

45:15-5

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SA: 45:15-5 et al

(Real estate
appraisers--certification)

LAWS OF: 1991

CHAPTER: 68

Bill No: S249

Sponsor(s): Lynch

Date Introduced: Pre-filed

Committee: Assembly: Commerce

Senate: Labor, Industry & Professions; Revenue

Amended during passage: Yes Senate Committee Substitute (1R)
enacted

Date of Passage: Assembly: February 4, 1991

Senate: December 6, 1990

Date of Approval: March 21, 1991

Following statements are attached if available:

Sponsor statement: Yes

Committee Statement: Assembly: Yes

Senate: Yes 10-4-90 & 12-3-90

Fiscal Note: No

Veto Message: No

Message on signing: No

Following were printed:

Reports: No

Hearings: No

KBG/SLJ

[FIRST REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR
SENATE, No. 249

STATE OF NEW JERSEY

ADOPTED OCTOBER 4, 1990

Sponsored by Senator LYNCH

1 AN ACT concerning certain real estate appraisers, amending
2 P.L.1971, c.60, P.L.1974, c.46, and P.L.1978, c.73,
3 supplementing Title 45 of the Revised Statutes and making an
4 appropriation.

5

6 BE IT ENACTED *by the Senate and General Assembly of the*
7 *State of New Jersey:*

8 1. (New section) This act shall be known and may be cited as
9 the "Real Estate Appraisers Act."

10 2. (New section) As used in this act:

11 "Another state or other state" means any other state, the
12 District of Columbia, the Commonwealth of Puerto Rico and any
13 other possession or territory of the United States.

14 "Appraisal" or "real estate appraisal" means an unbiased
15 analysis, opinion or conclusion relating to the nature, quality,
16 value or utility of specified interests in, or aspects of, real
17 estate. An appraisal may be classified by subject matter into
18 either a valuation or an analysis. A "valuation" means an
19 estimate of the value of real estate or real property and an
20 "analysis" means a study of real estate or real property other
21 than a valuation.

22 "Appraisal assignment" means an engagement for which an
23 appraiser is employed or retained to act, or would be perceived
24 by third parties or the public as acting, as a disinterested third
25 party in rendering an unbiased appraisal.

26 "Appraisal Foundation" means the Appraisal Foundation
27 incorporated in the State of Illinois as a nonprofit corporation on
28 November 30, 1987, as denominated in Title XI of Pub. L. 101-73
29 (12 U.S.C. § 3331 et seq).

30 "Appraisal report" means any written communication of an
31 appraisal.

32 "Approved education provider" means a provider of real estate
33 appraisal education courses who is approved by the board.

34 "Board" means the State Real Estate Appraiser Board
35 established pursuant to section 3 of this act.

36 "Certified appraisal" or "certified appraisal report" means an
37 appraisal or appraisal report given or signed by a State certified
38 real estate appraiser.

39 "Director" means the Director of the Division of Consumer

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:
Senate SRF committee amendments adopted December 3, 1990.

1 Affairs in the Department of Law and Public Safety or his
2 designee.

3 "Federally related transaction" shall have the meaning
4 ascribed to that term in section 1121 of Title XI of Pub. L.
5 101-73 (12 U.S.C. §3350).

6 "Licensed appraisal" or licensed appraisal report" means an
7 appraisal or appraisal report given or signed by a State licensed
8 real estate appraiser.

9 "Real estate" means an identified parcel or tract of land,
10 including improvements thereon, if any.

11 "Real property" means one or more defined interests, benefits
12 or rights inherent in real estate.

13 "State certified real estate appraiser" means an individual who
14 holds a current, valid certificate for real estate appraisal
15 pursuant to the provisions of this act and is recognized as being
16 more knowledgeable of and experienced in real estate appraisals
17 than a State licensed real estate appraiser.

18 "State licensed real estate appraiser" means an individual who
19 holds a current, valid license for real estate appraisal pursuant to
20 the provisions of this act and who meets or exceeds minimum
21 standards established by the Appraisal Foundation.

22 3. (New section) There is created within the Division of
23 Consumer Affairs in the Department of Law and Public Safety a
24 State Real Estate Appraiser Board. The board shall consist of
25 nine members who are residents of the State, two of whom shall
26 be public members and one of whom shall be a State executive
27 department member appointed pursuant to the provisions of
28 section 2 of P.L.1971, c.60 (C.45:1-2.2). Of the remaining six
29 members, three shall be, except for those first appointed, State
30 licensed real estate appraisers and three shall be, except for
31 those first appointed, State certified real estate appraisers. The
32 initial real estate appraiser members of the board may hold a real
33 estate appraisal designation from an organization recognized by
34 the Appraisal Foundation, but these appointments shall not be
35 granted or denied on the basis of organizational membership
36 alone.

37 The Governor shall appoint the public members and the real
38 estate appraiser members to the board with the advice and
39 consent of the Senate. The Governor shall appoint each member
40 for a term of three years, except that with regard to the real
41 estate appraiser members first appointed, two shall serve for
42 terms of three years, two shall serve for terms of two years, and
43 two shall serve for terms of one year. Each member shall serve
44 until his successor has been qualified. Any vacancy in the
45 membership of the board shall be filled for the unexpired term in
46 the manner provided by the original appointment. No member of
47 the board shall serve more than two successive terms in addition
48 to any unexpired term to which he has been appointed. The
49 Governor may remove a member of the board for cause.

1 4. (New section) a. The board shall annually elect from
2 among its members a President and Vice-President. The board
3 shall meet at least twice each year and may hold additional
4 meetings, as necessary to discharge its duties. In addition to such
5 meetings, the board shall meet at the call of the President, the
6 director or the Attorney General.

7 b. Members of the board shall be compensated and reimbursed
8 for expenses and provided with office and meeting facilities
9 pursuant to section 2 of P.L.1977, c.285 (C.45:1-2.5).

10 5. (New section) No person shall assume or use the title or
11 designation "State certified real estate appraiser" or the
12 abbreviation "SCREA" or any other title, designation, words,
13 letters, abbreviation, sign, card or device indicating that such
14 person is a State certified real estate appraiser, unless such
15 person holds a current certificate as a State certified real estate
16 appraiser pursuant to the provisions of this act.

17 6. (New section) No person shall assume or use the title or
18 designation "State licensed real estate appraiser" or the
19 abbreviation "SLREA" or any other title, designation, words,
20 letters, abbreviation, sign, card or device indicating that such
21 person is a State licensed real estate appraiser, unless such
22 person holds a current license as a State licensed real estate
23 appraiser pursuant to the provisions of this act.

24 7. (New section) The provisions of this act shall not apply to
25 any person who is a real estate appraiser licensed or certified in
26 another state in compliance with federal requirements while on
27 temporary assignment appraising real property located in this
28 State as part of a federally related transaction, however, such
29 appraiser shall be subject to registration requirements
30 promulgated by the board.

31 8. (New section) The board shall, in addition to such other
32 powers and duties as it may possess by law:

33 a. Administer and enforce the provisions of this act;

34 b. Examine and pass on the qualifications of all applicants for
35 licensure or certification under this act;

36 c. Issue and renew licenses and certificates of real estate
37 appraisers;

38 d. Prescribe examinations for licensure and certification under
39 this act, which examinations shall meet the standards for
40 licensing and certification examinations for real estate appraisers
41 established by the Appraisal Foundation;

42 e. Suspend, revoke or refuse to issue or renew a license or
43 certificate and exercise investigative powers pursuant to the
44 provisions of P.L.1978, c.73 (C.45:1-14 et seq.);

45 f. Establish fees for applications for licensure and
46 certification, examinations, initial licensure and certification,
47 renewals, late renewals, temporary licenses, temporary
48 certifications and for duplication of lost licenses or certificates,
49 pursuant to section 2 of P.L.1974, c.46 (C.45:1-3.2);

- 1 g. Establish a code of professional ethics for persons licensed
2 or certified under this act which meets the standards established
3 by the Uniform Standards of Professional Appraisal Practice
4 promulgated by the Appraisal Standards Board of the Appraisal
5 Foundation;
- 6 h. Establish standards for the licensing and certification of
7 real estate appraisers which meet the standards established by
8 the Appraisal Foundation;
- 9 i. Conduct hearings pursuant to the "Administrative Procedure
10 Act," P.L.1968, c.410 (C.52:14B-1 et seq.). In any hearing or
11 investigative inquiry, the board shall have the right to administer
12 oaths to witnesses, and shall have the power to issue subpoenas
13 for the compulsory attendance of witnesses and the production of
14 pertinent books, papers or records;
- 15 j. Take such action as is necessary before any board, agency or
16 court of competent jurisdiction for the enforcement of the
17 provisions of this act;
- 18 k. Maintain a registry of the names and business addresses of
19 licensees and the names and business addresses of certified
20 individuals and shall forward such materials to the Appraisal
21 Subcommittee of the Federal Financial Institutions Examination
22 Council;
- 23 l. Approve providers of real estate appraiser education courses
24 and establish and revise experience and education requirements
25 for the licensure and certification of real estate appraisers in this
26 State;
- 27 m. Approve providers of real estate appraiser continuing
28 education courses and establish and revise continuing education
29 requirements for the renewal of licenses and certificates;
- 30 n. Adopt and promulgate rules and regulations, pursuant to the
31 "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et
32 seq.), to effectuate the purposes of this act, except that the
33 initial rules and regulations shall be promulgated by the director;
34 and
- 35 o. Perform any other functions and duties which may be
36 necessary to carry out the provisions of this act.
- 37 9. (New section) The Executive Director of the board shall be
38 appointed by the director and shall serve at the director's
39 pleasure. The salary of the Executive Director shall be
40 determined by the director within the limits of available funds.
41 The director shall be empowered within the limits of available
42 funds to hire any assistants as are necessary to administer this
43 act.
- 44 10. (New section) To be eligible for licensure as a real estate
45 appraiser, an applicant shall fulfill the following requirements:
- 46 a. Be at least 18 years of age;
- 47 b. Be of good moral character;
- 48 c. Have a high school diploma or its equivalent;
- 49 d. Have real estate appraisal experience which experience

1 shall meet the standards for experience prescribed by the
2 Appraisal Foundation;

3 e. Have successfully completed a course of study in real estate
4 appraising prescribed by the board and conducted by an approved
5 education provider, which course of study shall meet the
6 standards for the course of study issued by the Appraisal
7 Foundation for the residential appraiser classification; and

8 f. Successfully complete a real estate appraiser licensing
9 examination administered by the board.

