WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1990

ENROLLED

Com. Sub. for
HOUSE BILL No. 225

(By Delegate Menard)

Passed March 10, 1990

In Effect from Passage
AN ACT to amend chapter thirty-seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article fourteen, relating to the creation of the West Virginia Appraiser Licensing and Certification Board to be charged with licensing and certifying real estate appraisers; requiring licenses for persons appraising real estate; exceptions; powers and duties of board; requiring certification for persons using the term "state certified real estate appraiser" or signing certified appraisal reports; hearings and orders of board; applications; qualifications for licensure and certification; education, experience, and examination requirements; continuing education requirements; complaints, investigations and disciplinary proceedings; fees; criminal penalties; waiver of license requirements; prohibited acts and omissions; nonresident licensure and certification; and attorney general opinion and duties.

Be it enacted by the Legislature of West Virginia:

That chapter thirty-seven of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted by adding thereto a new article, designated
ARTICLE 14. THE REAL ESTATE APPRAISER LICENSING AND CERTIFICATION ACT.

§37-14-1. Short title.

1. This act shall be known and may be cited as the "Real Estate Appraiser Licensing and Certification Act."

§37-14-2. Definitions.

1. As used in this act, the following terms shall have the following meanings:

(a) "Appraisal" means an analysis, opinion or conclusion prepared by a real estate appraiser relating to the nature, quality, value or utility of specified interests in, or aspects of, identified real estate or identified real property. An appraisal may be classified by the nature of the assignment as a valuation appraisal, an analysis assignment, or a review assignment. The term "valuation appraisal" refers to an analysis, opinion or conclusion prepared by a real estate appraiser that estimates the value of an identified parcel of real estate or identified real property at a particular point in time. An "analysis assignment" refers to an analysis, opinion or conclusion prepared by a real estate appraiser that relates to the nature, quality or utility of identified real estate or identified real property. A "review assignment" refers to an analysis, opinion or conclusion prepared by a real estate appraiser that forms an opinion as to the adequacy and appropriateness of a valuation appraisal or an analysis assignment;

(b) "Appraisal foundation" means the appraisal foundation established on the thirtieth day of November, one thousand nine hundred eighty-seven, as a not-for-profit corporation under the laws of Illinois;

(c) "Appraisal report" means any communication, written or oral, of an appraisal. An appraisal report may be classified by the nature of the assignment as a "valuation report," "analysis report" or "review report."

For the purposes of this act, the testimony of an appraiser dealing with the appraiser's analyses, conclusions or opinions concerning identified real estate or
identified real property is deemed to be an oral appraisal report;

(d) “Board” means the real estate appraiser licensing and certification board established pursuant to the provisions of this article;

(e) “Certified appraisal report” means a written or oral appraisal report that is certified as such by a state certified real estate appraiser. When a state certified real estate appraiser identifies an appraisal report as “certified”, such state certified real estate appraiser must indicate which type of certification he or she holds. The certification of an appraisal report by a state certified real estate appraiser represents to the public that it meets the appraisal standards established pursuant to this article;

(f) “Licensed real estate appraiser” means a person who holds a current, valid real estate appraiser license issued to him or her under the provisions of this article;

(g) “Real estate” means an identified parcel or tract of land, including improvements, if any;

(h) “Real estate appraisal activity” means the act or process of making an appraisal of real estate or real property and preparing an appraisal report;

(i) “Real estate appraiser” means a person who engages in real estate appraisal activity for a fee or other valuable consideration;

(j) “Real property interests” means one or more defined interests, benefits or rights inherent in the ownership of real estate; and

(k) “State certified real estate appraiser” means a person who holds a current, valid certification as a real estate appraiser issued to him or her under the provisions of this article.

§37-14-3. Real estate appraiser license required.

Beginning the first day of July, one thousand nine hundred ninety-one, it is unlawful for any person, for compensation or valuable consideration, to prepare a
valuation appraisal or a valuation appraisal report
relating to real estate or real property in this state
without first obtaining a real estate appraiser license as
provided in this article. This section shall not be
construed to apply to persons who do not render
significant professional assistance in arriving at a real
estate appraisal analysis, opinion or conclusion. Nothing
in this article, however, shall be construed to prohibit
any person who is licensed to practice in this state under
any other law from engaging in the practice for which
he or she is licensed.

§37-14-4. Exceptions to license requirement.

This article does not apply to:

(a) A real estate broker or salesperson licensed by this
state who, in the ordinary course of his or her business,
gives an opinion to a potential seller or third party as
to the recommended listing price of real estate or an
opinion to a potential purchaser or third party as to the
recommended purchase price of real estate, when this
opinion as to the listing price or the purchase price is
not to be referred to as an appraisal, no opinion is
rendered as to the value of the real estate, and no fee
is charged;

(b) A casual or drive-by inspection of real estate in
connection with a consumer loan secured by the said
real estate, when the inspection is not referred to as an
appraisal, no opinion is rendered as to the value of the
real estate, and no fee is charged for the inspection;

(c) An employee who renders an opinion as to the
value of real estate for his full-time employer, for the
employer’s internal use only and performed in the
regular course of the employee’s position, when the
opinion is not referred to as an appraisal and no fee is
charged; and

(d) An appraisal or opinion with regard to the value
of a manufactured home, as such term is defined in
section two, article nine, chapter twenty-one of this code,
if the property appraised does not include real estate or
an interest therein.
§37-14-5. Board created; appointment, qualifications, terms, oath, etc., of members; quorum; meetings; when members are disqualified from participation; compensation; records; office space; personnel.

