

SENATE BILL NO. 513

April 15, 1999, Introduced by Senators STILLE and MC MANUS and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1980 PA 299, entitled "Occupational code," by amending sections 2601, 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2633, 2635, and 2637 (MCL 339.2601, 339.2603, 339.2605, 339.2607, 339.2609, 339.2611, 339.2613, 339.2615, 339.2617, 339.2619, 339.2621, 339.2623, 339.2625, 339.2627, 339.2629, 339.2633, 339.2635, and 339.2637), section 2601 as amended by 1994 PA 125 and sections 2603, 2605, 2607, 2609, 2611, 2613, 2615, 2617, 2619, 2621, 2623, 2625, 2627, 2629, 2633, 2635, and 2637 as added by 1990 PA 269, and by adding sections 2614 and 2636.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2601. As used in this article:

1 (a) "Appraisal" means an opinion, conclusion, or analysis
2 relating to the value of real property but does not include any
3 of the following:

4 (i) A market analysis performed by a person licensed under
5 article 25 solely for the purpose of assisting a customer or
6 potential customer in determining the potential sale, purchase,
7 or listing price of real property or the rental rate of real
8 property as long as a fee or any other valuable consideration is
9 not charged for that analysis.

10 (ii) A market analysis of real property for a fee performed
11 by a broker or associate broker licensed under article 25 which
12 does not involve a federally related transaction if the market
13 analysis is put in writing and it states in boldface print "This
14 is a market analysis, not an appraisal and was prepared by a
15 licensed real estate broker or associate broker, not a licensed
16 appraiser.". Failure to do so results in the individual being
17 subject to the penalties set forth in article 6.

18 (iii) An assessment of the value of real property performed
19 on behalf of a local unit of government authorized to impose
20 property taxes when performed by an assessor certified under
21 section 10d of the general property tax act, ~~Act No. 206 of the~~
22 ~~Public Acts of 1893, being section 211.10d of the Michigan~~
23 ~~Compiled Laws~~ 1893 PA 206, MCL 211.10D, or an individual
24 employed in an assessing capacity.

25 (b) "Appraiser" means an individual engaged in or offering
26 to engage in the development and communication of ~~appraisals of~~
27 ~~real property~~ AN APPRAISAL.

1 (C) "CERTIFIED GENERAL REAL ESTATE APPRAISER" MEANS AN
2 INDIVIDUAL WHO IS LICENSED UNDER SECTION 2615 TO APPRAISE ALL
3 TYPES OF REAL PROPERTY, INCLUDING NONRESIDENTIAL REAL PROPERTY
4 INVOLVING FEDERALLY RELATED TRANSACTIONS.

5 (D) "CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER" MEANS AN
6 INDIVIDUAL WHO IS LICENSED UNDER SECTION 2614 TO APPRAISE ALL
7 TYPES OF RESIDENTIAL REAL PROPERTY INVOLVING FEDERALLY RELATED
8 TRANSACTIONS AS AUTHORIZED BY THE REGULATIONS OF A FEDERAL FINAN-
9 CIAL INSTITUTION REGULATORY AGENCY AND RESOLUTION TRUST CORPORA-
10 TION AS WELL AS ANY NONRESIDENTIAL, NONFEDERALLY RELATED TRANSAC-
11 TION FOR WHICH THE INDIVIDUAL IS QUALIFIED.

12 (E) ~~(c)~~ "Federal financial institution regulatory agency"
13 means the board of governors of the federal reserve system, the
14 federal deposit insurance corporation, the office of the comp-
15 troller of the currency, the office of thrift supervision, or the
16 national credit union administration.

17 (F) ~~(d)~~ "Federally related transaction" means any real
18 property related financial transaction ~~in which~~ THAT a federal
19 financial institution regulatory agency or the resolution trust
20 corporation engages in, contracts for, or regulates ~~—~~ and
21 ~~which~~ THAT requires the services of an appraiser under any of
22 the following:

23 (i) 12 C.F.R. part 323, adopted by the federal deposit
24 insurance corporation.

25 (ii) 12 C.F.R. parts 208 and 225, adopted by the board of
26 governors of the federal reserve system.

1 (iii) 12 C.F.R. parts 701, 722, and 741, adopted by the
2 national credit union administration.

3 (iv) 12 C.F.R. part 34, adopted by the office of the comp-
4 troller of the currency.

5 (v) 12 C.F.R. parts 506, 545, 563, 564, and 571, adopted by
6 the office of thrift supervision.

7 (vi) 12 C.F.R. part 1608, adopted by the resolution trust
8 corporation.

9 (G) "LIMITED REAL ESTATE APPRAISER" MEANS AN INDIVIDUAL
10 LICENSED UNDER SECTION 2611 TO PERFORM APPRAISALS OF REAL PROP-
11 ERTY NOT INVOLVING FEDERALLY RELATED TRANSACTIONS, OR TRANSAC-
12 TIONS FOR WHICH THE SERVICES OF A CERTIFIED GENERAL REAL ESTATE
13 APPRAISER, CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER, OR A
14 STATE LICENSED REAL ESTATE APPRAISER ARE NOT REQUIRED UNDER THE
15 REGULATIONS OF ANY FEDERAL FINANCIAL INSTITUTION REGULATORY
16 AGENCY, AND WHICH ARE NOT PROHIBITED BY SECTION 1122(D) OF TITLE
17 XI OF THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCE-
18 MENT ACT OF 1989, PUBLIC LAW 101-73, 12 U.S.C. 3352.