10 11. (New section) To be eligible for certification as a real
11 estate appraiser, an applicant shall fulfill the following
12 requirements:

13 a. Be at least 18 years of age;

14 b. Be of good moral character;

15 c. Have a high school diploma or its equivalent;

16 d. Have real estate appraisal experience which experience
17 shall meet the standards for experience prescribed by the
18 Appraisal Foundation;

19 e. Have successfully completed a course of study in real estate
20 appraising prescribed the board and conducted by an approved
21 education provider, which course of study shall meet the
22 standards for the course of study issued by the Appraisal
23 Foundation for the general appraiser classification; and

24 f. Successfully complete a real estate appraiser certification
25 examination administered by the board.

26 12. (New section) Upon payment to the board of the
27 prescribed fee and the submission of a written application on
28 forms prescribed by the board, the board shall issue a temporary
29 real estate appraiser license to any person who meets the
30 requirements of subsections a., b., c., d. and f. of section 10 of
31 this act and who makes application to the board within 180 days
32 of the effective date of this act.

33 If during the temporary license term, the temporary licensee
34 completes the requirements of subsection e. of section 10 of this
35 act, the board may issue a license as a State licensed real estate
36 appraiser to the temporary licensee. A temporary license shall
37 not be effective for more than 420 days and shall not be renewed.

38 13. (New section) Upon payment to the board of the
39 prescribed fee and the submission of a written application on
40 forms prescribed by the board, the board shall issue a temporary
41 real estate appraiser certification to any person who meets the
42 requirements of subsections a., b., c., d. and f. of section 11 of
43 this act and who makes application to the board within 180 days
44 of the effective date of this act.

45 If during the temporary certification term, the person holding
46 the temporary certification completes the requirements of
47 subsection e. of section 11 of this act, the board may issue a
48 certification as a State certified real estate appraiser. A
49 temporary certification shall not be effective for more than 420

1 days and shall not be renewed.

2 14. (New section) In the event that the Appraisal
3 Subcommittee of the Federal Financial Institution Examination
4 Council grants a waiver pursuant to subsection (b) of section 1119
5 of Title XI of Pub. L. 101-73 (12 U.S.C. §3348(b)), the board may
6 waive any requirement for certification or licensure to the extent
7 of the waiver granted by the Appraisal Subcommittee.

8 15. (New section) Upon payment to the board of the
9 prescribed fee and the submission of a written application on
10 forms prescribed by it, the board may issue a license or
11 certificate to any person who holds a valid license or certificate
12 as a real estate appraiser issued by another state which has
13 educational, experience and examination requirements
14 substantially similar to this State.

15 16. (New section) All applicants for licensure or certification
16 as a real estate appraiser shall, at the time of making
17 application, pay a non-refundable application fee the amount of
18 which shall be prescribed by the board by rule.

19 17. (New section) Licenses and certificates shall be effective
20 for a period not to exceed two years and may be renewed
21 biennially.

22 18. (New section) No license or certificate shall be renewed
23 unless the renewal applicant submits satisfactory evidence to the
24 board that the renewal applicant has successfully completed the
25 continuing education requirements prescribed pursuant to this act
26 which shall not require less than the number of hours of
27 continuing education prescribed by the Appraisal Foundation as a
28 national standard for the continuing education of licensed or
29 certified real estate appraisers, as the case may be. Continuing
30 education shall include classroom instruction in courses, seminars
31 or other activities as approved by the board.

32 19. (New section) The examinations for licensure or
33 certification under the provisions of this act shall demonstrate
34 that the applicant possesses the following:

35 a. An appropriate knowledge of technical terms commonly
36 used in or related to real estate appraisal, appraisal report
37 writing, and economic concepts applicable to real estate law;

38 b. A basic understanding of real estate law;

39 c. An understanding of the principles of land economics, the
40 real estate appraisal process and problems likely to be
41 encountered in the gathering and processing of data in carrying
42 out appraisal disciplines;

43 d. An understanding of the standards for the development and
44 communication of real estate appraisal reports established by the
45 board pursuant to this act;

46 e. An understanding of the grounds for which the board may
47 initiate disciplinary proceedings against a State licensed or
48 certified real estate appraiser, as the case may be;

49 f. Knowledge of theories of depreciation, cost estimating,

1 methods of capitalization, and the mathematics of real estate
2 appraisal which relate to the classification for which the
3 applicant is applying; and

4 g. Knowledge of other real estate appraisal principles and
5 procedures which may relate to the classification for which the
6 applicant is applying.

7 20. (New section) If a State licensed or certified real estate
8 appraiser fails to renew his license or certificate prior to its
9 expiration, the appraiser may obtain a license or certificate by
10 satisfying all of the renewal requirements and paying the renewal
11 and late renewal fees, provided that application for the issuance
12 of a new license or certificate is made within one year of the
13 expiration date of the last license or certificate held by the
14 appraiser.

15 21. (New section) a. A person who is not certified pursuant to
16 the provisions of this act shall not describe or refer to any
17 appraisal or other evaluation which he performs on real estate
18 located in this State as "a certified appraisal."

19 b. A person who is not licensed pursuant to the provisions of
20 this act shall not describe or refer to any appraisal or other
21 evaluation which he performs on real estate located in this State
22 as "a licensed appraisal."

23 c. No person other than a State licensed real estate appraiser
24 or a State certified real estate appraiser shall perform or offer to
25 perform an appraisal assignment in regard to a federally related
26 transaction.

27 d. Nothing in this act shall be construed to preclude a person
28 not certified or licensed pursuant to this act from assisting in the
29 preparation of an appraisal to the extent permitted under
30 subsection (d) of section 1122 of Title XI of Pub. L.101-73 (12
31 U.S.C. §3351(d)).

32 22. (New section) a. Each State licensed or certified real
33 estate appraiser shall provide a designated business address to the
34 board and shall notify the board in writing of any change in that
35 address.

36 b. A State licensed or certified real estate appraiser shall
37 conspicuously display his license or certificate at his place of
38 business.

39 23. (New section) a. Any license or certificate issued by the
40 board shall remain the property of the State and shall be
41 immediately returned to the board upon its suspension or
42 revocation pursuant to this act.

43 b. The issuance of a license or certificate to an applicant who
44 is a nonresident of this State shall be deemed to be his
45 irrevocable consent that service of process in any action or
46 proceeding may be made upon him by service upon the board.

47 24. (New section) The board may, by regulation, establish
48 criteria for the approval of real estate appraisal education
49 courses, schools and instructors and may collect reasonable fees

1 as prescribed by the board from applicants for approval.

2 25. (New section) In the event that the government of the
3 United States enacts legislation or rules requiring states to
4 collect fees from appraisers licensed or certified by those states
5 and to remit the monies to a federal agency, the board is
6 authorized to impose and collect these fees and may adopt rules
7 requiring the payment of the fees by all appraisers licensed or
8 certified pursuant to the provisions of this act.

9 26. (New section) The board created by this act shall be
10 subject to the provisions of R.S.45:1-3.

11 27. Section 1 of P.L.1971, c.60 (C.45:1-2.1) is amended to read
12 as follows:

13 1. The provisions of this act shall apply to the following boards
14 and commissions: the New Jersey State Board of Accountancy,
15 the New Jersey State Board of Architects, the New Jersey State
16 Board of Cosmetology and Hairstyling, the Board of Examiners of
17 Electrical Contractors, the New Jersey State Board of Dentistry,
18 the State Board of Mortuary Science of New Jersey, the State
19 Board of Professional Engineers and Land Surveyors, the State
20 Board of Marriage Counselor Examiners, the State Board of
21 Medical Examiners, the New Jersey Board of Nursing, the New
22 Jersey State Board of Optometrists, the State Board of
23 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
24 the Board of Pharmacy, the State Board of Professional Planners,
25 the State Board of Psychological Examiners, the State Board of
26 Examiners of Master Plumbers, the New Jersey Real Estate
27 Commission, the State Board of Shorthand Reporting, the State
28 Board of Veterinary Medical Examiners, the Radiologic
29 Technology Board of Examiners, the Acupuncture Examining
30 Board, [and] the State Board of Chiropractic Examiners, and the
31 State Real Estate Appraiser Board.

32 (cf: P.L.1989, c.153, s.22)

33 28. Section 2 of P.L.1971, c.60 (C.45:1-2.2) is amended to read
34 as follows:

35 2. a. All members of the several professional boards and
36 commissions shall be appointed by the Governor in the manner
37 prescribed by law; except in appointing members other than those
38 appointed pursuant to subsection b. or subsection c., the Governor
39 shall give due consideration to, but shall not be bound by,
40 recommendations submitted by the appropriate professional
41 organizations of this State.

42 b. In addition to the membership otherwise prescribed by law,
43 the Governor shall appoint in the same manner as presently
44 prescribed by law for the appointment of members two additional
45 members to represent the interests of the public, to be known as
46 public members, to each of the following boards and
47 commissions: the New Jersey State Board of Accountancy, the
48 New Jersey State Board of Architects, the New Jersey State
49 Board of Cosmetology and Hairstyling, the New Jersey State

1 Board of Dentistry, the State Board of Mortuary Science of New
2 Jersey, the State Board of Professional Engineers and Land
3 Surveyors, the State Board of Medical Examiners, the New Jersey
4 Board of Nursing, the New Jersey State Board of Optometrists,
5 the State Board of Examiners of Ophthalmic Dispensers and
6 Ophthalmic Technicians, the Board of Pharmacy, the State Board
7 of Professional Planners, the State Board of Psychological
8 Examiners, the New Jersey Real Estate Commission, the State
9 Board of Shorthand Reporting, and the State Board of Veterinary
10 Medical Examiners, and one additional public member to each of
11 the following boards: the Board of Examiners of Electrical
12 Contractors, the State Board of Marriage Counselor Examiners
13 [and] , the State Board of Examiners of Master Plumbers, and the
14 State Real Estate Appraiser Board. Each public member shall be
15 appointed for the term prescribed for the other members of the
16 board or commission and until the appointment of his successor.
17 Vacancies shall be filled for the unexpired term only. The
18 Governor may remove any such public member after hearing, for
19 misconduct, incompetency, neglect of duty or for any other
20 sufficient cause.