(a) There is hereby created the West Virginia Real Estate Appraiser Licensing and Certification Board which consists of seven members appointed by the governor with the advice and consent of the Senate. Each member shall be a resident of the state of West Virginia. Two members shall be real estate appraisers having at least five years' experience in appraisal as a principal line of work immediately preceding their appointment, two members shall be selected from financial institutions having at least five years' experience in real estate lending, and three members who shall not be engaged in the practice of real estate appraisal, real estate brokerage or sales, or have any financial interest in such practices. No member of the board may concurrently be a member of the West Virginia real estate commission. Not more than one appraiser member may be appointed from each congressional district.

(b) Appointments shall be for a three-year term, except of the members first appointed, three shall serve for two years and one for one year. Each real estate appraiser appointed after the first day of January, one thousand nine hundred ninety-one, shall have appraisal as their principal work and must be a state certified real estate appraiser under this article at the time of appointment and during the term of appointment. No member appointed shall serve for more than six consecutive years. Before entering upon the performance of his duties, each member shall subscribe to the oath required by section five, article four of the constitution of this state. The governor shall, within sixty days following the occurrence of a vacancy on the board, fill the same by appointing a person for the unexpired term of, and meeting the same requirements for membership as, the person vacating said office. Any member may be removed by the governor in case of
37 incompetency, neglect of duty, gross immorality or
38 malfeasance in office.
39 (c) The board shall elect a chairman. A majority of
40 the members of the board shall constitute a quorum. The
41 board shall meet at least once in each calendar quarter
42 on a date fixed by the board. The board may, upon its
43 own motion, or shall upon the written request of three
44 members of the board, call additional meetings of the
45 board upon at least twenty-four hours’ notice. No
46 member shall participate in a proceeding before the
47 board to which a corporation, partnership or unincor-
48 porated association is a party, and of which he is or was
49 at any time in the preceding twelve months a director,
50 officer, owner, partner, employee, member or stock-
51 holder. A member may disqualify himself from partic-
52 ipation in a proceeding for any other cause deemed by
53 him to be sufficient. Each member shall receive fifty
54 dollars for each day or portion thereof spent in attending
55 meetings of the board and shall be reimbursed for all
56 reasonable and necessary expenses incurred incidental
57 to his duties as a member of the board.
58 (d) The board shall keep an accurate record of all of
59 its proceedings and make certificates thereupon as may
60 be required by law.

§37-14-6. General powers and duties.

1 The board shall:
2 (a) Define by rule the type of educational experience,
3 appraisal experience and equivalent experience that
4 will meet the statutory requirements of this article;
5 (b) Establish examination specifications as prescribed
6 herein and provide or procure appropriate
7 examinations;
8 (c) Approve or disapprove applications for certifica-
9 tion and licensure;
10 (d) Define by rule continuing education requirements
11 for the renewal of certification and licenses;
12 (e) Censure, suspend or revoke licenses and certifica-
13 tion as provided in this article;
(f) Hold meetings, hearings and examinations in places and at times as it shall designate;

(g) Establish procedures for submitting, approving and disapproving applications;

(h) Maintain an accurate registry of the names and addresses of all persons certified or issued a license to practice under this article;

(i) Maintain accurate records on applicants and licensed or certified real estate appraisers;

(j) Issue to each licensed or certified real estate appraiser a pocket card with the name and license or certification number on each in the size and form it may approve. The license or certification pocket card shall remain the property of the state of West Virginia, and, upon suspension or revocation of the license to practice pursuant to this article, shall be returned immediately to the commission;

(k) Deposit all fees collected by the commission in the state treasury. The state treasurer shall deposit the fees to the credit of the West Virginia appraiser licensing and certification board and shall disburse moneys from the account to pay the cost of board operation. Disbursements from the account shall not exceed the moneys credited to it;

(l) Hire employees to assist in the discharge of the duties imposed upon it by this article subject to the policies and standards of the department of administration. No employee of the commission may be a paid employee of any real estate association, group or real estate dealers, brokers, appraisers or lenders;

(m) Perform any other functions and duties as may be necessary in carrying out the provisions of this article.

All rules shall be promulgated pursuant to the provisions of chapter twenty-nine-a of this code. The members of the board shall be immune from any civil action or criminal prosecution for initiating or assisting in any lawful investigation of the actions of, or participating in any disciplinary proceeding concerning a
licensed or certified real estate appraiser pursuant to this act: Provided, That such action is taken without malicious intent and in the reasonable belief that the action was taken pursuant to the powers and duties vested in the members of the board under this act.

§37-14-7. Hearings and orders; entry of order without notice and hearing.

(a) Subject to the provisions of subsection (c) of this section, notice and hearing shall be provided in advance of the entry of any order by the board. Such notice shall be given to the person with respect to whom the hearing is to be conducted and such hearing and the administrative procedures in connection therewith shall be governed by all of the provisions of article five, chapter twenty-nine-a of this code, and shall be held at a time and place set by the board, but shall not be held less than ten or more than thirty days after such notice is given. A hearing may be continued by the board on its own motion or for good cause shown. At any such hearing a party may represent himself or be represented by an attorney admitted to practice before any circuit court of this state.

