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## OLR Bill Analysis

### sSB 205

#### ***AN ACT MAKING MINOR AND TECHNICAL CHANGES TO REAL ESTATE APPRAISER AND APPRAISAL MANAGEMENT COMPANY DEFINITIONS AND STATUTES.***

#### **SUMMARY:**

This bill makes several changes to the real estate appraiser and appraisal management company law. It:

1. requires real estate appraisal schools to be registered with the Connecticut Real Estate Appraisal Commission and their courses to be approved by the Department of Consumer Protection (DCP) commissioner (see BACKGROUND) (§ 10);
2. requires paying all past due fees, instead of a specific sum, to reinstate an expired appraiser certification or provisional license (§ 9);
3. eliminates the maximum number of times an applicant can take a test for a certification or provisional license within one year of paying the application fee (§ 7);
4. permits the commission to use an exam prepared by the Appraisal Qualification Board of the Appraisal Foundation when testing applicants for a certification or provisional license (§ 8);
5. adds a definition for the license issued to a provisional appraiser (i.e., someone working under the direct supervision of a certified appraiser to gain appraisal experience) (§ 1); and
6. specifies that the annual registry fee certified appraisers must pay to the commissioner is set by the Federal Financial Institutions Examination Council's appraisal subcommittees, not the commission, as under current regulations (Conn. Agencies

Reg. § 20-504-10) (§ 9).

The bill eliminates obsolete references to the limited appraiser and appraiser licenses and makes conforming changes based on their elimination. DCP stopped issuing or renewing these licenses in 2006 and 2003, respectively (§§ 1-9 & 11-25).

The bill also makes other technical and conforming changes.

EFFECTIVE DATE: July 1, 2014

## **§ 10 — REAL ESTATE APPRAISAL SCHOOLS**

### ***Registration***

The bill requires schools offering courses in real estate appraisal to be registered by the Connecticut Real Estate Appraisal Commission before offering courses in appraisal prerequisite or continuing education. The application must be made on DCP-prescribed forms with a \$100 application fee.

Under the bill, these registrations expire after two years, but may be renewed. The fee for registering or renewing a registration is \$200.

Existing law allows the commissioner, with advice and assistance from the commission, to adopt regulations on approving real estate appraisal schools, course content, and advertising. Under current regulations, the commission approves these schools (Conn. Agencies Reg. § 20-512-2).

### ***Course Approval***

The bill requires the prerequisite and continuing education courses offered by real estate appraisal schools to be approved by the commissioner. The courses are currently approved by the commission (Conn. Agencies Reg. §§ 20-512-3 & 20-512-5).

Under the bill, each course approval must be applied for separately and the application fee for each course is \$100.

## **§ 9 — REINSTATEMENT FEES**

Under the bill, an expired certification or provisional license may generally be reinstated only if the former certificate holder or provisional licensee pays all past due fees, from the expiration date to the date of payment for reinstatement. Existing law requires this to be done within two years after the expiration date.

Under current law, the reinstatement fee is \$225 for a certification and \$50 for a provisional license. The bill retains existing law's exemption for appraisers whose certifications or provisional licenses expire after entering military service and reinstatement is sought within two years after the expiration.

### **§§ 7 & 8 — APPLICANT TESTING**

By law, applicants for an appraiser certification must pass a written test. The commission may also require provisional license applicants to be tested, but it does not currently do so.

The bill removes the maximum number of times an applicant for a certification or provisional license can take the written test for their certification or licensure. Under current law, an applicant can take the test up to four times within one year after paying the application fee.

Existing law requires the written test to be (1) prepared by DCP or a national testing service DCP designates and (2) consistent with Appraisal Qualification Board of the Appraisal Foundation guidelines. Under the bill, the written test may be prepared by the foundation.

### **BACKGROUND**

#### ***Connecticut Real Estate Appraisal Commission***

By law, the commission is created within DCP. It has eight members; five are certified appraisers and three are members of the public. Its duties include (1) authorizing DCP to issue certifications and provisional licenses to appraisers and (2) administering the real estate appraiser and appraisal management companies law (CGS §§ 20-502 & 20-503).

### **COMMITTEE ACTION**

General Law Committee

Joint Favorable Substitute

Yea 17 Nay 0 (03/13/2014)