21 No public member appointed pursuant to this section shall have
22 any association or relationship with the profession or a member
23 thereof regulated by the board of which he is a member, where
24 such association or relationship would prevent such public
25 member from representing the interest of the public. Such a
26 relationship includes a relationship with members of one's
27 immediate family; and such association includes membership in
28 the profession regulated by the board. To receive services
29 rendered in a customary client relationship will not preclude a
30 prospective public member from appointment. This paragraph
31 shall not apply to individuals who are public members of boards
32 on the effective date of this act.

33 It shall be the responsibility of the Attorney General to insure
34 that no person with the aforementioned association or
35 relationship or any other questionable or potential conflict of
36 interest shall be appointed to serve as a public member of any
37 board regulated by this section.

38 Where a board is required to examine the academic and
39 professional credentials of an applicant for licensure or to test
40 such applicant orally, no public member appointed pursuant to
41 this section shall participate in such examination process,
42 provided, however, that public members shall be given notice of
43 and may be present at all such examination processes and
44 deliberations concerning the results thereof, and, provided
45 further, that public members may participate in the development
46 and establishment of the procedures and criteria for such
47 examination processes.

48 c. The Governor shall designate a department in the Executive
49 Branch of the State government which is closely related to the

1 profession or occupation regulated by each of the boards or
2 commissions designated in section 1 and shall appoint the head of
3 such department, or the holder of a designated office or position
4 in such department, to serve without compensation at the
5 pleasure of the Governor as a member of such board or
6 commission.

7 d. A majority of the voting members of such boards or
8 commissions shall constitute a quorum thereof and no action of
9 any such board or commission shall be taken except upon the
10 affirmative vote of a majority of the members of the entire
11 board or commission.

12 (cf: P.L.1984, c.205, s.41)

13 29. Section 1 of P.L.1974, c.46 (C.45:1-3.1) is amended to read
14 as follows:

15 1. The provisions of this act shall apply to the following boards
16 and commissions: the New Jersey State Board of Accountancy,
17 the New Jersey State Board of Architects, the New Jersey State
18 Board of Cosmetology and Hairstyling, the Board of Examiners of
19 Electrical Contractors, the New Jersey State Board of Dentistry,
20 the State Board of Mortuary Science of New Jersey, the State
21 Board of Professional Engineers and Land Surveyors, the State
22 Board of Marriage Counselor Examiners, the State Board of
23 Medical Examiners, the New Jersey Board of Nursing, the New
24 Jersey State Board of Optometrists, the State Board of
25 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
26 the Board of Pharmacy, the State Board of Professional Planners,
27 the State Board of Psychological Examiners, the State Board of
28 Examiners of Master Plumbers, the State Board of Shorthand
29 Reporting, the State Board of Veterinary Medical Examiners, the
30 Radiologic Technology Board of Examiners, the Acupuncture
31 Examining Board, [and] the State Board of Chiropractic
32 Examiners, and the State Real Estate Appraiser Board.

33 (cf: P.L.1989, c.153, s.23)

34 30. Section 2 of P.L.1978, c.73 (C.45:1-15) is amended to read
35 as follows:

36 2. The provisions of this act shall apply to the following boards
37 and all professions or occupations regulated by or through such
38 boards: the New Jersey State Board of Accountancy, the New
39 Jersey State Board of Architects, the New Jersey State Board of
40 Cosmetology and Hairstyling, the Board of Examiners of
41 Electrical Contractors, the New Jersey State Board of Dentistry,
42 the State Board of Mortuary Science of New Jersey, the State
43 Board of Professional Engineers and Land Surveyors, the State
44 Board of Marriage Counselor Examiners, the State Board of
45 Medical Examiners, the New Jersey Board of Nursing, the New
46 Jersey State Board of Optometrists, the State Board of
47 Examiners of Ophthalmic Dispensers and Ophthalmic Technicians,
48 the Board of Pharmacy, the State Board of Professional Planners,
49 the State Board of Psychological Examiners, the State Board of

1 Examiners of Master Plumbers, the State Board of Shorthand
2 Reporting, the State Board of Veterinary Medical Examiners, the
3 Acupuncture Examining Board, [and] the State Board of
4 Chiropractic Examiners, and the State Real Estate Appraiser
5 Board.

6 (cf: P.L.1989, c.153, s.24)

7 31. There ¹[is] are¹ appropriated ¹[\$300,000 from the General
8 Fund to the Division of Consumer Affairs in the Department of
9 Law and Public Safety to fund the implementation of this act in
10 Fiscal Year 1991. The] to the State Real Estate Appraiser
11 Board¹ amounts collected ¹by the board¹ for license and
12 certification fees and other charges and fees pursuant to the
13 provisions of this act ¹[during the first fiscal year after the
14 effective date of this act shall be used to reimburse the General
15 Fund for the amount appropriated from the General Fund
16 pursuant to this section]¹.

17 32. This act shall take effect immediately except that sections
18 5, 6 and 21 of this act shall take effect on July 1, 1991.

19

20

21

REGULATED PROFESSIONS

22

23 Provides for the voluntary licensing and certification of real
24 estate appraisers by a Real Estate Appraiser Board; appropriates
25 fees and charges to the board.

SENATE LABOR, INDUSTRY AND PROFESSIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 249

STATE OF NEW JERSEY

DATED: OCTOBER 4, 1990

The Senate Labor, Industry and Professions Committee reports favorably Senate Committee Substitute for Senate Bill No. 249.

This bill, a Senate Committee Substitute for Senate Bill No. 249, provides for the voluntary licensing and certification of real estate appraisers, by the State Real Estate Appraiser Board in the Division of Consumer Affairs.

To be eligible for licensure as a State licensed real estate appraiser, an applicant must:

- a. Be at least 18 years of age;
- b. Be of good moral character;
- c. Have a high school diploma;
- d. Have real estate appraisal experience which meets the standards for experience prescribed by the Appraisal Foundation;
- e. Have successfully completed a course of study in real estate appraising prescribed by the board, which course of study shall meet the standards issued by the Appraisal Foundation for the residential appraiser classification; and
- f. Successfully complete a real estate appraiser licensing examination.

To be eligible for certification as a State certified real estate appraiser, an applicant must:

- a. Be at least 18 years of age;
- b. Be of good moral character;
- c. Have a high school diploma;
- d. Have real estate appraisal experience which meets the standards for experience prescribed by the Appraisal Foundation;
- e. Have successfully completed a course of study in real estate appraising prescribed by the board, which course of study shall meet the standards issued by the Appraisal Foundation for the general appraiser classification; and
- f. Successfully complete a real estate appraiser certification examination.

The board is to issue a temporary real estate license or certificate, as the case may be, to any person applying within 180 days of the effective date of the bill who meets all the requirements for licensure or certification, except completing a course of study in real estate appraising. If, during the temporary license or certification period, the person completes the course of study in

real estate appraising, the board may issue a license or certificate to the person. A temporary license or certification may not be effective for more than 420 days and may not be renewed.

The board may also issue a license or certificate to any person who holds a valid license or certificate as a real estate appraiser issued by another state which has educational, experience and examination requirements substantially similar to this State.

Licenses or certificates shall only be renewed if the renewal applicant has successfully completed the continuing education requirements which must not be less than the number of hours of continuing education prescribed by the Appraisal Foundation.

Only those real estate appraisers who qualify under the certification standards of the bill may call themselves State certified real estate appraisers and use the abbreviation "SCREA." Only those real estate appraisers who qualify under the licensure standards of the bill may call themselves State licensed real estate appraisers and use the abbreviation "SLREA." Also, only State licensed or certified real estate appraisers may perform or offer to perform appraisal assignments involving federally related transactions. Real estate appraisers who do not wish to become State licensed or certified real estate appraisers may continue to do real estate appraisal assignments in this State but may not use those titles and may not perform real estate appraisal assignments involving federally related transactions.

The bill establishes a State Real Estate Appraiser Board in the Division of Consumer Affairs to license and certify real estate appraisers who qualify to be State licensed real estate appraisers or State certified real estate appraisers. The board is to consist of nine members: three State licensed real estate appraisers, three State certified real estate appraisers, two public members and one executive department member. The Executive Director of the board is to be appointed by the Director of the Division of Consumer Affairs.

The provisions of the uniform enforcement powers and procedures act, P.L.1978, c.73 (C.45:1-14 et seq.), would apply to the bill.

In providing for examinations and a code of professional ethics and standards the board is required to meet the standards established by the Appraisal Foundation.

The board is also responsible for maintaining a registry of names and business addresses of those persons licensed and certified under the provisions of this bill and for forwarding such information to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and for imposing and collecting any fee the federal government requires to be collected from licensed or certified real estate appraisers.

The provisions of the bill do not apply to a real estate appraiser licensed or certified in another state in compliance with federal requirements while on temporary assignment appraising real estate

in this State as part of a federally related transaction, except that any such appraiser must register with the board.

The bill appropriates \$300,000 which sum must be paid back to the General Fund before the end of the fiscal year following the fiscal year in which the bill is signed into law.

SENATE REVENUE, FINANCE AND
APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 249

with Senate committee amendments

STATE OF NEW JERSEY

DATED: DECEMBER 3, 1990

The Senate Revenue, Finance and Appropriations Committee favorably reports the Senate Committee Substitute for Senate Bill No. 249, with committee amendments.

The Senate Committee Substitute for Senate Bill No. 249, as amended by the committee, provides for the voluntary licensing and certification of real estate appraisers by a newly-created State Real Estate Appraiser Board in the Division of Consumer Affairs.

To be eligible for licensure as a State licensed real estate appraiser, an applicant must be at least 18 years old, be of good moral character and possess a high school diploma. In addition, the applicant must have real estate appraisal experience which meets the standards prescribed by the Appraisal Foundation, and must have successfully completed a board-prescribed course of study in real estate appraisal which meets the standards issued by the Appraisal Foundation for the residential appraiser classification. Finally, the applicant must pass a real estate appraiser licensing examination.