(b) The board shall have the power and authority to issue subpoenas and subpoenas duces tecum, administer oaths and examine any person under oath in connection with any subject relating to duties imposed upon or powers vested in the board.

(c) Whenever the board shall find that extraordinary circumstances exist which require immediate action, it may forthwith without notice or hearing enter an order taking any action permitted by this article. Immediately upon the entry of such order, certified copies thereof shall be served upon all persons affected thereby and upon demand such persons shall be entitled to a hearing thereon at the earliest practicable time.


(a) Any party to a hearing before the board affected by any order of the board made and entered after a
hearing as provided in this chapter shall be entitled to judicial review thereof in the manner provided in article five, chapter twenty-nine-a of this code.

(b) Any such party adversely affected by a final judgment of a circuit court following judicial review as provided in subsection (a) of this section may seek review thereof by appeal to the supreme court of appeals in the manner provided in article six, chapter twenty-nine-a of this code.


An individual who desires to engage in real estate appraisal activity in this state shall make application for a license, in writing, in such form as the board may prescribe.

To assist the board in determining whether grounds exist to deny the issuance of a license to an applicant, the board may require the fingerprinting of every applicant for an original license.

§37-14-10. Scope of real estate appraiser license.

A licensed real estate appraiser is authorized to appraise all types of real estate and real property in this state, including, but not limited to, commercial, industrial, residential and special purpose.

§37-14-11. Qualifications for license.

To qualify for a real estate appraiser license, an applicant shall:

(a) Successfully complete not less than forty-five classroom hours in courses of study approved by the board which relate to real estate appraisal. The required forty-five classroom hours shall include (1) not less than thirty classroom hours of study relating to the basic principles of land economics and the basic principles of real estate appraising, and (2) not less than fifteen classroom hours of study specifically relating to the standards of professional appraisal practice and the ethical rules to be observed by a real estate appraiser as required by section twenty-three of this act;
(b) Pass an examination administered by the board that is based upon forty-five classroom hours of appraisal study and is designed to test an individual's knowledge of the basic principles of land economics, the basic principles of real estate appraising, the standards of professional appraisal practice, and the ethical rules to be observed by a real estate appraiser; and

(c) Be of good moral character, in the opinion of the board.

The courses of study referred to in subsection (a) (1) above must be conducted by (i) an accredited university, college or junior college; (ii) an approved appraisal society, institute or association; or (iii) such other school as may be approved by the board.

§37-14-12. Courses of study.

In making its determinations with respect to the courses of study required by section eleven, the board shall give weight to courses which teach one or more of the following:

(a) Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing and economical concepts applicable to real estate;

(b) An understanding of the basic principles of land economics, the basic principles of the real estate appraisal process, and the problems likely to be encountered in gathering, interpreting, and processing the data required in the real estate appraisal process;

(c) An understanding of the standards for the development and communication of real estate appraisals as provided in this act;

(d) An understanding of the ethical rules that a real estate appraiser is required to observe;

(e) Appropriate knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal;

(f) An understanding of basic real estate law; and
§37-14-13. Term of license.

If the board determines that an applicant meets the requirements of this act and is qualified for a real estate appraiser license, it shall issue a license to the applicant that shall expire one year following the date of issuance unless revoked or suspended prior thereto. The board shall approve or deny each application within ninety days of receipt. If no action is taken within ninety days, the application will be deemed approved and the board shall issue the license.


(a) As a prerequisite to renewal of license, a licensed real estate appraiser shall present evidence satisfactory to the board of having obtained ten hours of continuing education.

(b) The board shall adopt rules for the implementation of the provisions of this section to the end of assuring that each individual renewing his or her license as a real estate appraiser under this act has a working knowledge of current real estate appraisal theories, practices and techniques that will enable such individual to provide competent real estate appraisal services to the members of the public and to financial institutions with whom such individual deals in a professional relationship under the authority of his or her real estate appraiser license.


To renew a current, valid real estate appraiser license, other than a temporary license issued under section forty-four of this article, the holder of such license shall file an application on a form approved by the board and pay the prescribed renewal fee to the board not earlier than one hundred twenty days nor later than thirty days prior to the expiration date of the license then held. Each application for renewal shall be accompanied by evidence in the form prescribed by the board of having

completed the continuing education requirement for renewal specified in this act.

If a licensee fails to apply for a renewal of his or her license as a real estate appraiser within the period prescribed above, such licensee may, within a period of two years following the expiration date of his or her license, obtain a renewal of such license by satisfying all of the requirements for renewal and paying a late renewal fee. The board may refuse to renew any license if the licensee has continued to perform real estate appraisal activities in this state following the expiration of his or her license.

§37-14-16. Complaints and investigations relating to real estate appraiser licenses.

The board may, upon its own motion, and shall, upon the written complaint of any aggrieved person, cause an investigation to be made with respect to an alleged violation of section twenty-three of this act by any licensee or applicant for license in this state. If any investigation discloses a probable violation of section twenty-three of this article by a licensee or applicant, a formal complaint shall be filed. The board shall have the power to deny, suspend, or revoke a license, issue a formal reprimand or impose a fine not to exceed five hundred dollars against an applicant or licensee if, after hearing and notice as provided in this article, the board finds that an applicant or licensee has violated the provisions of section twenty-three of this article.

§37-14-17. Professional corporations.

Nothing contained in this article shall be deemed to prohibit any licensee from engaging in the practice of real estate appraising as a professional corporation in accordance with the provisions of the professional service corporation act of this state.


