, or certificate.**
2 (II) ~~Any~~ A person whose registration, license, or certificate to practice is
3 revoked is rendered ineligible to apply for any registration, license, or
4 certificate issued under this ~~part 7~~ SUBPART 1 until more than two years
5 have elapsed from the date of surrender of the registration, license, or
6 certificate. Any reapplication after such two-year period shall be treated
7 as a new application.

8 (6) In addition to any other discipline imposed pursuant to this
9 section, any person who violates ~~the provisions of this part 7~~ SUBPART 1
10 or the rules ~~and regulations~~ of the board promulgated pursuant to this
11 article may be penalized by the board upon a finding of a violation
12 pursuant to article 4 of title 24, C.R.S., as follows:

13 (b) In any subsequent administrative proceeding against ~~any~~ A
14 person for transactions occurring after a final agency action determining
15 that a violation of this ~~part 7~~ SUBPART 1 has occurred, a fine of not less
16 than one thousand dollars but not more than two thousand dollars.

17 (10) Any registrant, licensee, or certified person having direct
18 knowledge that any person has violated any of the provisions of this ~~part~~
19 7 SUBPART 1 shall report such knowledge to the board.

20 **SECTION 11.** 12-61-712 (1) (a) and (3), Colorado Revised
21 Statutes, are amended to read:

22 **12-61-712. Unlawful acts.** (1) It is unlawful for any person to:

23 (a) Violate any provision of section 12-61-710 (1) (c), (1) (e), or
24 (1) (f), or to perform a real estate appraisal in conjunction with a debt
25 instrument that is federally guaranteed or in the federal secondary market
26 or regulated pursuant to title 12, U.S.C., without first having obtained a
27 registration, license, or certificate from the board pursuant to this ~~part 7~~

1 SUBPART 1;

2 (3) A person who represents property owners as an advocate in tax
3 or valuation protests and appeals pursuant to title 39, C.R.S., shall be
4 exempt from the licensing requirements of this ~~part 7~~ SUBPART 1.

5 **SECTION 12.** 12-61-713 (1) and (2), Colorado Revised Statutes,
6 are amended to read:

7 **12-61-713. Injunctive proceedings.** (1) The board may, in the
8 name of the people of the state of Colorado, through the attorney general
9 of the state of Colorado, apply for an injunction in ~~any~~ A court of
10 competent jurisdiction to perpetually enjoin ~~any~~ A person from
11 committing ~~any~~ AN act prohibited by ~~the provisions of this part 7~~ SUBPART
12 1.

13 (2) ~~Such~~ Injunctive proceedings shall be in addition to and not in
14 lieu of all penalties and other remedies provided in this ~~part 7~~ SUBPART
15 1.

16 **SECTION 13.** 12-61-714, Colorado Revised Statutes, is amended
17 to read:

18 **12-61-714. Special provision for appraiser employees of**
19 **county assessors.** (1) Except as provided in subsection (2) of this
20 section, unless a federal waiver is applied for and granted pursuant to
21 section 12-61-704 (1) (j), on and after July 1, 1997, any person acting as
22 a real estate appraiser in this state in conjunction with a debt instrument
23 that is federally guaranteed or in the federal secondary market or
24 regulated pursuant to title 12, U.S.C., shall be registered, licensed, or
25 certified as provided in this ~~part 7~~ SUBPART 1, and, on and after said date,
26 no person shall practice in conjunction with a debt instrument that is
27 federally guaranteed or in the federal secondary market or regulated

1 pursuant to title 12, U.S.C., without ~~such~~ a registration, license, or
2 certificate or hold himself or herself out to the public as a registered,
3 licensed, or certified real estate appraiser unless registered, licensed, or
4 certified pursuant to this ~~part 7~~ SUBPART 1.

