

OFFICE OF LEGISLATIVE RESEARCH
PUBLIC ACT SUMMARY



PA 14-52—sSB 205
General Law Committee

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

SUMMARY: This act makes several changes in real estate appraiser and appraisal management company laws. It:

1. requires real estate appraisal schools to be registered with the Connecticut Real Estate Appraisal Commission (CREAC) and their courses to be approved by the Department of Consumer Protection (DCP) commissioner (see BACKGROUND) (§ 10);
2. requires a former appraiser certificate holder or provisional licensee to pay all past due fees, instead of a specific sum, to reinstate an expired certificate or license (§ 9);
3. appears to reduce, from four to one, the number of times an applicant may take the test for a certificate or provisional license after paying the application fee (§ 7);
4. permits CREAC to use a written test prepared by the Appraisal Qualification Board of the Appraisal Foundation when testing applicants for a certificate or provisional license (see BACKGROUND) (§ 8);
5. defines the license issued to someone working under the direct supervision of a certified appraiser to gain appraisal experience (i.e., provisional license) (§ 1); and
6. codifies the real estate appraisal regulations' requirement that the annual registry fee certified appraisers must pay to the DCP commissioner is set by the Federal Financial Institutions Examination Council's appraisal subcommittees (§ 9).

The act eliminates obsolete references to the limited appraiser and appraiser licenses, which DCP stopped issuing or renewing in 2006 and 2003, respectively.

It also makes several other minor changes to definitions, and conforming and technical changes.

EFFECTIVE DATE: July 1, 2014

§ 10 — REAL ESTATE APPRAISAL SCHOOLS AND COURSES

The act requires real estate appraisal schools to be registered with CREAC before they can offer courses in real estate appraisal prerequisite education or continuing education. The registration application must be made on DCP commissioner-prescribed forms and include a \$100 application fee. The registrations are valid for two years and are renewable. The fee for both initial registration and renewal is \$200.

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By law, the DCP commissioner may, with CREAC's advice and assistance, adopt regulations on approving real estate appraisal schools, course content, and advertising. Under current regulations, CREAC approves these schools (Conn. Agencies Reg. § 20-512-2).

CREAC also currently approves the prerequisite or continuing education courses the schools offer (Conn. Agencies Reg. §§ 20-512-3 & -5). The act, instead, requires the DCP commissioner to approve them.

Under the act, schools must apply for each course approval separately, and the application fee for each course is \$100.

§ 9 — REINSTATEMENT FEES

By law, appraiser certificates and provisional licenses are valid for one year and are renewable, for a fee.

Under the act, once a credential expires, it 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 reinstatement. Prior law set a flat reinstatement fee: \$225 for a certification and \$50 for a provisional license. The law requires this to be done within two years after the expiration.

The act retains the reinstatement fee exemption for appraisers whose certificates or provisional licenses expire after they enter military service and then seek reinstatement within two years after the expiration.

§§ 7 & 8 — APPLICANT TESTING

By law, applicants for an appraiser certificate must pass a written test. CREAC may also, but does not currently, require provisional license applicants to be tested.

Prior law allowed applicants for either credential to take the test up to four times within one year after paying the application fee. The act appears to limit applicants to taking one test per fee paid.

By law, the test must be consistent with guidelines established by the Appraisal Qualification Board of the Appraisal Foundation. Prior law required it to be prepared by DCP or a national testing service DCP designated. The act also allows the board to prepare the test.

BACKGROUND

CREAC

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

The Appraisal Foundation

The Appraisal Foundation is a national, private nonprofit educational

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organization for real estate appraisers. Its Appraiser Qualifications Board is an independent board that establishes the qualification criteria for state licensing and certification.

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