No person engaged in the business of real estate appraising in this state or acting in the capacity of a real estate appraiser in this state may bring or maintain any action in any court of this state to collect compen-
sation for the performance of real appraisal services for
which a license is required by this act without alleging
and proving that he or she was the holder of a valid real
estate appraiser license in this state at all times during
the performance of such services.


(a) A person required by this act to be licensed who
engages in real estate appraisal activity in this state
without obtaining a license therefor shall be guilty of a
misdemeanor, and, upon conviction, shall be punished
by fine of not less than five hundred dollars nor more
than one thousand dollars and shall be ineligible to
obtain a license for a period of one year from the date
of his or her conviction of such offense: Provided, That
the board, at its discretion, may grant a license to such
person within such one-year period upon application,
upon a finding of extenuating circumstances, and after
an administrative hearing thereon.

(b) Any person acting or purporting to act as a
certified real estate appraiser without first obtaining a
license to practice under this article is guilty of a
misdemeanor, and, upon conviction, shall be fined not
more than two thousand five hundred dollars or
imprisoned in the county jail for not more than one year,
or both fined and imprisoned.

(c) If any person receives any money or the equivalent
thereof as a fee, commission, compensation or profit by
or in consequence of a violation of any provision of this
article, he shall, in addition to the penalties prescribed
above, be subject to a penalty of not less than the sum
of money so received nor more than three times such
sum as may be determined by the court, which penalty
may be recovered in a court of competent jurisdiction
by any person aggrieved as a result of any such
violation.

§37-14-20. Waiver of license qualification requirements.

Upon an individual review of the qualifications of a
real estate appraiser who is actively engaged in
appraising real estate or real property in this state on
the effective date of this article, the board may waive
the requirements in section eleven of this article relating
to the successful completion of forty-five classroom
hours of appraisal study and the passing of an exam-
ination administered by the board that is based upon
forty-five classroom hours of appraisal study.

Within ninety days after the effective date of this
article, the board shall develop general standards and
criteria for its use in conducting an individual review
of the qualifications of a real estate appraiser who is
actively engaged in appraising real estate or real
property in this state. These general standards and
criteria shall include a requirement that an applicant
for a license under this section must have obtained a
minimum of two years of real estate appraisal expe-
rience within the last five years preceding the date of
application. The general standards and criteria devel-
oped by the board shall be printed and distributed
without charge to all presently practicing real estate
appraisers who request a copy.

Each real estate appraiser who is actively engaged in
appraising real estate in this state on the effective date
of this article and wishes to apply for a real estate
appraiser's license under the waiver provisions of this
section shall file an application for a license on or before
the thirty-first day of December, one thousand nine
hundred ninety, on a form approved by the board. If a
timely application is filed and the applicant demon-
strates competence and experience satisfactory to the
board, he or she shall be granted a license under the
provisions of this article.

§37-14-21. Special waiver of license qualification
requirements.

The board may waive the requirements of this article
relating to the successful completion of forty-five
classroom hours of appraisal study if an applicant:

(1) Submits satisfactory evidence of having obtained
a minimum of five years of real estate appraisal
experience within the last seven years preceding the
date of application; and
(2) Passes the examination approved by the board that satisfies the requirement in subsection (b) of section ten of this act.


Each real estate appraiser licensed or certified under this act shall comply with generally accepted standards of professional appraisal practice and generally accepted ethical rules to be observed by a real estate appraiser. Generally accepted standards of professional appraisal practice are currently evidenced by the uniform standards of professional appraisal practice promulgated by the appraisal foundation; however, after a public hearing held in accordance with provisions of the state statutes applicable to public hearings, the board may make such modifications of or additions to the uniform standards of professional appraisal practice as may be appropriate.

§37-14-23. Prohibited acts and omissions—Licensees.

The following acts and omissions shall be considered grounds for disciplinary action by the board:

(1) Procuring or attempting to procure license under this act by knowingly making a false statement, submitting false information or making a material misrepresentation in an application filed with the board, or procuring or attempting to procure a license through fraud or misrepresentation;

(2) Paying money other than the fees provided for by this act to any member or employee of the board to procure a license under this act;

(3) An act or omission in the practice of real estate appraising which constitutes dishonesty, fraud or misrepresentation with the intent to substantially benefit the licensee or another person or with the intent to substantially injure another person;

(4) Entry of a final civil or criminal judgment against a licensee on grounds of fraud, misrepresentation or deceit in the making of an appraisal of real estate;

(5) Conviction, including a conviction based upon a
plea of guilty or nolo contendre, of a crime which is substantially related to the qualifications, functions or duties of a person developing real estate appraisals and communicating real estate appraisals to others;

(6) Making a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications or in any testimony concerning professional qualifications;

(7) Violation of any section of this act, or any rule promulgated thereunder, other than section twenty-three;

(8) Violation of section twenty-three of this act, or any rule promulgated thereunder, as determined by order of the board and related findings of fact;

(9) Violation of the confidential nature of governmental records to which a licensee gained access through employment or engagement as an appraiser by a governmental agency; and

(10) Acceptance of a fee for performing an independent appraisal service, when, in fact, the fee is or was contingent upon the appraiser reporting a predetermined analysis, opinion, or conclusion, or is or was contingent upon the analysis, opinion, conclusion or valuation reached, or upon the consequences resulting from the appraisal assignment.