A State certified real estate appraiser "is recognized as being more knowledgeable of and experienced in real estate appraisals than a State licensed real estate appraiser." To be eligible for certification, an applicant must meet the same age, moral character and formal education requirements as for licensure, but must also have additional appraisal experience, successfully complete a course of study which meets the standards prescribed by the Appraisal Foundation for the general appraiser classification and pass an appraiser certification examination.

Only those real estate appraisers who qualify under the certification standards of the bill may call themselves State certified real estate appraisers and use the abbreviation "SCREA." Only those real estate appraisers who qualify under the licensure standards of the bill may call themselves State licensed real estate appraisers and use the abbreviation "SLREA." Only State licensed or certified real estate appraisers may perform or offer to perform appraisal assignments involving federally related transactions. However, real estate appraisers who do not wish to become State licensed or certified real estate appraisers may continue to do real estate appraisal assignments in this State but may not use those titles and may not perform real estate appraisal assignments involving federally related transactions.

The bill contains provisions which address the issuance by the board of temporary real estate appraiser licenses and certificates pending permanent status, license and certificate renewals, and licenses and certificates to individuals holding a valid license or certificate in another state with substantially similar standards as New Jersey.

The bill establishes the State Real Estate Appraiser Board in the Division of Consumer Affairs to regulate the appraiser profession and evaluate the credentials of applicants for licensure and certification. The board consists of nine members: three State licensed real estate appraisers, three State certified real estate appraisers, two public members and one executive department member. The Executive Director of the board is to be appointed by the Director of the Division of Consumer Affairs.

In providing for examinations and a code of professional ethics and standards the board is required to meet the standards established by the Appraisal Foundation.

The board is also responsible for maintaining a registry of names and business addresses of those persons licensed and certified under the provisions of this bill and for forwarding such information to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and for imposing and collecting any fee the federal government requires to be collected from licensed or certified real estate appraisers.

The provisions of the uniform enforcement powers and procedures act, P.L.1978, c.73 (C.45:1-14 et seq.), regarding disciplinary and remedial authority of professional boards, would apply as well to the State Real Estate Appraiser Board.

COMMITTEE AMENDMENTS

The committee amended the bill to delete the \$300,000 General Fund appropriation for board operations in fiscal year 1991, which was to have been a loan to be repaid from fees and revenues of the board in the following year. Under the amended provision, all fees and revenues collected by the board are appropriated directly.

FISCAL IMPACT

Under the bill, as amended, amounts collected by the board from license and certification fees and other charges and fees are appropriated for the proper expenses of the board. This provision is similar to provisions applicable to many other professional boards within the Division of Consumer Affairs. The board is allowed to establish a fee schedule that provides sufficient funds to defray its administrative expenses, but not to raise amounts in excess of those needs.

ASSEMBLY COMMERCE AND REGULATED PROFESSIONS
COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE COMMITTEE SUBSTITUTE FOR

SENATE, No. 249

STATE OF NEW JERSEY

DATED: JANUARY 10, 1991

The Assembly Commerce and Regulated Professions Committee reports favorably the Senate Committee Substitute for Senate Bill No. 249 (1R).

This bill provides for the voluntary licensing and certification of real estate appraisers, by the State Real Estate Appraiser Board in the Division of Consumer Affairs.

To be eligible for licensure as a State licensed real estate appraiser, an applicant must:

- a. Be at least 18 years of age;
- b. Be of good moral character;
- c. Have a high school diploma;
- d. Have real estate appraisal experience which meets the standards for experience prescribed by the Appraisal Foundation;
- e. Have successfully completed a course of study in real estate appraising prescribed by the board, which course of study shall meet the standards issued by the Appraisal Foundation for the residential appraiser classification; and
- f. Successfully complete a real estate appraiser licensing examination.

To be eligible for certification as a State certified real estate appraiser, an applicant must:

- a. Be at least 18 years of age;
- b. Be of good moral character;
- c. Have a high school diploma;
- d. Have real estate appraisal experience which meets the standards for experience prescribed by the Appraisal Foundation;
- e. Have successfully completed a course of study in real estate appraising prescribed by the board, which course of study shall meet the standards issued by the Appraisal Foundation for the general appraiser classification; and
- f. Successfully complete a real estate appraiser certification examination.

The bill notes that a State certified real estate appraiser "is recognized as being more knowledgeable of and experienced in real estate appraisals than a State licensed real estate appraiser."

The board is to issue a temporary real estate license or certificate, as the case may be, to any person applying within 180

days of the effective date of the bill who meets all the requirements for licensure or certification, except completing a course of study in real estate appraising. If, during the temporary license or certification period, the person completes the course of study in real estate appraising, the board may issue a license or certificate to the person. A temporary license or certification may not be effective for more than 420 days and may not be renewed.

The board may also issue a license or certificate to any person who holds a valid license or certificate as a real estate appraiser issued by another state which has educational, experience and examination requirements substantially similar to this State.

Licenses or certificates shall only be renewed if the renewal applicant has successfully completed the continuing education requirements which must not be less than the number of hours of continuing education prescribed by the Appraisal Foundation.

Only those real estate appraisers who qualify under the certification standards of the bill may call themselves State certified real estate appraisers and use the abbreviation "SCREA." Only those real estate appraisers who qualify under the licensure standards of the bill may call themselves State licensed real estate appraisers and use the abbreviation "SLREA." Also, only State licensed or certified real estate appraisers may perform or offer to perform appraisal assignments involving federally related transactions. Real estate appraisers who do not wish to become State licensed or certified real estate appraisers may continue to do real estate appraisal assignments in this State but may not use those titles and may not perform real estate appraisal assignments involving federally related transactions.

The bill establishes a State Real Estate Appraiser Board in the Division of Consumer Affairs to license and certify real estate appraisers who qualify to be State licensed real estate appraisers or State certified real estate appraisers. The board is to consist of nine members: three State licensed real estate appraisers, three State certified real estate appraisers, two public members and one executive department member. The Executive Director of the board is to be appointed by the Director of the Division of Consumer Affairs.

The provisions of the uniform enforcement powers and procedures act, P.L.1978, c.73 (C.45:1-14 et seq.), regarding disciplinary and remedial authority of professional boards, would apply as well to the State Real Estate Appraiser Board.

In providing for examinations and a code of professional ethics and standards the board is required to meet the standards established by the Appraisal Foundation.

The board is also responsible for maintaining a registry of names and business addresses of those persons licensed and certified under the provisions of this bill and for forwarding such information to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council and for imposing and collecting any fee the federal government requires to be collected from licensed or certified real estate appraisers.

The provisions of the bill do not apply to a real estate appraiser licensed or certified in another state in compliance with federal requirements while on temporary assignment appraising real estate in this State as part of a federally related transaction, except that any such appraiser must register with the board.

The bill provides that amounts collected by the board from license and certification fees and other charges and fees are appropriated for the proper expenses of the board.

SENATE, No. 249

STATE OF NEW JERSEY

Introduced Pending Technical Review by Legislative Counsel

PRE-FILED FOR INTRODUCTION IN THE 1990 SESSION

By Senator LYNCH

1 AN ACT providing for the mandatory licensing and voluntary
2 certification of real estate appraisers, amending R.S.45:15-5,
3 supplementing Title 45 of the Revised Statutes and making an
4 appropriation.

5

6 BE IT ENACTED *by the Senate and General Assembly of the*
7 *State of New Jersey:*

8 1. (New section) This act shall be known and may be cited as
9 the "Real Estate Appraisers Act of 1989."

10 2. (New section) As used in this act:

11 "Another state or other state" means any other state, the
12 District of Columbia, the Commonwealth of Puerto Rico and any
13 other possession or territory of the United States.

14 "Appraisal" or "Real estate appraisal" means an analysis,
15 opinion or conclusion relating to the nature, quality, value or
16 utility of specified interests in, or aspects of, identified real
17 estate. An appraisal may be classified by subject matter into
18 either a valuation or an analysis. A "valuation" means an
19 estimate of the value of real estate or real property and an
20 "analysis" means a study of real estate or real property other
21 than estimating value.

22 "Appraisal assignment" means an engagement for which an
23 appraiser is employed or retained to act, or would be perceived
24 by third parties or the public as acting, as a disinterested third
25 party in rendering an unbiased analysis, opinion, or conclusion
26 relating to the nature, quality, value, or utility of specified
27 interests in, or aspects of, identified real estate.

28 "Appraisal Foundation" means the Appraisal Foundation
29 incorporated in the State of Illinois as a nonprofit corporation on
30 November 30, 1987 as denominated in 12 U.S.C. § 3301 et seq.

31 "Appraisal report" means any communication, written or oral,
32 of an appraisal.

33 "Approved education provider" means a provider of real estate
34 appraisal education courses who is approved by the commission
35 upon the recommendation of the board.

36 "Board" means the State Real Estate Appraiser Board
37 established pursuant to section 50 of this act.

38 "Certified appraisal or "certified appraisal report" means an

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 appraisal or appraisal report given or signed by a State certified
2 real estate appraiser. When identifying an appraisal or appraisal
3 report as certified, the State certified real estate appraiser shall
4 indicate which certification he holds.

5 "Commission" means the New Jersey Real Estate Commission
6 established pursuant to R.S.45:15-5.

7 "Comparative or competitive market analysis" means an
8 estimate of the value of real estate based upon a comparison of
9 similar properties sold within a region but which may not make
10 specific adjustments for different features or utilize the income
11 or cost approach as required in a real estate appraisal.

12 "Licensed real estate appraiser" means a person, partnership or
13 corporation holding a current, valid license to engage in the
14 practice of real estate appraising pursuant to the provisions of
15 this act.

16 "Real estate" means an identified parcel or tract of land,
17 including improvements, if any.

18 "Real property" means one or more defined interests, benefits
19 or rights inherent in real estate.

20 "State certified real estate appraiser" means a person who
21 holds a current, valid certificate for either general or residential
22 real estate appraisal pursuant to section 20 of this act.

