



# Connecticut Association of Assessing Officers, Inc.

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February 18, 2015

*Testimony in Opposition of House Bill 6677*  
***AN ACT CONCERNING BROKER PRICE OPINIONS***

John Chaponis, CCMA II  
Co-Chairman Legislative Committee

Members of the Insurance and Real Estate Committee:

The CAAO requests that you oppose RHB 6677 An Act Concerning Broker Price Opinions.

Real Estate Appraisers must successfully complete the required classes/education, work provisionally as an apprentice, and then become eligible to sit for the certification exam in order to become a Connecticut State Licensed Appraiser. The only current exemptions are for revaluation staff and brokers/real estate salespeople. Revaluation staff is limited to contracted work on municipal revaluations and brokers/real estate salespeople are limited to that of BPO in regards to listing contract.

HB 6677 would open up the gates and allow real estate sales people to estimate fair market value of real estate for a fee as long as they do not call themselves an appraiser. It will allow this with no restrictions, no required training, no required education, no state exam, no licensing, no recertification credits, no oversight, and no repercussions/penalties/fines for work that fails to meet USPAP and/or was done with bias or conflict of interest.

As seen in the January edition of Connecticut Magazine

<http://www.connecticutmag.com/Blog/Connecticut-Today/December-2014/LoveTargets-Prices-How-About-Big-Box-Stores-Property-Tax-Appeals/>

Municipal tax assessment appeals have become big business in CT with firms from Massachusetts to Missouri coming into our state and taking wholesale appeals in our cities and towns flooding the court system forcing settlements; many times unwarranted and settled to avoid the cost of litigation. If real estate sales people and brokers are allowed to estimate the fair market value of real estate without oversight or penalty, they could take thousands of appeals and perform work on a contingency basis which is a clear violation of USPAP. However, with no oversight/requirements, brokers need not be concerned with USPAP. When you work on a contingency basis, and your fee is tied to the amount of the reduction, you have a vested interest in the value and a bias or conflict exists.

Currently a Certified Residential Appraiser who is licensed by the State of Connecticut may not perform appraisals of commercial and industrial properties yet RHB 6677 will allow a broker or RE Salesperson to estimate value of commercial & industrial properties for a fee.

Allowing Brokers to perform appraisal work seems no different than allowing a Plumber to perform electrical work without having gone through the training & apprenticeship required of a Licensed Electrician.

There is nothing prohibiting a Broker or RE Salesperson from becoming a State Licensed Appraiser if they so choose but RHB 6677 allows them to do so while circumventing all of the training, experience,

licensing, and oversight that was carefully constructed and made into law. If brokers wish to perform fee appraisal work they should fulfill the same requirements as all other fee appraisers.

Please oppose RHB 6677 and only allow contracted appraisal work to be performed by those who have successfully completed the required course work and obtained the respective state certification or licensing.

Respectfully,

John Chaponis, CCMA II