5 (2) Any appraiser employee of ~~any~~ A county assessor who is
6 employed to appraise real property shall be registered, licensed, or
7 certified as provided in this ~~part 7~~ SUBPART 1 and shall have two years
8 ~~from~~ AFTER the date of taking office or the beginning of employment to
9 comply with the provisions of this ~~part 7~~ SUBPART 1.

10 **SECTION 14.** 12-61-715, Colorado Revised Statutes, is amended
11 to read:

12 **12-61-715. Duties of board under federal law.** (1) The board
13 shall:

14 (a) Transmit to the appraisal subcommittee of the federal financial
15 institutions examinations council, no less than annually, a roster listing
16 individuals who have received a certificate or license as provided in this
17 ~~part 7~~ SUBPART 1;

18 (b) Collect from individuals who have received a certificate or
19 license as provided in this ~~part 7~~ SUBPART 1 an annual registry fee of not
20 more than twenty-five dollars, unless the appraisal subcommittee of the
21 federal financial institutions examinations council adjusts the fee up to a
22 maximum of fifty dollars, and transmit such fee to the federal financial
23 institutions examinations council on an annual basis; and

24 (c) Conduct its business and promulgate rules ~~and regulations~~ in
25 a manner not inconsistent with Title XI of the federal "Financial
26 Institutions Reform, Recovery, and Enforcement Act of 1989", as
27 amended.

1 **SECTION 15.** The introductory portion to 12-61-716 (1),
2 Colorado Revised Statutes, is amended to read:

3 **12-61-716. Business entities.** (1) A corporation, partnership,
4 bank, savings and loan association, savings bank, credit union, or other
5 business entity may provide appraisal services if ~~such~~ THE appraisal is
6 prepared by individuals registered, certified, or licensed in accordance
7 with this ~~part 7~~ SUBPART 1. An individual who is not a registered,
8 certified, or licensed appraiser may assist in the preparation of an
9 appraisal if:

10 **SECTION 16.** 12-61-717, Colorado Revised Statutes, is amended
11 to read:

12 **12-61-717. Provisions found not to comply with federal law**
13 **null and void - severability.** If any provision of this ~~part 7~~ SUBPART 1
14 is found by a court of competent jurisdiction or by the appropriate federal
15 agency not to comply with any provision of the federal "Financial
16 Institutions Reform, Recovery, and Enforcement Act of 1989", such
17 provision shall be null and void, but the remaining provisions of this ~~part~~
18 ~~7~~ SUBPART 1 shall be valid unless ~~such~~ THE remaining provisions alone
19 are incomplete and are incapable of being executed in accordance with
20 the legislative intent of this ~~part 7~~ SUBPART 1.

21 **SECTION 17.** 12-61-718 (1) (b), Colorado Revised Statutes, is
22 amended to read:

23 **12-61-718. Scope of article - regulated financial institutions -**
24 **de minimis exemption.** (1) (b) Such appraisal shall not be represented
25 or deemed to be an appraisal except to the ~~said~~ financial institution, the
26 agencies regulating the ~~said~~ financial institution, and any secondary
27 markets that purchase real estate secured loans. ~~Such~~ THE appraisal shall

1 contain a written notice that the preparer is not registered, licensed, or
2 certified as an appraiser under this ~~part 7~~ SUBPART 1. Nothing in this
3 subsection (1) shall be construed to exempt a person registered, licensed,
4 or certified as an appraiser under this ~~part 7~~ SUBPART 1 from regulation
5 as provided in this ~~part 7~~ SUBPART 1.