19 (H) ~~(e)~~ "Real estate valuation specialist" means an indi-
20 vidual licensed under section 2611 to perform ~~appraisals~~ EITHER
21 OF THE FOLLOWING:

22 (i) APPRAISALS of real property not involving federally
23 related transactions.

24 (ii) TRANSACTIONS FOR WHICH THE SERVICES OF A CERTIFIED GEN-
25 ERAL REAL ESTATE APPRAISER, CERTIFIED RESIDENTIAL REAL ESTATE
26 APPRAISER, OR A STATE LICENSED REAL ESTATE APPRAISER ARE NOT
27 REQUIRED UNDER THE REGULATIONS OF ANY FEDERAL FINANCIAL

1 INSTITUTION REGULATORY AGENCY AND THAT ARE NOT PROHIBITED BY
2 SECTION 1122(D) OF TITLE XI OF THE FINANCIAL INSTITUTIONS REFORM,
3 RECOVERY, AND ENFORCEMENT ACT OF 1989, PUBLIC LAW 101-73, 12
4 U.S.C. 3352.

5 (I) ~~(f)~~ "Real property" means an identified tract or
6 parcel of land, including improvements on that land, as well as
7 any interests, benefits, or rights inherent in the land.

8 (J) ~~(g)~~ "Real property related financial transaction"
9 means any of the following:

10 (i) A sale, lease, purchase, investment in, or exchange of
11 real property or the financing of real property.

12 (ii) A refinancing of real property.

13 (iii) The use of real property as security for a loan or
14 investment, including mortgage-backed securities.

15 (K) ~~(h)~~ "Residential real property" means real property
16 used as a residence containing a dwelling that has not more than
17 4 living units.

18 ~~(i) "State certified real estate appraiser" means an indi-~~
19 ~~vidual who is licensed under section 2615 to appraise all types~~
20 ~~of real property, including nonresidential real property involv-~~
21 ~~ing federally related transactions.~~

22 (l) ~~(j)~~ "State licensed real estate appraiser" means an
23 individual who is licensed under section 2613 to appraise real
24 property, including, but not limited to, residential AND
25 NONRESIDENTIAL real property involving federally related
26 transactions.

1 (M) ~~(k)~~ "Uniform standards of professional appraisal
 2 practice" means those standards relating to real property
 3 ~~published by the appraisal foundation and~~ adopted by the
 4 appraisal foundation on ~~June 5, 1990~~ MARCH 31, 1999, OR AS
 5 ADOPTED BY RULE OF THE DIRECTOR.

6 Sec. 2603. (1) There is created a board of real estate
 7 appraisers.

8 (2) Of those board members who are appraisers, ~~4~~ 3 shall
 9 be ~~state~~ certified GENERAL real estate appraisers, 1 SHALL BE A
 10 CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER, and 2 shall be state
 11 licensed real estate appraisers. At least 1 of those appraisers
 12 shall be employed by a state or nationally chartered bank, a
 13 state or federally chartered savings and loan or savings bank, a
 14 state or federally chartered credit union, an entity of the fed-
 15 erally chartered farm credit system, or an entity regulated under
 16 the mortgage brokers, lenders, and servicers licensing act, ~~Act~~
 17 ~~No. 173 of the Public Acts of 1987, being sections 445.1651 to~~
 18 ~~445.1683 of the Michigan Compiled Laws~~ 1987 PA 173, MCL 445.1651
 19 TO 445.1684.

20 Sec. 2605. (1) At a minimum AND SUBJECT TO SUBSECTION (2),
 21 LICENSEES UNDER THIS ARTICLE SHALL UTILIZE the uniform standards
 22 of professional appraisal practice. ~~shall be used by licensees~~
 23 ~~under this article.~~

24 (2) The ~~board~~ DIRECTOR may supplement or adopt by refer-
 25 ence any amendments to the uniform standards of professional
 26 appraisal practice through the promulgation of rules if ~~it~~ THE
 27 DIRECTOR determines that the amendments or supplemental standards

1 serve as a basis for the competent development and communication
2 of an appraisal.

3 (3) The ~~board~~ DIRECTOR through promulgation of a rule may
4 supplement or adopt by reference any changes promulgated by a
5 federal financial institution regulatory agency relative to stan-
6 dards for a federally related transaction.

7 Sec. 2607. (1) A PERSON SHALL NOT ACT AS OR OFFER TO ACT AS
8 AN APPRAISER UNLESS LICENSED UNDER THIS ARTICLE OR EXEMPT FROM
9 LICENSURE UNDER THIS ARTICLE.

10 (2) ~~(1)~~ An individual shall not represent himself or her-
11 self to be a state licensed real estate appraiser, a ~~state~~ cer-
12 tified GENERAL real estate appraiser, A CERTIFIED RESIDENTIAL
13 REAL ESTATE APPRAISER, A LIMITED REAL ESTATE APPRAISER, or a real
14 estate valuation specialist unless that individual is licensed
15 under this article in the appropriate capacity.