23 "Tax assessor" means a person within this State who is serving
24 as a tax assessor or an assistant tax assessor within a municipal
25 district of the State and who holds a valid certified tax assessor
26 certificate.

27 3. (New section) No person shall undertake, prepare or
28 complete an appraisal assignment, whether or not compensation
29 is received or expected, unless the person holds a valid license or
30 certificate to practice in this State issued by the New Jersey
31 Real Estate Commission pursuant to sections 8 and 20 of this
32 act. A person is practicing real estate appraising in this State if
33 he performs or offers to perform any of the acts included within
34 an appraisal as defined in section 2 of this act in regard to real
35 property located within this State, or if he uses a business address
36 located in this State in the solicitation or promotion of an
37 appraisal or appraisal assignment in any state. Nothing in this
38 act, however, shall prohibit any person licensed to practice in this
39 State under any other law from engaging in the practice for
40 which he is licensed.

41 4. (New section) The provisions of this act shall not apply to a
42 person licensed as a real estate broker or salesperson who gives
43 an oral or written comparative or competitive market analysis
44 provided that:

45 a. No fee or other valuable consideration is charged for this
46 service, and

47 b. The written analysis clearly discloses that it is not an
48 appraisal.

1 5. (New section) The provisions of this act shall not apply to
2 any person who is:

3 a. A certified tax assessor employed by a county or municipal
4 government or any political subdivision thereof whose appraisal
5 activities are limited to appraisals in the course of his
6 employment; or

7 b. An appraiser licensed or certified in another state in
8 compliance with federal requirements while on temporary
9 assignment appraising real property located in this State as part
10 of a federal transaction subject to registration requirements
11 promulgated by the commission.

12 6. (New section) The commission shall have the following
13 powers and duties pursuant to the provisions of this act:

14 a. To receive applications for licensure as a real estate
15 appraiser; to process applications; to issue licenses to qualified
16 applicants; and to maintain a registry of the names and business
17 addresses of licensees;

18 b. To receive applications for certification as a State certified
19 real estate appraiser; to establish appropriate administrative
20 procedures for the processing of applications; to issue
21 certificates to qualified applicants if certification is
22 recommended by the board, or if after a hearing, a determination
23 is made to issue a certification pursuant to section 26 of this act;
24 and to maintain a registry of the names and business addresses of
25 certified individuals and entities;

26 c. To establish appropriate appraiser licensing examinations in
27 consultation with the board; to solicit bids and enter into
28 contracts for the preparation and administration of licensing
29 examinations; and to administer licensing examinations at such
30 times as may be required to carry out the commission's
31 responsibilities under this act;

32 d. To consider recommendations made by the board in order to
33 establish specifications for appraiser certification examinations
34 which meet or exceed the standards for certification
35 examinations issued by the Appraisal Foundation; to solicit bids
36 and enter into contracts for the preparation and administration of
37 certification examinations which meet the specifications
38 recommended by the board; and to administer certification
39 examinations at such times as may be required;

40 e. To consider recommendations made by the board concerning
41 the approval of providers of real estate appraiser education
42 courses and the establishment and revision of experience and
43 education requirements for the licensure and certification of real
44 estate appraisers in this State and to either approve, modify, or
45 disapprove those recommendations;

46 f. To consider recommendations made by the board for the
47 approval of providers of continuing education real estate
48 appraiser courses and for the establishment and revision of

1 continuing education requirements for the renewal of licenses and
2 certificates and to either approve, modify or disapprove those
3 recommendations;

4 g. To consider recommendations made by the board concerning
5 the proper interpretation of the Uniform Standards of
6 Professional Appraisal Practice or any rule of the commission,
7 when an interpretation is necessary for the proper enforcement
8 of this act and either approve, modify or disapprove those
9 recommendations;

10 h. To consider recommendations made by the board
11 establishing standards for the licensing and certification of real
12 estate appraisers which meet or exceed the standards established
13 by the Appraisal Foundation and for the interpretation of the
14 standards, and either approve modify or disapprove those
15 recommendations;

16 i. To collect licensing and certification fees required pursuant
17 to this act; to deposit the fees in a special fund to be used for the
18 purpose of paying any expenses incurred in connection with the
19 administration of this act; to disburse from the fund any monies
20 required to pay any expenses incurred in the administration of
21 this act; and to issue an annual statement describing the fund's
22 receipts and expenditures during each fiscal year;

23 j. To keep a record of the commissions' s proceedings in regard
24 to the licensing and certification of real estate appraisers and to
25 issue an annual report of its activities in this regard;

26 k. To promote research and conduct studies relating to the
27 profession of real estate appraising and sponsor real estate
28 appraisal educational activities in consultation with the board;

29 l. To consider recommendations made by the board concerning
30 the establishment of rules and regulations necessary to carry out
31 the provisions of this act and to adopt rules and regulations for
32 the administration of this act pursuant to the "Administrative
33 Procedures Act," P.L.1968, c.410 (C.52:14B-1 et seq.); and

34 m. To deny applications for licensure or certification without
35 the recommendation of the board when the reason for the denial
36 is based upon the applicant' s failure to establish his eligibility for
37 licensure or certification pursuant to section 48 of this act.

38 7. (New section) With the exception of a recommendation to
39 deny an application for certification pursuant to section 26 of
40 this act or any action by the board in a contested case pursuant
41 to sections 31 or 55 of this act, the commission shall not modify
42 or disapprove a recommendation of the board without first
43 informing the board in writing of its reason for the modification
44 or disapproval. The commission shall not act upon a modification
45 or disapproval unless a majority of the board and the commission
46 sitting as a single body approve the modification or disapproval.

47 8. (New section) To be eligible for licensure as a real estate
48 appraiser, an applicant shall fulfill the following requirements:

- 1 a. Be at least 18 years of age;
 - 2 b. Be of good moral character;
 - 3 c. Have a high school diploma or its equivalent;
 - 4 d. Have successfully completed a course of study in real estate
 - 5 appraising of at least 21 classroom hours conducted by an
 - 6 approved education provider, which shall include seven classroom
 - 7 hours on the standards of professional practice; and
 - 8 e. Successfully complete a real estate appraiser licensing
 - 9 exam administered by the commission.
- 10 9. (New section) Upon payment to the commission of the
- 11 prescribed fee and the submission of a written application on
- 12 forms provided by it, the commission shall issue without
- 13 examination a license as a real estate appraiser to any applicant
- 14 who meets the requirements of subsections a., b., and c. of
- 15 section 8 of this act, who makes application to the commission
- 16 within two years of the effective date of this act, and who holds
- 17 a designation or certification from a real estate appraiser
- 18 organization whose requirements for the designation or
- 19 certification are equivalent to the educational requirements for
- 20 licensure established pursuant to subsection d. of section 8 of this
- 21 act or who presents satisfactory evidence of the successful
- 22 completion of the equivalent number of classroom hours of real
- 23 estate appraisal education conducted by an approved education
- 24 provider.
- 25 10. (New section) Upon payment to the commission of the
- 26 prescribed fee and the submission of a written application on
- 27 forms provided by it, the commission shall issue a temporary
- 28 appraiser license to any person who meets the requirements of
- 29 subsections a., b., and c. of section 8 of this act, who makes
- 30 application to the commission within one year of the effective
- 31 date of this act, and who is either currently licensed by the
- 32 commission as a real estate broker or is a certified tax assessor
- 33 If during the initial license term, the licensee completes the
- 34 education requirements for licensure established pursuant to
- 35 subsection d. of section 8 of this act, the licensee may make
- 36 application to the commission for a regular license and a license
- 37 shall be issued without examination. The commission shall
- 38 require the holder of a temporary license who fails to
- 39 successfully complete the education requirements prior to the
- 40 expiration of the temporary license to make application for
- 41 licensure as a real estate appraiser pursuant to section 8 of this
- 42 act.
- 43 11. (New section) A nonresident may be licensed as a real
- 44 estate appraiser upon complying with all of the provisions and
- 45 conditions of this act.
- 46 12. (New section) a. Upon payment to the commission of the
- 47 prescribed fee and the submission of a written application on
- 48 forms provided by it, the commission shall issue without

1 examination a license to any person who, at the time of making
2 application, holds an appraisal certification granted by another
3 state or any federal agency based upon the fulfillment of the
4 standards for certification established by the Appraisal
5 Foundation.

6 b. Upon payment to the commission of the prescribed fee and
7 the submission of a written application on forms provided by it,
8 the commission shall issue without examination a license to any
9 person who holds a valid license or certificate issued by another
10 state which has educational and experience requirements
11 substantially similar to this State provided that the other State
12 offers similar reciprocity to real estate appraisers licensed by
13 this State.

14 c. Any person who is licensed or certified to practice real
15 estate appraising by another state which does not offer
16 reciprocity to real estate appraisers licensed by this State who, in
17 the opinion of the commission, meets experience and education
18 requirements substantially similar to those required for licensing
19 in this State, may sit for the real estate appraiser licensing
20 examination provided the applicant has been licensed or certified
21 in the other state for the two years immediately preceding
22 application. The applicant shall pay the prescribed fees and shall
23 submit to the commission a certified copy of his license history
24 and status in the other state and any other information which the
25 commission may require. In any application pursuant to this
26 subsection, the commission shall determine the equivalence of
27 the applicant's experience and education in the other state and
28 may, in its discretion, require the applicant to comply with the
29 provisions of section 8 of this act.

30 13. (New section) A partnership or corporation may qualify
31 for a license as a real estate appraiser provided that at least one
32 of the partners or officers of the partnership or corporation holds
33 a license as an appraiser and that person is authorized to transact
34 business as the appraiser of record in the name and on behalf of
35 the partnership or corporation. A limited partnership may qualify
36 for a license only if the general partner is licensed as an
37 appraiser under this act. The license of a partnership or
38 corporation shall cease to be valid if one partner or officer does
39 not hold a license as the appraiser of record. A change in the
40 status of the authorized appraiser of record shall be effected by
41 application to the commission and payment of a license transfer
42 fee as prescribed by the commission.