6 **SECTION 18.** 28-3-106 (1) (s) (I), Colorado Revised Statutes,
7 is amended to read:

8 **28-3-106. Powers and duties of adjutant general.** (1) The
9 adjutant general has the following powers and duties:

10 (s) (I) If, in the judgment of the adjutant general, any real estate
11 ~~which~~ THAT has been acquired for military purposes is unsuitable for
12 military purposes, the adjutant general, by and with the approval of the
13 governor, in writing, has authority to sell, trade, or otherwise dispose of
14 such real estate, but, except as otherwise provided by subparagraph (II)
15 of this paragraph (s), ~~such~~ THE real estate shall not be disposed of for less
16 than its appraised value. The appraised value of ~~such~~ THE real estate shall
17 be determined by an appraiser who is registered, licensed, or certificated
18 pursuant to SUBPART 1 OF part 7 of article 61 of title 12, C.R.S., and who
19 is selected by the adjutant general from a list of three qualified individuals
20 submitted to the adjutant general by the department. Appraisers shall be
21 selected for the list, and their fees shall be negotiated in accordance with
22 the standards established by part 14 of article 30 of title 24, C.R.S. The
23 adjutant general, by and with the advice and approval of the governor, is
24 authorized to lease any property belonging to the department when it is
25 not needed for the immediate use of the department. All conveyances
26 ~~which~~ THAT are required for the purpose of this section shall be executed
27 by the governor under the seal of the state, and the proceeds of all sales,

1 trades, or other disposition shall be placed in an account to be invested by
2 the state treasurer as provided in section 24-36-113, C.R.S. Any interest
3 earned on the investment or deposit of ~~such~~ THE proceeds shall remain in
4 ~~such~~ THE account and shall not be credited to the general fund or any
5 other fund of the state. ~~Said~~ THE proceeds and any interest thereon shall
6 be disbursed by authority of the adjutant general, subject to appropriation
7 by the general assembly, only for the construction, repair, improvement,
8 acquisition, or costs of acquisition or sale of armories throughout the
9 state. Costs of acquisition or sale shall include but need not be limited to
10 appraisals, site surveys, environmental surveys, title work, property
11 inspections, closing costs, legal fees, real estate fees, site preparation, or
12 utility studies. Prior to disposing of any real property pursuant to ~~the~~
13 ~~provisions of~~ this paragraph (s), the adjutant general shall submit a report
14 to the capital development committee ~~which~~ THAT describes ~~such~~ THE real
15 property, the maintenance costs related to ~~such~~ THE real property, the
16 current value of ~~such~~ THE real property, any conditions or limitations
17 ~~which~~ THAT may restrict the use of ~~such~~ THE real property, and the terms
18 of the proposed disposition of ~~such~~ THE real property. The capital
19 development committee shall review any ~~such~~ report ~~which~~ THAT is
20 submitted to the capital development committee and shall provide
21 recommendations to the adjutant general concerning the proposed real
22 property disposition within thirty days after the date of receipt of ~~such~~
23 THE report. The adjutant general shall not complete any ~~such~~ real
24 property disposition without considering any recommendations of the
25 capital development committee ~~which~~ THAT are provided within ~~such~~ THE
26 thirty-day period.

27 **SECTION 19.** 39-2-123 (2), Colorado Revised Statutes, is

1 amended to read:

2 **39-2-123. Board of assessment appeals created - members -**
3 **compensation.** (2) Effective July 1, 1991, the existing board of
4 assessment appeals is abolished, and the terms of members of the board
5 then serving are terminated. Effective July 1, 1991, except as otherwise
6 provided in section 39-2-125 (1) (c) (I), the new board shall be comprised
7 of three members, who shall be appointed by the governor with the
8 consent of the senate. Members of the board shall be experienced in
9 property valuation and taxation and shall be public employees, as defined
10 in section 24-10-103 (4) (a), C.R.S., who are not subject to the state
11 personnel system laws. One of ~~such~~ THE members shall be or shall have
12 been, within the five years immediately preceding the date of initial
13 appointment, actively engaged in agriculture. On and after June 1, 1993,
14 members shall be registered, licensed, or certificated pursuant to ~~the~~
15 ~~provisions of~~ SUBPART 1 OF part 7 of article 61 of title 12, C.R.S., and, if
16 any member fails to become ~~so~~ registered, licensed, or certificated by said
17 date, the office of ~~such~~ THE member shall be deemed to be vacated and
18 shall be filled in the same manner as other vacancies. Initial
19 appointments to the board shall be as follows: One member shall be
20 appointed for a term of two years, and two members shall be appointed
21 for terms of four years. Thereafter, appointments to the board shall be for
22 terms of four years each. Service on the board shall be at the pleasure of
23 the governor, who may appoint a replacement to serve for the unexpired
24 term of any member. Such replacement shall be appointed with the
25 consent of the senate. Any other vacancies on the board shall be filled by
26 appointment by the governor with the consent of the senate for the
27 unexpired term.