16 (3) ~~(2)~~ The terms "state licensed real estate appraiser",
17 ~~"state~~ "certified GENERAL real estate appraiser", "CERTIFIED
18 RESIDENTIAL REAL ESTATE APPRAISER", "LIMITED REAL ESTATE
19 APPRAISER", or "real estate valuation specialist" or any similar
20 term tending to connote licensure under this article shall refer
21 only to an individual licensed under this article and shall not
22 refer to or be used in connection with the name or signature of a
23 person that is not an individual licensed under this article.

24 (4) ~~(3)~~ An individual licensed as a ~~state~~ certified
25 GENERAL real estate appraiser may perform the appraisal of real
26 property of any type or value, including appraisals required for
27 federally related transactions.

1 (5) AN INDIVIDUAL LICENSED AS A CERTIFIED RESIDENTIAL REAL
2 ESTATE APPRAISER MAY PERFORM THE APPRAISAL OF RESIDENTIAL REAL
3 PROPERTY AND ANY OTHER RESIDENTIAL OR NONRESIDENTIAL APPRAISAL
4 REQUIRED FOR A FEDERALLY RELATED TRANSACTION FOR WHICH A CERTI-
5 FIED RESIDENTIAL REAL ESTATE APPRAISER IS AUTHORIZED UNDER SEC-
6 TIONS 1113 AND 1114 OF TITLE XI OF THE FINANCIAL INSTITUTIONS
7 REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989, PUBLIC LAW 101-73,
8 12 U.S.C. 3342 AND 3343, AND ANY NONFEDERALLY RELATED TRANSACTION
9 FOR WHICH THE LICENSEE IS QUALIFIED.

10 (6) ~~(4)~~ An individual licensed as a state licensed real
11 estate appraiser may INDEPENDENTLY perform the appraisal of resi-
12 dential real property and any other RESIDENTIAL OR NONRESIDENTIAL
13 appraisal required for a federally related transaction for which
14 a state licensed real estate appraiser is authorized under
15 ~~sections 1113 and 1114~~ TITLE XI of the financial institutions
16 reform, recovery, and enforcement act of 1989, Public Law 101-73,
17 12 U.S.C. 3342 and 3343, AND ANY NONFEDERALLY RELATED TRANSACTION
18 FOR WHICH THE LICENSEE IS QUALIFIED.

19 (7) ~~(5)~~ An individual licensed as a real estate valuation
20 specialist OR A LIMITED REAL ESTATE APPRAISER may perform
21 INDEPENDENTLY only those appraisals not involving federally
22 related transactions FOR WHICH THE INDIVIDUAL IS QUALIFIED.

23 Sec. 2609. An appraisal shall be in writing and shall do
24 all of the following:

25 (a) Disclose any limitations on the type of analysis, valua-
26 tion, or opinion.

1 (b) Be independently and impartially prepared and conform to
2 the uniform standards of professional appraisal practice and any
3 other standards adopted by the ~~board~~ DIRECTOR.

4 (c) Include an opinion of defined value of adequately
5 described real property as of a specific date and be supported by
6 the presentation and analysis of relevant market information.

7 (D) INDICATE ON EVERY APPRAISAL REPORT THE LICENSE NUMBER
8 AND LEVEL OF LICENSURE OF THE APPRAISER.

9 Sec. 2611. (1) The department shall license as a LIMITED
10 real estate ~~valuation specialist~~ APPRAISER an individual who is
11 AT LEAST 18 YEARS OF AGE, IS of good moral character, and ~~meets~~
12 ~~either or both of the following:~~

13 ~~(a) Certifies that he or she possesses at least 2,000 hours~~
14 ~~of experience meeting the requirements of section 2621 in~~
15 ~~appraising real property.~~

16 ~~(b) Provides~~ PROVIDES proof of having completed not less
17 than ~~40 clock~~ 75 CLASSROOM hours of ~~classroom~~ courses related
18 to developing and communicating appraisals of real property, at
19 least 15 of which relate to the uniform standards of professional
20 appraisal practice.

21 (2) BEGINNING WITH THE EFFECTIVE DATE OF THE AMENDATORY ACT
22 THAT ADDED THIS SUBSECTION, THE DEPARTMENT SHALL NOT ACCEPT AN
23 APPLICATION FOR A REAL ESTATE VALUATION SPECIALIST. THE DEPART-
24 MENT SHALL CONVERT LICENSES FOR REAL ESTATE VALUATION SPECIALISTS
25 TO LIMITED REAL ESTATE APPRAISER LICENSES UPON THE NEXT LICENSE
26 RENEWAL CYCLE.

1 Sec. 2613. The department shall license as a state licensed
2 real estate appraiser an individual who ~~submits evidence~~
3 ~~showing~~ DEMONSTRATES, to the satisfaction of the department,
4 that he or she meets all of the following conditions:

5 (a) ~~Completion of~~ HAS COMPLETED not less than ~~75 clock~~
6 90 CLASSROOM hours of ~~classroom~~ courses emphasizing the
7 appraisal of residential real property and meeting the standards
8 of section 2617. The courses shall cover all of the following:

9 (i) Influences on real estate value.

10 (ii) Legal considerations in appraisal.

11 (iii) Types of value.