In a disciplinary proceeding based upon a civil judgment, the licensee shall be afforded an opportunity to present matters in mitigation and extenuation but may not collaterally attack the civil judgment.


A client or employer may retain or employ a licensed or certified real estate appraiser to act as a disinterested third party in rendering an unbiased estimate of value or an unbiased analysis, opinion or conclusion. A client or employer may also retain or employ a licensed or certified real estate appraiser to provide specialized appraisal services to facilitate the client’s or employer’s objectives. In either case, the appraisal and the apprai-
sal report must comply with the provisions of this article.

The term "independent appraisal service" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of identified real estate or identified real property. The term "specialized appraisal service" means an engagement to provide an appraisal service which does not fall within the definition of independent appraisal service. The term specialized appraisal service may include valuation appraisals, analysis assignments and review assignments. Regardless of the intention of the client or employer, if the appraiser is, in fact, perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis, opinion or conclusion, the work is classified as an independent appraisal service and not as a specialized appraisal service.

§37-14-25. Contingent fees.

A licensed or certified real estate appraiser who enters into an agreement to perform an independent appraisal service as defined in section twenty-four of this act may not accept a fee that is contingent upon the appraiser reporting a predetermined analysis, opinion, or conclusion that is contingent upon the analysis, opinion, or conclusion reached, or is contingent upon the results achieved by the appraisal assignment.

A licensed or certified real estate appraiser who enters into an agreement to perform a specialized appraisal service as defined in section twenty-four of this article may be paid a fixed fee or a fee that is contingent on the results achieved by the specialized appraisal service. If a licensed or certified real estate appraiser enters into an agreement to perform a specialized appraisal service for a contingent fee, this fact shall be clearly stated in each written and oral appraisal report. In each written report, this fact shall
be clearly stated in a prominent location in such report
and also in each letter of transmittal and in the
certification statement made by the appraiser in such
report.

§37-14-26. State certified real estate appraiser; use of
term.

No person other than a state certified real estate
appraiser under this act shall assume or use that title
or any title, designation, or abbreviation likely to create
the impression of certification as a real estate appraiser
by this state.

Only an individual who has qualified as a state
certified real estate appraiser under this act is autho-
ized to prepare and sign a certified appraisal report
relating to real estate or real property in this state.

If an appraisal report is prepared and signed by a
state certified real estate appraiser and such appraisal
report is certified as such by the state certified real
estate appraiser, a holder of a real estate appraiser
license under this act who assisted in the preparation
of such appraisal report is authorized to cosign such
appraisal report.

An individual who has not qualified as a state
certified real estate appraiser under this act shall not
describe or refer to any appraisal or appraisal report
relating to real estate or real property in this state by
the terms “certified appraisal” or “certified appraisal
report.”

§37-14-27. Certification application.

Applications for original certification, applications for
renewal of certification and applications to take an
examination shall be made in writing to the board on
forms approved by the board.

The payment of the appropriate fee must accompany
all applications for original certification and renewal of
certification and all applications to take an examination.

At the time of filing an application for original
certification or for renewal of certification, each
applicant shall sign a pledge to comply with the standards of professional appraisal practice and the ethical rules to be observed by an appraiser that are established from time to time for state certified real estate appraisers under this act. Each applicant shall also certify that he or she understands the types of misconduct, as set forth in this act, for which disciplinary proceedings may be initiated against a state certified real estate appraiser.


There shall be two classes of certification for state certified real estate appraisers:

(a) State certified residential real estate appraiser.—The state certified residential real estate appraiser classification shall consist of those persons who meet the requirements for certification that relate to the appraisal of residential real estate of one to four units, and to the appraisal of residential real estate of up to twelve units when a net income capitalization analysis is not required by the terms of the assignment.

(b) State certified general real estate appraiser.—The state certified general real estate appraiser classification shall consist of those persons who meet the requirements for certification relating to the appraisal of all types of real estate.

Each application for original certification or for the renewal of certification and each application to take an examination shall specify the classification of certification being applied for and, if applicable, the certification previously granted.

§37-14-29. Experience requirement.

As a prerequisite to taking the examination for certification as a state certified real estate appraiser, an applicant shall present evidence satisfactory to the board that he or she possesses the equivalent of two years of experience in real property appraisal supported by adequate written reports or file memoranda. Such experience, or the equivalent thereof, must be acquired within a period of five years immediately preceding the
Each applicant for certification shall furnish under oath a detailed listing of the real estate appraisal reports or file memoranda for each year for which experience is claimed by the applicant. Upon request, the applicant shall make available to the board for examination a sample of appraisal reports which the applicant has prepared in the course of his or her appraisal practice.

§37-14-30. Education requirement.

(a) Residential classification.—As a prerequisite to taking the examination for certification as a state certified residential real estate appraiser, an applicant shall present evidence satisfactory to the board that he or she is the holder of a valid real estate appraiser license under this act, and either:

(1) Has a college degree; or

(2) Has successfully completed not less than seventy-five classroom hours in courses of study approved by the board. To meet the seventy-five classroom hour requirement, an applicant must successfully complete not less than sixty classroom hours in courses of study approved by the board which relate to real estate appraisal theory and practice, plus fifteen classroom hours in courses of study approved by the board which relate specifically to the standards of professional appraisal practice, to the ethical rules to be observed by a real estate appraiser, and to the provisions of this act. The courses of study referred to above must be conducted by (1) an accredited university, college or junior college, (2) an approved appraisal society, institute or association, or (3) such other school as may be approved by the board.