43 14. (New section) The license application of a partnership or
44 corporation shall furnish evidence of the identity and good moral
45 character of all partners or officers and directors of the
46 partnership or corporation. The commission may make such
47 investigation and require such proof as it deems proper and in the
48 public interest as to the honesty, trustworthiness, character and

1 integrity of the partners or officers and directors of the
2 partnership or corporation.

3 15. (New section) Whenever, during the term of any real
4 estate appraiser license issued by the commission to a partnership
5 or corporation, a partner, officer or director of the partnership or
6 corporation is convicted or charged with any of the offenses set
7 forth in section 40 of this act, the appraiser of record shall
8 immediately advise the commission of that conviction or charge
9 and shall supply such additional information as the commission
10 may request.

11 16. (New section) In the event of the revocation or suspension
12 of a license issued to any partner or officer or director of a
13 licensed partnership or corporation, the license issued to the
14 partnership or corporation shall be revoked unless within the
15 period of time fixed by the commission, the partner, officer or
16 director is severed from the licensed partnership or corporation
17 and his participation, controlling interest and share in its income
18 and activities is terminated.

19 17. (New section) a. All applicants for licensure as a real
20 estate appraiser shall, at the time of making application, pay a
21 non-refundable application fee the amount of which shall be
22 prescribed by the commission by rule and which shall bear a
23 reasonable relationship to the cost to the commission of
24 processing applications.

25 b. The license fee for each real estate appraiser license
26 applied for during the first 24 months of any four year license
27 cycle established by the commission shall be \$200 and the fee for
28 an appraiser license applied for during the second 24 months of
29 the cycle shall be \$100. Each license granted pursuant to this act
30 shall entitle the licensee to perform all of the acts contemplated
31 herein during the period for which the license is issued.

32 18. (New section) a. Each real estate appraiser license issued
33 by the commission shall expire on the last day of a four year
34 license cycle as established by the commission which expiration
35 date shall be applicable to all licenses regardless of the date of
36 issuance. A license shall be renewed without examination upon
37 payment of the license fee prescribed pursuant to section 17 of
38 this act and the submission of satisfactory evidence to the
39 commission that the renewal applicant has successfully
40 completed the continuing education requirements which the
41 commission may establish by regulation and otherwise qualifies
42 for renewal. If a licensee fails to apply for the renewal of his
43 license prior to the date of expiration of the license, the
44 commission may refuse to issue a renewal license except upon the
45 payment of a late renewal fee in the amount of \$100.

46 b. Any licensee who after 60 days written notice of license
47 expiration sent by the commission to the licensee's last known
48 business address fails to apply for license renewal and pay the

1 renewal fee and continues to engage in the practice of real estate
2 appraising shall be deemed to be practicing real estate appraising
3 without a license.

4 19. (New section) The commission may, in its discretion,
5 refuse to renew the license of a real estate appraiser upon
6 sufficient cause being shown. The commission shall refuse to
7 renew the license of any real estate appraiser who fails to fulfill
8 the continuing education requirements established by the
9 commission by regulation which requirements shall not be less
10 than the number of hours of continuing education prescribed by
11 the Appraisal Foundation as a national standard for the
12 continuing education of licensed real estate appraisers. No
13 amendment or repeal of a rule adopted by the commission in
14 regard to continuing education requirements shall deprive a
15 licensed real estate appraiser of credit toward license renewal
16 for any approved course of instruction or seminar or its approved
17 equivalent which the licensee completed prior to the amendment
18 or repeal of the rule.

19 20. (New section) The commission may issue a certificate as a
20 State certified real estate appraiser to a real estate appraiser
21 who meets the requirements for certification and who has been
22 recommended for certification by the board. The commission
23 shall issue a certificate as appropriate as either a State certified
24 residential real estate appraiser or a State certified general real
25 estate appraiser. A State certified residential real estate
26 appraiser is authorized to appraise residential real estate of one
27 to four units, and up to 12 units when a net income capitalization
28 analysis is not required by the terms of the appraisal assignment.
29 A State certified general real estate appraiser is authorized to
30 appraise all types of real property. An application for initial
31 certification and examination, and renewal of certification, shall
32 specify the certification classification for which the applicant is
33 applying and the certification which he may previously have held.

34 21. (New section) Application for certification and
35 examination, and for certification renewal, shall be made on
36 forms as prescribed by the commission accompanied by the
37 prescribed fee. At the time of filing an initial application for
38 certification, an applicant shall sign a pledge to comply with the
39 standards for certification established pursuant to this act and by
40 regulation of the commission. The pledge shall also state that
41 the applicant understands the grounds for misconduct for which
42 the board may recommend or the commission may initiate
43 disciplinary proceedings against a State certified real estate
44 appraiser.

45 22. (New section) Except as provided in section 26 of this act,
46 the commission shall not issue a certificate as a State certified
47 real estate appraiser without the recommendation of the board
48 and unless the applicant successfully completes a written

- 1 examination administered by the commission which demonstrates
2 that the applicant possesses the following:
- 3 a. An appropriate knowledge of technical terms commonly
4 used in or related to real estate appraising, appraisal report
5 writing, and economic concepts applicable to real estate law;
 - 6 b. A basic understanding of real estate law;
 - 7 c. An understanding of the principles of land economics, the
8 real estate appraisal process, of problems likely to be
9 encountered in the gathering and processing of data in carrying
10 out appraisal disciplines;
 - 11 d. An understanding of the standards for the development and
12 communication of real estate appraisals established by the board
13 pursuant to this act;
 - 14 e. An understanding of the grounds for which the board may
15 recommend and the commission may initiate disciplinary
16 proceedings against a State certified real estate appraiser;
 - 17 f. Knowledge of theories of depreciation, cost estimating,
18 methods of capitalization, and the mathematics of real estate
19 appraisal which relate to the certification classification for
20 which the applicant is applying; and
 - 21 g. Knowledge of other real estate appraising principles and
22 procedures which may relate to the certification classification
23 for which the applicant is applying.
- 24 23. (New section) To be eligible for examination as a State
25 certified general real estate appraiser an applicant shall present
26 evidence satisfactory to the board that he has successfully
27 completed the number of hours of education from an approved
28 education provider required for certification as a general real
29 estate appraiser as prescribed by the Appraisal Foundation, which
30 requirement shall be made applicable to applicants for
31 certification in this State as a State certified general real estate
32 appraiser through the promulgation of appropriate rules by the
33 commission. In no event shall the requirements for certification
34 be less than those prescribed by the Appraisal Foundation.
- 35 24. (New section) To be eligible for examination as a State
36 certified residential real estate appraiser an applicant shall
37 present evidence satisfactory to the board that he has
38 successfully completed the number of hours of education from an
39 approved education provider required for certification as a
40 residential real estate appraiser as prescribed by the Appraisal
41 Foundation, which requirement shall be made applicable to
42 applicants for certification in this State as a State certified
43 residential real estate appraiser through the promulgation of
44 appropriate rules by the commission. In no event shall the
45 requirements for certification be less than those prescribed by
46 the Appraisal Foundation.
- 47 25. (New section) The commission shall not certify a person as
48 a State certified real estate appraiser unless the applicant

1 presents evidence satisfactory to the board that he fulfills the
2 experience requirements for certification as a general or
3 residential real estate appraiser, as appropriate, as recommended
4 by the board to the commission, which requirements shall be
5 made applicable to applicants for certification through the
6 promulgation of appropriate rules by the commission. In no event
7 shall the experience requirements be less than those prescribed
8 by the Appraisal Foundation.

9 An applicant for certification shall furnish under oath a list of
10 real estate appraisal reports or file memoranda for each year of
11 required experience.

12 26. (New section) Upon the recommendation of the board, the
13 commission shall issue or renew the certificate of a State
14 certified real estate appraiser who qualifies pursuant to this act
15 and any rules promulgated by the commission pursuant to this
16 act. The commission may certify an applicant who is denied a
17 recommendation for certification by the board following a
18 hearing at which the applicant proves his qualification for the
19 issuance or renewal of a certificate.

20 27. (New section) a. All applicants for certification as a
21 State certified real estate appraiser shall, at the time of making
22 application, pay a non-refundable application fee, the amount of
23 which shall be prescribed by the commission by rule and which
24 shall bear a reasonable relationship to the cost to the commission
25 and the board of processing applications.

26 b. The fee for each real estate appraiser certificate applied
27 for during the first 24 months of any four year license cycle
28 established by the commission shall be \$400 and the fee for a
29 certificate applied for during the second 24 months of the cycle
30 shall be \$200. Each certificate granted pursuant to this act shall
31 entitle the holder to perform all of the acts contemplated herein
32 during the period for which the certificate is issued.

33 28. (New section) a. Each certificate issued by the
34 commission shall expire on the last day of a four year license
35 cycle as established by the commission which expiration date
36 shall be applicable to all certificates regardless of the date of
37 issuance. A State certified real estate appraiser may renew his
38 certificate upon filing a renewal application, payment of the
39 certification fee prescribed pursuant to subsection b. of section
40 27 of this act and the submission of satisfactory evidence to the
41 board that the renewal applicant has successfully completed the
42 continuing education requirements which the commission may
43 establish by regulation, and otherwise qualifies for certificate
44 renewal. A State certified real estate appraiser shall file the
45 renewal application not more than 120 days prior to the
46 expiration date of the current certificate.

47 b. If a State certified real estate appraiser fails to apply for
48 certificate renewal prior to the date of expiration of the

1 certificate, the commission may refuse to renew the certificate
2 except upon the payment of a late renewal fee in the amount of
3 \$100.

4 c. The commission may adopt rules providing that the term of
5 a renewal applicant's certificate may be extended for a period of
6 time not to exceed six months where, for good cause shown, the
7 continuing education requirements for certificate renewal have
8 not been met provided, however, that such rules are not
9 inconsistent with any standards for certificate renewal
10 promulgated by the Appraisal Foundation.

11 29. (New section) If a State certified real estate appraiser
12 fails to renew his certificate prior to its expiration, or within a
13 period of extension granted by the commission pursuant to
14 subsection c. of section 28 of this act, the appraiser may obtain a
15 certificate by satisfying all of the renewal requirements and
16 paying the renewal and late renewal fees, provided that
17 application for the issuance of a new certificate is made within
18 two years of the expiration date of the last certificate held by
19 the appraiser.