12 (iv) Economic principles OF APPRAISALS.

13 (v) Real estate markets and analysis.

14 (vi) Valuation process.

15 (vii) Property description.

16 (viii) Highest and best use analysis.

17 (ix) Appraisal statistical concepts.

18 (x) Sales comparison approach.

19 (xi) Site value.

20 (xii) Cost approach.

21 (xiii) Income approach.

22 (xiv) Valuation of partial interests.

23 (xv) The uniform standards of professional appraisal prac-
24 tice and ethics.

25 (b) ~~Certifies that he or she possesses~~ POSSESSES at least
26 2,000 hours of experience meeting the standards of section 2621,
27 AT LEAST 1,500 HOURS OF WHICH ARE in appraising residential real

1 property AND COMPLETED OVER 24 OR MORE MONTHS. Acceptable
 2 experience includes, but is not limited to, the following:

3 (i) Fee and staff appraisal.

4 (ii) Ad valorem tax appraisal.

5 (iii) ~~Review~~ TECHNICAL REVIEW appraisal.

6 (iv) Appraisal analysis.

7 (v) Real estate ~~counseling~~ CONSULTING.

8 (vi) Highest and best use analysis.

9 (vii) Feasibility analysis or study.

10 (viii) ~~Teaching of appraisal courses~~ CONDEMNATION
 11 APPRAISAL.

12 (ix) Market analysis.

13 (c) ~~The passing of~~ HAS PASSED an examination as described
 14 in section 2619.

15 (d) ~~Being~~ IS of good moral character.

16 (E) IS AT LEAST 18 YEARS OF AGE.

17 SEC. 2614. THE DEPARTMENT SHALL LICENSE AS A CERTIFIED RES-
 18 IDENTIAL REAL ESTATE APPRAISER AN INDIVIDUAL WHO DEMONSTRATES, TO
 19 THE SATISFACTION OF THE DEPARTMENT, THAT HE OR SHE MEETS ALL OF
 20 THE FOLLOWING CONDITIONS:

21 (A) POSSESSES AT LEAST 2,500 HOURS OF EXPERIENCE MEETING THE
 22 STANDARDS OF SECTION 2621 IN APPRAISING REAL PROPERTY, AT LEAST
 23 2,000 HOURS OF WHICH SHALL BE IN APPRAISING RESIDENTIAL REAL
 24 PROPERTY, COMPLETED OVER 24 OR MORE MONTHS. ACCEPTABLE
 25 EXPERIENCE INCLUDES, BUT IS NOT LIMITED TO, THE FOLLOWING:

26 (i) FEE AND STAFF APPRAISAL.

- 1 (ii) AD VALOREM TAX APPRAISAL.
- 2 (iii) TECHNICAL REVIEW APPRAISAL.
- 3 (iv) APPRAISAL ANALYSIS.
- 4 (v) REAL ESTATE CONSULTING.
- 5 (vi) HIGHEST AND BEST USE ANALYSIS.
- 6 (vii) FEASIBILITY ANALYSIS OR STUDY.
- 7 (viii) CONDEMNATION APPRAISAL.
- 8 (ix) MARKET ANALYSIS.
- 9 (B) HAS COMPLETED NOT LESS THAN 120 CLASSROOM HOURS OF
- 10 COURSES MEETING THE STANDARDS OF SECTION 2617 AND EMPHASIZING ALL
- 11 TYPES AND VALUES OF RESIDENTIAL REAL PROPERTY APPRAISALS. AN
- 12 APPLICANT MAY APPLY THE CLASSROOM HOURS USED TO OBTAIN A PRIOR
- 13 REAL ESTATE APPRAISER LICENSE TOWARD THE REQUIREMENT OF THE 90
- 14 CLASSROOM HOURS USED TO OBTAIN LICENSURE AS A CERTIFIED RESIDEN-
- 15 TIAL REAL ESTATE APPRAISER. THE REMAINING CLASSROOM HOURS SHALL
- 16 RELATE TO THE APPRAISAL OF RESIDENTIAL REAL PROPERTY OR ADDRESS
- 17 BOTH RESIDENTIAL AND COMMERCIAL REAL PROPERTY. THE COURSES SHALL
- 18 COVER ALL OF THE FOLLOWING TOPICS:
- 19 (i) INFLUENCES ON REAL ESTATE VALUE.
- 20 (ii) LEGAL CONSIDERATIONS IN APPRAISAL.
- 21 (iii) TYPES OF VALUE.
- 22 (iv) ECONOMIC PRINCIPLES OF APPRAISAL.
- 23 (v) REAL ESTATE MARKETS AND ANALYSIS.
- 24 (vi) VALUATION PROCESS.
- 25 (vii) PROPERTY DESCRIPTION.
- 26 (viii) HIGHEST AND BEST USE ANALYSIS.

- 1 (*ix*) APPRAISAL MATH AND STATISTICS.
2 (*x*) SALES COMPARISON APPROACH.
3 (*xi*) SITE VALUE.
4 (*xii*) COST APPROACH.
5 (*xiii*) INCOME APPROACH.
6 (*xiv*) VALUATION OF PARTIAL INTERESTS.
7 (*xv*) THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRAC-
8 TICE AND ETHICS.
9 (C) HAS PASSED AN EXAMINATION AS REQUIRED IN SECTION 2619.
10 (D) IS OF GOOD MORAL CHARACTER.
11 (E) IS AT LEAST 18 YEARS OF AGE.