(b) General classification.—As a prerequisite to taking the examination for certification as a state certified general real estate appraiser, an applicant shall present evidence satisfactory to the board that he or she is the holder of a valid real estate appraiser license under this act, and either:

(1) Has a college degree; or
(2) Has successfully completed not less than one hundred sixty-five classroom hours in courses of study approved by the board. To meet the one hundred sixty-five classroom hour requirement, an applicant must successfully complete not less than one hundred fifty classroom hours in courses of study approved by the board which relate to real estate appraisal theory and practice, plus fifteen classroom hours in courses of study approved by the board which relate specifically to the standards of professional appraisal practice, to the ethical rules to be observed by a real estate appraiser, and to the provisions of this act. The courses of study referred to above must be conducted by (1) an accredited university, college or junior college, (2) an approved appraisal society, institute or association, or (3) such other school as may be approved by the board.

§37-14-31. Examination required.

An original certification as a state certified real estate appraiser shall not be issued to any person who has not demonstrated through a written examination process that he or she possesses the following:

(a) Appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate;

(b) An understanding of the basic principles of land economics, the basic principles of the real estate appraisal process, and the problems likely to be encountered in gathering, interpreting, and processing the data that is required in the real estate appraisal process;

(c) An understanding of the standards for the development and communication of real estate appraisals as provided in this act;

(d) An understanding of the ethical rules that a real estate appraiser is required to observe;

(e) Knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for the
classification of certification applied for;
(f) Knowledge of such other principles and procedures as may be appropriate for the classification of certification applied for;
(g) An understanding of basic real estate law; and
(h) An understanding of the types of misconduct for which disciplinary proceedings may be initiated against a state certified real estate appraiser, as set forth in this act.

§37-14-32. Term of certification.
The initial certification issued pursuant to this article shall expire upon the expiration date of the license held by the certificate holder. Thereafter, a certification issued pursuant to this article shall expire four years from the date of issuance or upon the date that the state certified appraiser no longer holds a valid license as a real estate appraiser in this state, whichever first occurs. The scheduled expiration date of the certificate shall appear on the certificate and no other notice of its expiration need be given to its holder.

§37-14-33. Renewal of certification.
To obtain a renewal of certification as a state certified real estate appraiser under this act, the holder of a current, valid certification shall make application and pay the prescribed fee to the board no earlier than one hundred twenty days nor later than thirty days prior to the expiration date of the certification then held. Each application for renewal shall be accompanied by evidence in the form prescribed by the board of having completed the continuing education requirements for renewal specified in this act.

If the board determines that an applicant for renewal has failed to meet the requirements for renewal of certification through mistake, misunderstanding, or circumstances beyond the control of the applicant, the board may extend the term of the applicant’s certification for a period not to exceed six months upon payment by the applicant of a prescribed fee for the extension.
If the applicant for renewal of certification satisfies the requirements for renewal during the extension period, the beginning date of his or her renewal certificate shall be the day following the expiration of the certificate previously held by the applicant.

If a state certified real estate appraiser under this act fails to renew his or her certification prior to its expiration or within any period of extension granted by the board pursuant to this act, such person may obtain a renewal of his or her certification by satisfying all of the requirements for renewal and filing an application for renewal, accompanied by a late renewal fee, within two years of the date that his or her certification expired.

§37-14-34. Basis for denial.

The board may deny the issuance of a certificate as a state certified real estate appraiser to an applicant on any ground enumerated in this article. Any applicant whose application for certification is denied may demand and shall be afforded a hearing pursuant to section seven of this article.

§37-14-35. Use of term “state certified real estate appraiser.”

The term “state certified real estate appraiser” may be used to refer only to an individual who is a state certified real estate appraiser under this act and may not be used following, or immediately in connection with, the name or signature of a firm, partnership, corporation, group, or in such manner that it might be interpreted as referring to a firm, partnership, corporation or group or to anyone other than the individual who is certified under this act. This requirement shall not be construed to prevent a state certified real estate appraiser from signing an appraisal report on behalf of a corporation, partnership, firm or group practice if it is clear that only the individual is certified and that the corporation, partnership, firm or group practice is not. No certificate shall be issued under the provisions of this act to a corporation, partnership, firm or group.

1 As a prerequisite to renewal of certification, a state certified real estate appraiser shall present evidence satisfactory to the board of having met the continuing education requirements of this section.

2 The basic continuing education requirement for renewal of certification shall be the completion by the applicant, during the immediately preceding term of certification, of not less than ten classroom hours of instruction per year in courses or seminars which have received the approval of the board.

3 In lieu of meeting the requirements set forth above, an applicant for recertification may satisfy all or part of the requirements by presenting evidence of the following:

4 (a) Completion of an educational program of study determined by the board to be equivalent, for continuing education purposes, to courses or seminars approved by the board; or

5 (b) Participation other than as a student in educational processes and programs approved by the board which relate to real property appraisal theory, practices or techniques, including, but not necessarily limited to, teaching, program development and preparation of textbooks, monographs, articles and other instructional materials.