20 30. (New section) Upon payment to the commission of the
21 prescribed fee and the submission of a written application on
22 forms provided by it, the commission, upon the recommendation
23 of the board, shall issue without examination a certificate to a
24 real estate appraiser who holds a valid certificate or license
25 issued by another state which has educational and experience
26 requirements substantially similar to those applicable to certified
27 appraisers in this State provided that the other state offers
28 similar reciprocity to New Jersey State certified real estate
29 appraisers.

30 31. (New section) Whenever it shall appear to the board
31 following an investigation that a State certified real estate
32 appraiser has: a. failed to meet minimum qualifications for
33 certification; b. violated any of the standards for the
34 development or communication of real estate appraisals
35 established for State certified real estate appraisers; or c. failed
36 to exercise reasonable diligence or engaged in acts of negligence
37 or incompetence in developing an appraisal, preparing an
38 appraisal report or communicating an appraisal, the board may
39 initiate an administrative proceeding with the commission, upon
40 notice to the State certified real estate appraiser as provided in
41 section 47 of this act. The proceeding shall charge the appraiser
42 with violating this section and shall request the commission to
43 suspend, revoke or fail to renew the certificate of a State
44 certified real estate appraiser or to impose fines or alternative
45 disciplinary sanctions upon proof of the violation after a hearing
46 at which the board shall present evidence in support of the
47 charges. The board's review of any complaint or investigation
48 pursuant to this section shall be confidential and conducted in

1 closed session.

2 32. (New section) a. The provisions of this act shall not
3 preclude a person who is not certified from appraising real estate
4 for compensation provided that the person is licensed as a real
5 estate appraiser pursuant to the provisions of section 8 of this
6 act; except that a person shall not hold himself out as or use the
7 title "State Certified Real Estate Appraiser" or the abbreviation
8 "SCREA," or any other title, designation, words, letters,
9 abbreviations, or insignia indicating certification unless he holds
10 a current, valid certificate as a State certified real estate
11 appraiser pursuant to the provisions of this act.

12 A person who is not certified pursuant to the provisions of this
13 act shall not describe or refer to any appraisal or other
14 evaluation which he performs of real estate located in this State
15 as "a certified appraisal."

16 b. The commission shall not issue a certificate under the
17 provisions of this act to any corporation, partnership, firm or
18 other group practice and the title "State certified real estate
19 appraiser" shall only be used by an individual and shall not be
20 connected with any group practice in any manner that it might be
21 interpreted as referring to that practice or to anyone other than
22 the individual holder of the certificate.

23 33. (New section) All certificates issued by the commission
24 shall bear a certificate number. Each State certified real estate
25 appraiser shall place the certificate number adjacent to or
26 immediately below the designation "State Certified Residential
27 Real Estate Appraiser" or "State Certified General Real Estate
28 Appraiser" in any written appraisal report, contract or other
29 instrument used by the certificate holder in conducting real
30 property appraisal activities.

31 34. (New section) a. As a condition of certificate renewal, a
32 State certified real estate appraiser shall present evidence
33 satisfactory to the board of the successful completion of the
34 continuing education requirements which the commission, upon
35 the recommendation of the board, shall prescribe by regulation.
36 The continuing education requirement shall not be less than the
37 number of hours of continuing education which is prescribed by
38 the Appraisal Foundation as a national standard for certified real
39 estate appraisers. Continuing education shall include classroom
40 instruction in courses or seminars which have received prior
41 approval by the board.

42 b. Subject to the requirements of the Appraisal Foundation in
43 regard to continuing education, in lieu of the requirements of
44 subsection a. of this section, an applicant for certificate renewal
45 may satisfy all or part of the continuing education requirements
46 by presenting satisfactory evidence to the board of the
47 completion of courses of study determined by the board to be
48 equivalent to board approved courses; or of participation in

1 educational processes and programs in real property appraisal
2 theory, practices and techniques, including, but not limited to,
3 teaching, program development, preparation of textbooks,
4 monographs, articles, or other instructional materials.

5 35. (New section) The commission shall adopt upon the
6 recommendation of the board regulations in regard to continuing
7 education requirements to assure that applicants for certificate
8 renewal possess a current knowledge of real property appraisal
9 theories, practices, and techniques and provide a high degree of
10 service to the public. The regulations shall also provide for the
11 protection of the public and shall prescribe:

12 a. The procedures for obtaining prior board approval of courses
13 of instruction pursuant to subsection a. of section 34 of this act.
14 In adopting regulations the commission shall give favorable
15 consideration to courses of instruction, seminars and other
16 educational programs in real property appraisal developed by or
17 under the auspices of board approved professional appraisal
18 organizations for the purpose of the organizations' certification
19 or recertification of its members;

20 b. the standards to be applied by the board in evaluating the
21 equivalency of an applicant's courses or participation in
22 educational programs pursuant to subsection b. of section 34 of
23 this act; and

24 c. the standards, monitoring methods and systems for
25 recording course attendance to be employed by course sponsors as
26 a prerequisite for prior board approval of credit-bearing courses.

27 36. (New section) Changes in existing regulations by the
28 commission shall not deprive a State certified real estate
29 appraiser of credit toward certificate renewal for any previously
30 approved course of instruction completed by the applicant prior
31 to the amendment or repeal.

32 37. (New section) The board shall not recommend the
33 reinstatement of a certificate which the commission has revoked
34 as a result of a disciplinary proceeding, unless the applicant for
35 reinstatement presents satisfactory evidence of completion of
36 the continuing education requirement; except that, an applicant
37 for reinstatement who is required to complete the written
38 examination as a condition of reinstatement shall not be required
39 to comply with the provisions of this section.

40 38. (New section) The commission may, at its discretion,
41 refuse to renew the certificate of a State certified real estate
42 appraiser upon sufficient cause being shown. The commission
43 shall refuse to renew the certificate of an applicant who fails to
44 fulfill the continuing education requirements established by the
45 commission by rule.

46 39. (New section) Each licensed or State certified real estate
47 appraiser shall provide a designated business address to the
48 commission and shall notify the commission in writing of any

1 change in that address, whereupon the commission shall issue a
2 new license or certificate upon payment of a fee as prescribed by
3 the commission. Any change of a designated business address
4 without notification to the commission and the issuance of a new
5 license or certificate shall automatically cancel the license or
6 certificate previously issued.

7 A licensed or State certified real estate appraiser shall
8 conspicuously display his license or certificate at his designated
9 place of business.

10 40. (New section) Whenever, during the term of licensure or
11 certification, a licensed or State certified real estate appraiser is
12 convicted in a court of competent jurisdiction in the State of
13 New Jersey or any other state (including the federal courts) of
14 murder, kidnapping, aggravated assault, robbery, burglary, arson,
15 bribery, racketeering, distribution of a controlled dangerous
16 substance, perjury, forgery, extortion, any theft offense, criminal
17 conspiracy to defraud, or like offense or offenses, or any crime or
18 disorderly persons offense involving, related to or arising out of
19 activities as a licensed or State certified real estate appraiser or
20 is named as a defendant in any indictment, criminal information
21 or criminal accusation charging such offenses issued by any
22 county, state or federal grand jury or prosecutorial authority, the
23 licensed or State certified real estate appraiser shall immediately
24 advise the commission of being convicted or named and shall
25 supply the commission with such additional information with
26 regard to the conviction or pending charges as the commission
27 may request. The failure of a licensed or State certified real
28 estate appraiser to advise the commission shall be cause for the
29 commission to impose sanctions upon the appraiser after notice
30 and an opportunity to be heard pursuant to the provisions of
31 section 47 of this act.

32 41. (New section) In the event that a licensed or State
33 certified real estate appraiser is indicted in the State of New
34 Jersey or any other state (including the federal courts) for
35 murder, kidnapping, aggravated sexual assault, robbery, burglary,
36 arson, bribery, racketeering, distribution of a controlled
37 dangerous substance, perjury, forgery, any theft offense,
38 extortion, criminal conspiracy to defraud, or like offense or
39 offenses, or any crime involving, related to or arising out of the
40 person's activities as a real estate appraiser, and a certified copy
41 of the indictment or other proper evidence is filed with the
42 commission, the commission shall have the authority to suspend
43 the license or certificate issued to the real estate appraiser
44 pending trial upon the indictment.

45 42. (New section) In the event that a licensed or State
46 certified real estate appraiser is convicted of perjury, forgery,
47 any theft offense, extortion, criminal conspiracy to defraud, or
48 like offense or offenses, and a certified copy of the judgment of

1 conviction is filed with or obtained by the commission, the
2 commission shall revoke forthwith the license or certificate
3 issued to the convicted person. The commission may, in its
4 discretion, revoke a license or certificate previously issued to any
5 person who, during the term of the licensure or certification, has
6 been convicted of any crime or disorderly persons offense which
7 relates adversely to or arises out of the person's activities as a
8 real estate appraiser.

9 43. (New section) The commission may investigate the actions
10 of any licensed or State certified real estate appraiser or any
11 person who assumes, advertises or represents himself as being
12 authorized to act as a licensed or State certified real estate
13 appraiser or engages in any of the activities described in section
14 2 of this act without being licensed or certified to do so. The
15 lapse or suspension of a license or certificate by operation of law
16 or the voluntary surrender of a license or certificate by a person
17 shall not deprive the commission of jurisdiction to proceed with
18 any investigation as herein provided or prevent the commission
19 from taking any regulatory action against the person, provided
20 however, that the alleged charges arose while the person was duly
21 licensed or certified. Each transaction shall be construed as a
22 separate offense.

23 44. (New section) In the course of any investigation pursuant
24 to section 43 of this act, the commission may exercise any of the
25 following powers:

26 a. Require any person to file on a form as prescribed by the
27 commission a statement or report in writing under oath, or
28 otherwise, as to the facts and circumstances concerning the
29 conduct of the person or persons under investigation;

30 b. Examine under oath any person in connection with any act
31 or practice subject to this act or regulations promulgated by the
32 commission pursuant to this act;

33 c. Inspect any premises from which a licensed or State
34 certified real estate appraisal business is conducted;

35 d. Examine any property which was or is the subject of any
36 appraisal assignment;

37 e. Examine any record, book, document, account or paper
38 maintained by or for any licensed or State certified real estate
39 appraiser in the regular course of a real estate appraisal business;

40 f. Pursuant to an order of the Superior Court, impound any
41 record, book, document, account, paper, goods, ware or item used
42 or maintained by or for any licensed or State certified real estate
43 appraiser in the regular course of a real estate appraisal business
44 in order to preserve evidence of an unlawful act or practice. In
45 such cases as may be necessary, the Superior Court may, on
46 application of the Attorney General, issue an order sealing items
47 or material subject to this subsection.