12 Sec. 2615. The department shall license as a ~~state~~ certi-
13 fied GENERAL real estate appraiser an individual who ~~submits~~
14 ~~evidence satisfactory to~~ DEMONSTRATES, TO THE SATISFACTION OF
15 the department, ~~of meeting~~ THAT HE OR SHE MEETS all of the fol-
16 lowing conditions:

17 (a) ~~Certifies that he or she possesses~~ POSSESSES at least
18 ~~2,000~~ 3,000 hours of experience, ~~meeting the standards of~~
19 ~~section 2621 in appraising real property,~~ at least ~~1,000~~ 1,500
20 hours of which shall be in appraising nonresidential real prop-
21 erty COMPLETED OVER AT LEAST 30 OR MORE MONTHS PRECEDING APPLICA-
22 TION FOR LICENSURE. Acceptable experience includes, but is not
23 limited to, the following:

- 24 (*i*) Fee and staff appraisal.
25 (*ii*) Ad valorem tax appraisal.
26 (*iii*) ~~Review~~ TECHNICAL REVIEW appraisal.

- 1 (iv) Appraisal analysis.
- 2 (v) Real estate ~~counseling~~ CONSULTING.
- 3 (vi) Highest and best use analysis.
- 4 (vii) Feasibility analysis or study.
- 5 (viii) ~~Teaching of~~ CONDEMNATION appraisal. ~~courses.~~
- 6 (b) ~~Completion of 165 clock~~ HAS COMPLETED 180 CLASSROOM
- 7 hours of ~~classroom~~ courses meeting the standards of
- 8 section 2617 and emphasizing all types and values of real prop-
- 9 erty appraisals. An applicant may apply the ~~75 clock~~ 90
- 10 CLASSROOM hours used to obtain ~~licensure as a state licensed~~ A
- 11 PRIOR real estate appraiser LICENSE toward the requirement of
- 12 ~~165 clock~~ 180 CLASSROOM hours, but shall be able to demonstrate
- 13 that the remaining 90 ~~clock~~ CLASSROOM hours relate to the
- 14 appraisal of nonresidential real property. The courses shall
- 15 cover ALL OF the following topics:
- 16 (i) Influences on real estate value.
- 17 (ii) Legal considerations in appraisal.
- 18 (iii) Types of value.
- 19 (iv) Economic principles OF APPRAISAL.
- 20 (v) Real estate markets and analysis.
- 21 (vi) Valuation process.
- 22 (vii) Property description.
- 23 (viii) Highest and best use analysis.
- 24 (ix) Appraisal math and statistics.
- 25 (x) Sales comparison approach.
- 26 (xi) Site value.

- 1 (xii) Cost approach.
- 2 (xiii) Income approach.
- 3 (xiv) Valuation of partial interests.
- 4 (xv) The uniform standards of professional appraisal prac-
5 tice and ethics.
- 6 (c) ~~The passing of~~ HAS PASSED an examination as required
7 in section 2619.
- 8 (D) IS OF GOOD MORAL CHARACTER.
- 9 (E) IS AT LEAST 18 YEARS OF AGE.
- 10 Sec. 2617. (1) The ~~board~~ DIRECTOR may promulgate rules
11 regulating the offering of educational courses required under
12 this article, including the type and conditions of instruction,
13 the qualification of instructors, the methods of grading, the
14 means of monitoring and reporting attendance, and the representa-
15 tions made by course sponsors.
- 16 (2) All ~~classroom~~ EDUCATIONAL courses required under this
17 article shall be COURSES offered by 1 of the following:
- 18 (a) An institution of higher education authorized to grant
19 degrees, being a college, university, or community or junior
20 college.
- 21 (b) A private school licensed by the department of education
22 under ~~Act No. 148 of the Public Acts of 1943, being~~
23 ~~sections 395.101 to 395.103 of the Michigan Compiled Laws~~ 1943
24 PA 148, MCL 395.101 TO 395.103, OR AUTHORIZED TO OPERATE IN ANY
25 OTHER STATE OR JURISDICTION.
- 26 (c) A state or federal agency or commission.

1 (d) A nonprofit association related to real property or real
2 property appraisal.

3 (3) Prelicensure courses, being those courses offered as a
4 qualification for licensure, shall meet the following minimum
5 requirements:

6 (a) Be not less than 15 ~~clock~~ CLASSROOM hours in length, a
7 ~~clock~~ CLASSROOM hour being at least 50 minutes.

8 (b) Include an examination at the end of the course requir-
9 ing an individual taking the course to demonstrate mastery of the
10 course content.

11 (c) Be completed at any time prior to sitting for the exami-
12 nation described in section 2619.

13 (4) An applicant who received credit for completion of a
14 prelicensure course by successfully passing a challenge examina-
15 tion may be given credit for such courses passed prior to July 1,
16 1990, upon review by the department of the course content and
17 examination given.

18 (5) Continuing education courses required to be completed
19 under this article shall meet the following minimum
20 requirements:

21 (a) Be not less than 2 ~~clock~~ CLASSROOM hours in length, a
22 ~~clock~~ CLASSROOM hour being at least 50 minutes.