1 **SECTION 20.** 39-8-106 (1.5), Colorado Revised Statutes, is
2 amended to read:

3 **39-8-106. Petitions for appeal.** (1.5) In addition to any other
4 requirements set forth in subsection (1) of this section, any petition for
5 appeal relating to real property shall contain the actual value of such real
6 property, stated in terms of a specific dollar amount, which is being
7 offered as the correct valuation. Nothing in this subsection (1.5) shall be
8 construed to exempt paid representatives of taxpayers from the
9 requirements of SUBPART 1 OF part 7 of article 61 of title 12, C.R.S., if
10 applicable.

11 **SECTION 21.** The introductory portion to 39-8-108.5 (1) (b),
12 Colorado Revised Statutes, is amended to read:

13 **39-8-108.5. Arbitration of property valuations - arbitrators -**
14 **qualifications - procedures.** (1) (b) Except as otherwise provided in
15 paragraph (c) of this subsection (1), persons on ~~such~~ THE list shall be, in
16 addition to any other qualifications deemed necessary by the board,
17 experienced in the area of property taxation, on and after June 1, 1993, be
18 registered, licensed, or certificated pursuant to SUBPART 1 OF part 7 of
19 article 61 of title 12, C.R.S., and be any one of the following:

20 **SECTION 22.** 39-22-522 (3.3), Colorado Revised Statutes, is
21 amended to read:

22 **39-22-522. Credit against tax - conservation easements.**
23 (3.3) The appraisal for a conservation easement in gross for which a
24 credit is claimed shall be a qualified appraisal from a qualified appraiser,
25 as those terms are defined in section 170 (f) (11) of the internal revenue
26 code. The appraisal shall be in conformance with the uniform standards
27 for professional appraisal practice promulgated by the appraisal standards

1 board of the appraisal foundation and any other provision of law. The
2 appraiser shall hold a valid license as a certified general appraiser in
3 accordance with ~~the provisions of~~ SUBPART 1 OF part 7 of article 61 of
4 title 12, C.R.S. The appraiser shall also meet any education and
5 experience requirements established by the board of real estate appraisers
6 in accordance with section 12-61-719 (7), C.R.S. If there is a final
7 determination, other than by settlement of the taxpayer, that an appraisal
8 submitted in connection with a claim for a credit pursuant to this section
9 is a substantial or gross valuation misstatement as such misstatements are
10 defined in section 1219 of the federal "Pension Protection Act of 2006",
11 Pub.L. 109-280, the department shall submit a complaint regarding the
12 misstatement to the board of real estate appraisers for disciplinary action
13 in accordance with ~~the provisions of~~ SUBPART 1 OF part 7 of article 61 of
14 title 12, C.R.S.

15 **SECTION 23. Act subject to petition - effective date -**
16 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day
17 following the expiration of the ninety-day period after final adjournment
18 of the general assembly (August 11, 2010, if adjournment sine die is on
19 May 12, 2010); except that, if a referendum petition is filed pursuant to
20 section 1 (3) of article V of the state constitution against this act or an
21 item, section, or part of this act within such period, then the act, item,
22 section, or part shall not take effect unless approved by the people at the
23 general election to be held in November 2010 and shall take effect on the
24 date of the official declaration of the vote thereon by the governor.

25 (2) The provisions of this act shall apply to acts occurring and
26 offenses committed on or after the applicable effective date of this act.