6 The board shall develop rules for the implementation of the provisions of this section to the end of assuring that an individual who renews his or her certification as a state certified real estate appraiser under this act has a working knowledge of current real estate appraisal theories, practices and techniques that will enable such individual to provide competent real estate appraisal services to the members of the public with whom such individual deals in a professional relationship under the authority of his or her certification. All rules shall be promulgated pursuant to the provisions of chapter twenty-nine-a of this code and shall prescribe the following:
(1) Policies and procedures to be followed in approval of courses of instruction and seminars;

(2) Standards, policies and procedures to be used in evaluating an applicant's claim of equivalency;

(3) Standards, monitoring methods, and systems for recording attendance to be employed by course and seminar sponsors as a prerequisite to approval of courses and seminars for credit.

In developing and proposing rules pursuant to this section, the board shall give consideration to courses of instruction, seminars, and other appraisal education programs developed by or under the auspices of organizations or associations of professional real estate appraisers which are utilized by such organizations or associations for the purpose of awarding real estate appraisal designations or indicating compliance with the continuing education requirements of such organizations or associations.

No amendment or repeal of a rule adopted by the board pursuant to this section shall operate to deprive a state certified real estate appraiser of credit toward renewal of his or her certification for any course of instruction or seminar that has been completed by such state certified real estate appraiser prior to the adoption of the rule.

On or after the first day of January, one thousand nine hundred ninety-one, a certification as a state certified real estate appraiser that has been revoked or suspended as the result of a disciplinary action taken by the board shall not be reinstated unless the applicant for reinstatement presents evidence that he or she has completed the continuing education requirement that is provided in this act for the renewal of certification. This continuing education requirement shall not be imposed upon an applicant for reinstatement who has been required by the board to successfully complete the examination for state certified real estate appraiser required by section thirty-one of this article as a condition for reinstatement of certification.
§37-14-37. Prohibited acts and omissions—State certified real estate appraisers.

1 An application for certification or recertification may be denied, and the rights of any state certified real estate appraiser may be revoked or suspended, or the holder of the certificate may be otherwise disciplined in accordance with the provisions of this act, for any of the following acts or omissions:

2 (a) Failing to meet the minimum qualifications for state certification established by or pursuant to this article;

3 (b) Procuring or attempting to procure state certification pursuant to this article by knowingly making a false statement, submitting false information, or making a material misrepresentation in an application filed with the board or procuring or attempting to procure state certification through any form of fraud or misrepresentation;

4 (c) Paying money other than the fees provided for in this article to any member or employee of the board to procure state certification under this act;

5 (d) Violation of section twenty-three of this act, or any rule promulgated thereunder;

6 (e) Failure or refusal without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report or communicating an appraisal;

7 and

8 (f) Negligence or incompetence in developing an appraisal, preparing an appraisal report, or communicating an appraisal.

§37-14-38. Disciplinary proceedings.

1 The board may investigate the actions of a state certified real estate appraiser or an applicant for certification or recertification and may, upon compliance with the procedural requirements set forth in section seven of this article, revoke or suspend both the license and the certificate or otherwise discipline a state certified real estate appraiser, or deny an application,
for any of the acts or omissions set forth in section thirty-seven herein.

If an investigation indicates that a state certified real estate appraiser under this act has violated section thirty-seven of this article, a formal complaint shall be prepared by the board staff and served upon such state certified real estate appraiser. This complaint shall require the accused party to file an answer to the complaint within twenty days of the date of service.

In responding to a complaint filed by the staff of the board, the accused party may admit the allegations of the complaint, deny the allegations of the complaint or otherwise plead. Failure to make a timely response shall be deemed an admission of the allegations of the complaint. Upon receipt of an answer to the complaint, the board shall refer the file to the chairperson of the board. Upon receipt of such file, the chairperson of the board shall set a date, time and place for a hearing on the complaint. The date of the hearing shall not be less than thirty nor more than ninety days from the date that the file is received, unless such date is extended by the board for good cause shown.


The hearing on the allegations in the complaint shall be at the time and place prescribed by the board and in the manner set forth in section seven of this article. If, at the conclusion of the hearing, the board determines that a state certified real estate appraiser is guilty of a violation of any of the provisions of this article, it shall prepare a formal decision that shall contain findings of fact and a recommendation concerning the appropriate disciplinary action to be taken.

Upon receipt of a decision containing findings of fact and a recommendation, the board shall carefully review the decision, the findings of fact and the recommendation made and take such disciplinary action as the board deems appropriate. Disciplinary actions include suspension and revocation of certification, suspension and revocation of license and formal reprimand.
Any party to a hearing before the board affected by any order of the board made and entered after a hearing as provided in this chapter shall be entitled to judicial review as provided in section eight of this article.

§37-14-40. Licensing and certification fees.

The board shall charge and collect appropriate fees annually for its services under this article. The fees charged by the board shall not exceed the amounts indicated below:

1. A license application fee of fifty dollars;
2. A license examination fee of twenty-five dollars;
3. A license renewal fee of fifty dollars;
4. A delinquent license renewal fee of seventy dollars;
5. A temporary license fee of thirty dollars;
6. A certification application fee of two hundred fifty dollars;
7. A certification examination fee of one hundred dollars;
8. A certification renewal fee of one hundred dollars;
9. A delinquent certification renewal fee of two hundred dollars;
10. The board is also required to collect from individuals who perform or seek to perform appraisal transactions where required by federal law an annual registry fee in an amount to be set by regulation in order to enable the board to transfer the necessary fees to the appraisal subcommittee of the Federal Financial Institution Examination Council.

All fees and revenues collected by the board pursuant to this act shall be deposited in a special fund that shall be used solely for the purpose of paying the expenses incurred in connection with the administration of this article.