23 (b) Be completed at any time following the EXPIRATION OF THE
24 licensee's ~~last~~ PREVIOUS license ~~renewal~~ and the time the
25 licensee applies for renewal.

1 (c) Be designed to maintain and improve the licensee's
2 skill, knowledge, and competency in the appraisal of real
3 estate.

4 ~~(6) Prelicensure courses shall not be used to fulfill con-~~
5 ~~tinuing education requirements.~~ COURSES TAKEN IN SATISFYING THE
6 QUALIFYING EDUCATION REQUIREMENTS SHOULD NOT BE REPETITIVE IN
7 NATURE AND SHOULD REPRESENT A PROGRESSION IN WHICH THE
8 APPRAISER'S KNOWLEDGE IS INCREASED, AS DETERMINED BY THE DEPART-
9 MENT AND BOARD.

10 ~~(7) Continuing education courses shall not be used to ful-~~
11 ~~fill prelicensure requirements.~~

12 Sec. 2619. (1) Except as otherwise provided in
13 section 2623, an individual seeking licensure under this article
14 as a state licensed ~~or state~~ REAL ESTATE APPRAISER, certified
15 GENERAL REAL ESTATE APPRAISER, OR CERTIFIED RESIDENTIAL real
16 estate appraiser shall first successfully pass ~~a written~~
17 ~~examination~~ THE APPRAISER QUALIFICATION BOARD ENDORSED UNIFORM
18 REAL PROPERTY APPRAISER EXAMINATION OR ITS EQUIVALENT AS APPRO-
19 PRIATE TO THE LEVEL OF LICENSURE SOUGHT AND THAT IS acceptable to
20 the board and the department. ~~in subjects including, but not~~
21 ~~limited to, the following:~~

22 ~~(a) Technical terms used in or related to real property~~
23 ~~appraisals.~~

24 ~~(b) Economic concepts and valuation theories applicable to~~
25 ~~real property.~~

26 ~~(c) The processes and procedures used in conducting an~~
27 ~~appraisal.~~

1 ~~(d) Problems likely to be encountered in gathering,~~
 2 ~~interpreting, and processing information in the development of an~~
 3 ~~appraisal.~~

4 ~~(e) The standards used for the development and communication~~
 5 ~~of appraisals.~~

6 ~~(f) Basic real property law.~~

7 ~~(g) Misconduct regarding the appraisal process.~~

8 (2) The board and department may adopt an examination pre-
 9 pared or approved by a professional entity or organization if the
 10 department and the board determine that the examination serves as
 11 a basis for determining whether an individual has the knowledge
 12 and skills to perform with competence.

13 (3) EXAMINATION SCORES ARE CONSIDERED VALID FOR 3 YEARS FROM
 14 THE DATE OF THE EXAMINATION.

15 Sec. 2621. Experience required of applicants for licensure
 16 under this article shall meet the following requirements:

17 ~~-(a) Be obtained at any time prior to sitting for the exami-~~
 18 ~~nation required of license applicants.~~

19 (A) ~~-(b)-~~ Consist of at least ~~2,000~~ THE REQUIRED NUMBER OF
 20 hours of appraisal experience obtained over not less than ~~2 cal-~~
 21 ~~endar years~~ THE REQUIRED NUMBER OF MONTHS.

22 (B) ~~-(c)-~~ Be experience obtained while properly licensed or
 23 exempt from licensure under the standards applicable at the time
 24 the experience was obtained.

25 (C) ~~-(d)-~~ Be capable of being documented in writing by the
 26 applicant or licensee upon the request of the department in the
 27 form of reports, file memoranda, or affidavits of a supervisor.

1 ~~(e) Be obtained while an appraiser, a manager of an~~
2 ~~appraisal firm or department, or an instructor of courses meeting~~
3 ~~the requirements for prelicensure courses under this article.~~

4 Sec. 2623. The department shall issue a ~~state~~ certified
5 GENERAL REAL ESTATE APPRAISER, CERTIFIED RESIDENTIAL REAL ESTATE
6 APPRAISER, or state licensed real estate appraiser license with-
7 out examination to an individual who, at the time of application,
8 is licensed, registered, certified, or otherwise regulated by
9 another state at that level if the requirements of that state, as
10 determined by the board and the department, are at least equal to
11 the requirements of this article.

12 Sec. 2625. (1) A nonresident of this state may become
13 licensed under this article by conforming with this article. The
14 nonresident shall file an irrevocable consent to service of pro-
15 cess which consent shall be signed by the licensee. A process or
16 pleading served upon the department shall be sufficient service
17 upon the licensee. A process or pleading served upon the depart-
18 ment under this section shall be in duplicate. The department
19 shall immediately serve by first-class mail a copy of the process
20 or pleading to the licensee's last known address as determined by
21 the records of the department.

22 (2) A TEMPORARY LICENSE, VALID FOR 90 DAYS, MAY BE ISSUED TO
23 A NONRESIDENT OF THIS STATE WHO HOLDS A VALID LICENSE FROM
24 ANOTHER STATE OR UNITED STATES JURISDICTION LICENSING
25 APPRAISERS. THE APPLICATION SHALL BE ACCOMPANIED BY PROOF OF
26 LICENSURE IN THE OTHER STATE OR JURISDICTION, A CONSENT TO THE
27 SERVICE OF PROCESS AS DESCRIBED IN SUBSECTION (1), AND A WRITTEN

1 DESCRIPTION OF THE NATURE OF THE TEMPORARY ASSIGNMENT. THE
2 HOLDER OF A TEMPORARY LICENSE MAY APPLY IN WRITING FOR 1 EXTEN-
3 SION OF THE TEMPORARY LICENSE FOR NOT MORE THAN 90 DAYS. THE
4 HOLDER OF A TEMPORARY LICENSE IS NOT REQUIRED TO COMPLETE CON-
5 TINUING EDUCATION.

6 Sec. 2627. (1) As a condition for the renewal of licensure
7 as a ~~state~~ certified GENERAL real estate appraiser, A CERTIFIED
8 RESIDENTIAL REAL ESTATE APPRAISER, or a state licensed real
9 estate appraiser, a licensee shall complete ~~10 clock~~ 14
10 CLASSROOM hours of continuing education meeting the standards of
11 section 2617 for each year since ~~his or her last renewal~~ THE
12 EXPIRATION OF HIS OR HER PREVIOUS LICENSE.

13 (2) Effective the third year of licensure as a real estate
14 valuation specialist OR AS A LIMITED REAL ESTATE APPRAISER, an
15 individual licensed as a real estate valuation specialist OR AS A
16 LIMITED REAL ESTATE APPRAISER shall complete not less than ~~10~~
17 ~~clock~~ 14 CLASSROOM hours of continuing education for each year
18 since the ~~last license renewal~~ EXPIRATION OF HIS OR HER PREVI-
19 OUS LICENSE. This continuing education shall meet the standards
20 of section 2617.

21 ~~(3) Continuing education for a state licensed real estate~~
22 ~~appraiser shall focus primarily on residential real property~~
23 ~~appraisals. Continuing education for a state certified real~~
24 ~~estate appraiser shall cover both residential and nonresidential~~
25 ~~real property.~~

26 (3) ~~(4)~~ Courses for which continuing education credit may
27 be obtained may include, but not be limited to, the following:

- 1 (a) Ad valorem taxation.
- 2 (b) Arbitrations.
- 3 (c) Business courses related to real ~~property~~ ESTATE
- 4 appraisal.
- 5 (d) Construction OR DEVELOPMENT COST estimating.
- 6 (e) Ethics and standards of professional practice.
- 7 (f) Land use planning, zoning, and taxation.
- 8 ~~(g) Litigation.~~
- 9 (G) ~~(h) Management~~ REAL ESTATE MANAGEMENT, leasing, bro-
- 10 kerage, and time-sharing.
- 11 (H) ~~(i)~~ Property development.
- 12 (I) ~~(j)~~ Real ~~property~~ ESTATE appraisal (valuations and
- 13 evaluations).
- 14 (J) ~~(k)~~ Real ~~property~~ ESTATE financing and investment.
- 15 (K) ~~(l)~~ Real ~~property~~ ESTATE law.
- 16 (L) ~~(m)~~ Real ~~property~~ ESTATE litigation.
- 17 (M) ~~(n)~~ Real ~~property~~ ESTATE appraisal related computer
- 18 applications.
- 19 (N) ~~(o)~~ Real ~~property~~ ESTATE securities and
- 20 syndication.
- 21 (O) ~~(p)~~ Real ~~property~~ ESTATE exchange.
- 22 (4) ~~(5)~~ An individual who has authored a textbook, pre-
- 23 pared and taught a prelicensure or continuing education course,
- 24 or has undertaken some other activity which he or she believes
- 25 may meet the continuing education requirements of this section
- 26 may request continuing education credit for that activity from
- 27 the department. AN INDIVIDUAL WHO HAS COMPLETED CONTINUING

1 EDUCATION REQUIRED FOR THE RENEWAL OF AN APPRAISER LICENSE IN
2 ANOTHER STATE OR JURISDICTION MAY SUBMIT PROOF OF THE ACCEPTANCE
3 OF THAT CONTINUING EDUCATION BY THAT STATE AS EVIDENCE OF MEETING
4 THE CONTINUING EDUCATION REQUIREMENTS IN THIS STATE.

5 (5) A COURSE COVERING THE UNIFORM STANDARDS OF PROFESSIONAL
6 APPRAISAL PRACTICE MUST BE COMPLETED AS PART OF THE CONTINUING
7 EDUCATION REQUIREMENT EVERY THIRD LICENSING PERIOD.

8 Sec. 2629. (1) Notwithstanding section 411(4), relicensure
9 of an individual whose license as a ~~state~~ certified GENERAL
10 real estate appraiser, A CERTIFIED RESIDENTIAL REAL ESTATE
11 APPRAISER, or a state licensed real estate appraiser under this
12 article has lapsed for 3 or more continuous years shall require
13 that the applicant complete the licensing examination for the
14 type of license sought.