§37-14-41. Licenses, certificates and related records.
The board shall issue to each licensee a document stating that such licensee has been licensed under this article and specifying the expiration date.

The board shall issue to each state certified real estate appraiser under this article a certificate evidencing such certification and specifying the expiration date. A certificate issued under authority of this act shall bear a certificate number assigned by the board. When signing a certified appraisal report, a state certified real estate appraiser shall place his or her certificate number adjacent to or immediately below his or her title of “State certified residential real estate appraiser” or “State certified general real estate appraiser.” Such certificate number shall also be used in all statements of qualification, contracts or other instruments, including advertising media used by the certificate holder, when reference is made to his or her status as a state certified real estate appraiser.

License documents and certificates shall remain the property of the state, and, upon any suspension or revocation of a license or certification pursuant to this act, the individual holding the related license document and certificate shall immediately return such license document and certificate to the board.

The board shall maintain and keep open for public inspection during office hours a complete and properly indexed record of all applications for license or certification received, licenses and certificates issued, licenses and certificates renewed, and licenses and certificates revoked, canceled or suspended under the provisions of this act. A copy of any such record shall be made available to the public, upon application to the board, at such reasonable price per copy as may be fixed by the board.

§37-14-42. Roster of licensed appraisers and certified appraisers.

The board shall publish annually a roster of all licensed and certified appraisers and transmit the roster annually to the applicable federal regulator. A copy of such roster shall be made available to the public, upon
§37-14-43. Certificate of good standing.

The board may, upon payment of a fee in an amount specified by rule, issue a certificate of good standing to any licensed real estate appraiser or any certified real estate appraiser who is in good standing in this state.

§37-14-44. Licensure and certification of nonresidents.

(a) Consent to service of process.—Each applicant for licensure and each applicant for certification who is not a resident of this state shall submit, with his or her application, an irrevocable consent that service of process upon him or her may be made by delivery of the process to the secretary of state if, in an action against the applicant in a court of this state arising out of the applicant's activities as a real estate appraiser in this state, the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

(b) Nonresident license.—A nonresident of this state who has complied with the provisions of subsection (a) of this section may obtain a license as a real estate appraiser in this state by complying with all of the provisions of this article relating to the licensing of real estate appraisers.

(c) Temporary License.—A nonresident of this state who has complied with the provisions of subsection (a) of this section may obtain a temporary license to perform a contract relating to the appraisal of real estate or real property in this state. To qualify for the issuance of a temporary license, an applicant shall:

(1) Submit an application on a form approved by the board;

(2) Submit evidence that he or she is licensed or otherwise authorized to appraise real estate and real property in his or her state of domicile;

(3) Submit a copy of the contract for appraisal services that requires the applicant to appraise real estate or real property in this state and certify that such
contract is in full force and effect;

(4) Certify that disciplinary proceedings are not pending against the applicant in the applicant’s state of domicile; and

(5) Pay the temporary license fee set forth in section forty of this article.

No more than three temporary licenses shall be granted to an individual in any three-year period.

A temporary license issued under this section shall be expressly limited to a grant of authority to perform the appraisal work required by the contract for appraisal services that is submitted with the application for a temporary license. Each temporary license shall expire upon the completion of the appraisal work required by the contract for appraisal services or upon the expiration of a period six months from the date of issuance, whichever shall first occur. A temporary license may not be renewed.

(d) License by reciprocity.—If, in the determination of the board, another state or territory or the District of Columbia is deemed to have substantially equivalent license laws for real estate appraisers, an applicant for license in this state who is licensed under the law of such other state, territory or district may obtain a license as a real estate appraiser in this state upon such terms and conditions as may be determined by the board: Provided, That the laws of such state, territory or district accord substantially equal reciprocal rights to a licensed real estate appraiser in good standing in this state: Provided, however, That disciplinary proceedings are not pending against such applicant in his or her state of license.

(e) Nonresident certification.—A nonresident of this state may be certified as a state certified real estate appraiser under this act by complying with all of the provisions of this article relating to state certified real estate appraisers.

(f) Nonresident certification by reciprocity.—If, in the determination of the board, another state, territory or the District of Columbia is deemed to have substantially
equivalent certification requirements, an applicant who is certified under the laws of such other state, territory or district may be certified as a state certified real estate appraiser upon such terms and conditions as may be determined by the board.

If the appraiser’s business is of a temporary nature, and if the property to be appraised is part of a federally related transaction, and if the appraiser is registered with the appraiser licensing or certifying agency of another state, the board shall recognize the license or certification of such appraiser.

§37-14-45. Attorney general opinions and duties.

At the request of the board, the state attorney general shall render to the board an opinion with respect to all questions of law arising in connection with the administration of this article and shall act as attorney for the board in all actions and proceedings brought by or against the board under, or pursuant to, any of the provisions of this act. All fees and expenses of the attorney general arising out of such duties shall be paid out of the special fund created under this act to pay the expenses of the administration of this act.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Frederick Z. Parker
Chairman Senate Committee

Bernard V. Kelly
Chairman House Committee

Originating in the House.

Takes effect from passage.

Russell E. Keim
Clerk of the Senate

Donald G. Kopp
Secretary

Clerk of the House of Delegates

Lefree S. Gantlett
President of the Senate

Bob C. Cole
Speaker of the House of Delegates

The within is approved this the 3rd day of March, 1990.

Governor