15 ~~(2) The continuing education requirements of section 2627~~
16 ~~shall not be applied to the requirements for initial licensure~~
17 ~~under this article. The courses taken under the initial licen-~~
18 ~~sure requirements shall not be applied toward the continuing edu-~~
19 ~~cation requirements.~~

20 (2) ~~(3)~~ The continuing education requirements of section
21 2627 do not apply to an individual renewing his or her license in
22 the year in which the original license is issued.

23 Sec. 2633. A licensee shall do all of the following:

24 (a) Include, in any appraisal or report provided to a
25 client, the following statement: "Appraisers are required to be
26 licensed and are regulated by the Michigan Department of

1 ~~Licensing and Regulation~~ CONSUMER AND INDUSTRY SERVICES,
2 P.O. Box 30018, Lansing, Michigan 48909."

3 (b) Maintain an actual place of business whose address shall
4 be used as the licensee address and in all advertising.

5 (c) Maintain a system of books and records open to the
6 department upon request during normal business hours. The books
7 and records shall be maintained in accordance with the uniform
8 standards of professional appraisal practice, the requirements of
9 this article, and any requirements imposed by rules promulgated
10 under this article. The books and records shall ~~be~~
11 ~~cross-referenced to~~ show all appraisals undertaken by name of
12 client ~~,~~ AND THE address or description of the property

13 appraised. ~~,~~ and the name of the property owner. IN ADDITION,
14 APPLICANTS FOR LICENSURE AS A STATE LICENSED REAL ESTATE APPRAIS-
15 ER, A CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER, OR A CERTIFIED
16 GENERAL REAL ESTATE APPRAISER MUST ALSO PROVIDE AN APPRAISAL LOG
17 WHICH INCLUDES, AT A MINIMUM, THE FOLLOWING FOR EACH APPRAISAL:

18 (i) TYPE OF PROPERTY.

19 (ii) DATE OF REPORT.

20 (iii) ADDRESS OF APPRAISED PROPERTY.

21 (iv) DESCRIPTION OF WORK PERFORMED.

22 (v) NUMBER OF WORK HOURS.

23 (d) Advertise only the services authorized to be rendered
24 according to the type of license issued and only in the name and
25 address under which the individual is licensed. THE LICENSEE
26 SHALL INDICATE ON EVERY APPRAISAL REPORT THE LICENSE NUMBER AND
27 LEVEL OF LICENSURE.

1 Sec. 2635. A licensee who does 1 or more of the following
2 shall be subject to the penalties set forth in article 6:

3 (a) Violates any of the standards for the development and
4 communication of real property appraisals as provided in this
5 article or a rule promulgated pursuant to this article.

6 (b) Fails or refuses without good cause to exercise reason-
7 able diligence in developing or communicating an appraisal.

8 (c) Demonstrates incompetence in developing or communicating
9 an appraisal.

10 (d) Fails to make available to the department upon request
11 books and records required to be kept under this article.

12 (e) Performs, attempts to perform, or offers to perform
13 appraisal services for which the individual is not licensed under
14 this article.

15 (F) AIDS OR ABETS ANOTHER TO COMMIT A VIOLATION OF THIS ACT
16 OR THE RULES PROMULGATED UNDER THIS ACT.

17 (G) USES THE LICENSE OF ANOTHER INDIVIDUAL OR KNOWINGLY
18 ALLOWS ANOTHER INDIVIDUAL TO USE HIS OR HER LICENSE.

19 (H) ~~-(f)-~~ If a real estate valuation specialist ~~-, failing-~~
20 OR A LIMITED REAL ESTATE APPRAISER FAILS to disclose to the
21 client, ~~prior to~~ BEFORE making an appraisal, that the
22 licensee's appraisal cannot be used in a ~~federally-related real~~
23 ~~property financial~~ FEDERALLY RELATED transaction.

24 SEC. 2636. (1) A SANCTION AGAINST AN INDIVIDUAL LICENSED
25 UNDER THIS ARTICLE IN THIS STATE BY ANOTHER STATE OR JURISDICTION
26 MAY BE GROUNDS FOR DISCIPLINARY ACTION IN THIS STATE IF THE

1 OFFENSE IS SUBSTANTIALLY SIMILAR TO A VIOLATION OF THIS ACT OR
2 RULES PROMULGATED UNDER THIS ACT.

3 (2) A LICENSEE SHALL REPORT TO THE DEPARTMENT SANCTIONS
4 TAKEN BY ANOTHER STATE OR JURISDICTION AGAINST HIS OR HER
5 APPRAISAL LICENSE ISSUED BY THAT OTHER STATE WITHIN 30 DAYS AFTER
6 THE FINAL ORDER IMPOSING DISCIPLINARY ACTION.

7 Sec. 2637. Not less than once per calendar year, the
8 department shall compile a list of CERTIFIED GENERAL REAL ESTATE
9 APPRAISER, CERTIFIED REAL ESTATE APPRAISER, AND STATE LICENSED
10 REAL ESTATE APPRAISER licensees under this article and provide it
11 to the APPRAISAL SUBCOMMITTEE OF THE federal financial institu-
12 tions examination council as required by section 1109 of the
13 financial institutions reform, recovery, and enforcement act of
14 1989, Public Law 101-73, 12 U.S.C. 3338.

15 Enacting section 1. This amendatory act does not take
16 effect unless Senate Bill No. 514
17 of the 90th Legislature is enacted into
18 law.