48 45. (New section) In order to accomplish the objectives of this

1 act or regulations administered by the commission pursuant to
2 the provisions of this act, the commission may hold such
3 investigative hearings as may be necessary and may issue
4 subpoenas to compel the attendance of any person or the
5 production of books, records or papers at any hearing or inquiry.
6 If during an investigation, it appears that an unethical practice or
7 a potential violation of a rule promulgating a standard of
8 professional appraisal practice has occurred, the commission shall
9 refer the matter to the board. The board's review of an
10 investigation under this section shall be confidential and
11 conducted in closed session.

12 46. (New section) The commission may place on probation,
13 suspend for a period of less than the unexpired portion of the
14 term of licensure or certification, or may revoke any license or
15 certificate issued under the provisions of this act, or the right of
16 licensure or certification when the person is no longer the holder
17 of a license or certificate at the time of the hearing, or may
18 impose, in addition or as an alternative to probation, revocation
19 or suspension, a penalty of not more than \$5,000 for the first
20 violation and not more than \$10,000 for any subsequent violation,
21 which penalty shall be sued for and recovered by and in the name
22 of the commission and shall be collected and enforced by
23 summary proceedings pursuant to the "penalty enforcement law,"
24 N.J.S.2A:58-1 et seq., when the licensed or State certified real
25 estate appraiser, or any person in performing or attempting to
26 perform any of the acts mentioned herein, is deemed guilty of:

27 a. Making a material misrepresentation or omission in any
28 document submitted to the commission or obtaining or
29 attempting to obtain a license or certificate through fraud or by
30 the offer or payment of consideration to any person other than
31 payment to the commission of the fees authorized under this act;

32 b. Accepting an assignment to appraise a property where the
33 employment or fee is contingent upon reporting a predetermined
34 or specified value, or is otherwise contingent upon a particular
35 finding to be reported, or accepting an assignment with the
36 expectation of receiving a fee or compensation which is
37 contingent on an amount of award, recovery or sale price which
38 would be affected by the appraisal value;

39 c. Performing any act in the practice of real estate appraising
40 which constitutes dishonest, fraudulent or unethical conduct;

41 d. Signing or permitting his signature to be affixed to any
42 appraisal report which was not prepared by the signer or by a
43 licensed or State certified real estate appraiser under the
44 signer's direct supervision;

45 e. Knowingly and willfully making a false or misleading
46 statement or omission in an appraisal report or in testimony in a
47 judicial proceeding;

48 f. Failing to comply with the minimum requirements for an

- 1 appraisal as provided by regulation;
- 2 g. Making a substantial misrepresentation or false promise in
3 the promotion of the licensed or State certified real estate
4 appraiser's real estate appraisal services including a
5 misrepresentation or false promise in advertisements, through
6 agents or otherwise;
- 7 h. Using a plan, scheme or method which involves a lottery,
8 contest, prize, drawing, or the offering of free or discount goods,
9 services or real property for the purposes of promoting the
10 licensed or certified real estate appraiser's business;
- 11 i. Receiving or paying a finder's or referral fee from or to any
12 person including real estate brokers and salespersons;
- 13 j. Disclosing confidential information acquired in the course of
14 an appraisal assignment or disclosing any portion of an appraisal
15 report that contains analyses, opinions or conclusions concerning
16 the real property which is the subject of the appraisal assignment
17 to anyone other than the client and any other person prescribed
18 by regulation;
- 19 k. Receiving professional assistance other than through a
20 normal data research procedure, in arriving at the analyses,
21 opinions or conclusions contained in an appraisal report signed by
22 the licensed or State certified real estate appraiser without
23 disclosing this assistance in the report;
- 24 l. Rendering real estate appraisal services when the licensed
25 or State certified real estate appraiser knew, or when a
26 reasonable real estate appraiser with the same experience would
27 have concluded, that his professional experience with respect to
28 the subject matter of the assignment was not sufficient to permit
29 the satisfactory completion of the assignment, unless the
30 appraiser has fully complied with the rules and regulations
31 promulgated by the commission pursuant to this section;
- 32 m. Engaging in negligent or incompetent conduct in the course
33 of any real estate appraisal assignment or business or in any other
34 conduct which constitutes fraud or dishonest dealing; or
- 35 n. Violating any provision of this act or any rule or regulation
36 promulgated by the commission pursuant to this act, or failing to
37 comply with a subpoena or order issued by the commission
38 pursuant to this act;
- 39 47. (New section) The commission shall, before suspending or
40 revoking any license or certificate, notify the licensed or State
41 certified real estate appraiser in writing at least 10 days prior to
42 the date set for the hearing and afford the real estate appraiser
43 an opportunity to be heard in person or by counsel. The written
44 notice may be served either personally or sent by certified mail
45 to the last designated business address of the licensed or State
46 certified real estate appraiser. The commission shall have the
47 power to bring before it by subpoena served in person or by
48 certified mail any licensed or State certified real estate

1 appraiser or any person in this State, and the power to take
2 depositions in the same manner as prescribed by rule in judicial
3 proceedings in the courts of this State. Any final decision or
4 determination by the commission shall be reviewable by the
5 Appellate Division of the Superior Court.

6 48. (New section) a. To be eligible for licensure or
7 certification an applicant shall be at least 18 years of age, shall
8 possess a high school diploma or its equivalent and shall furnish
9 evidence of good moral character. The commission may make
10 such investigation and require such proof as it deems proper and
11 in the public interest as to the honesty, trustworthiness,
12 character and integrity of the applicant. Subject to the
13 provisions of P.L.1968, c.282 (C.2A:168A-1 et seq.), the
14 commission shall deny licensure or certification to any applicant
15 who, within five years of making application, has been convicted
16 of any of the offenses enumerated in this act in a court of
17 competent jurisdiction in the State of New Jersey or any other
18 state (including federal courts).

19 b. Any license or certificate issued by the commission shall
20 remain the property of the State and upon its suspension or
21 revocation pursuant to this act shall be immediately returned to
22 the commission. The issuance of a license or certificate to an
23 applicant who is a nonresident of this State shall be deemed to be
24 his irrevocable consent that service of process in any action or
25 proceeding may be made upon him by service upon the secretary
26 of the commission.

27 49. (New section) No person, firm, partnership, association or
28 corporation shall bring or maintain any action in the courts of
29 this State for the collection of compensation for the performance
30 of any of the acts mentioned in section 2 of this act without
31 alleging and proving that the real estate appraiser was duly
32 licensed or certified at the time of the alleged cause of action.

33 50. (New section) There is created in the Department of
34 Insurance, under the New Jersey Real Estate Commission, a State
35 Real Estate Appraiser Board. The board shall consist of seven
36 members who are residents of the State who, except for the
37 members first appointed, shall meet the qualifications for
38 certification as a State certified real estate appraiser. Three
39 members shall be certified as State certified residential real
40 estate appraisers and four members shall be certified as State
41 certified general real estate appraisers. No member of the
42 commission shall be appointed as a member of the board.

43 The initial members of the board shall hold a real estate
44 appraisal designation from an organization recognized by the
45 Appraisal Foundation. In appointing the initial members of the
46 board, the Governor shall not appoint more than three members
47 of any one real estate appraisal organization.

48 51. (New section) The Governor shall appoint each member

1 for a term of three years, except that of the members first
2 appointed, two shall serve for terms of three years, two shall
3 serve for terms of two years and three shall serve for terms of
4 one year. Any vacancy in the membership of the board shall be
5 filled for the unexpired term in the manner provided by the
6 original appointment.

7 52. (New section) Members of the board shall be compensated
8 on a per diem basis in the amount of \$25 or an amount as
9 determined by the Commissioner of Insurance, with the approval
10 of the State Treasurer, but not to exceed \$100 per diem or \$2,500
11 annually, and shall be reimbursed for actual expenses reasonably
12 incurred in the performance of their official duties. The moneys
13 shall be paid according to rules and regulations promulgated by
14 the Commissioner of Insurance.

15 53. (New section) The Governor shall appoint an administrator
16 to the board to serve at his pleasure. The administrator shall
17 receive a salary as determined by the Governor within the limits
18 of available appropriations. The administrator shall keep a
19 record of all the proceedings and official acts of the board and
20 perform such other duties as the board may require under this act.

21 54. (New section) The board shall annually elect from among
22 its members a chairperson, a vice-chairperson and a secretary.
23 The board shall meet four times per year and may hold additional
24 meetings as necessary to discharge its duties.

25 55. (New section) The board shall have the following powers
26 and duties:

- 27 a. To review the qualifications of applicants for certification;
28 b. To make recommendations to the commission in regard to
29 establishing the experience or equivalent experience, educational
30 and other requirements for certification as a State certified
31 residential real estate appraiser or a State certified general real
32 estate appraiser;
33 c. To make recommendations to the commission in regard to
34 the issuance and renewal of certificates for State certified real
35 estate appraiser pursuant to the provisions of this act;
36 d. To make recommendations to the commission in regard to
37 the establishment of continuing education requirements for State
38 certified real estate appraisers;
39 e. To file exceptions with the commission to the initial
40 decision of an administrative law judge in any contested case in
41 which a licensed or State certified real estate appraiser is
42 charged with a violation of this act or any rule adopted by the
43 commission pursuant to this act or to file exceptions with the
44 commission in any case in which the board's refusal to
45 recommend that an applicant be certified as a State certified
46 real estate appraiser has been appealed;
47 f. To make recommendations to the commission in regard to
48 the proper interpretation or explanation of the standards of

1 professional appraisal practice;

2 g. To review matters of licensure or certification as requested
3 by the commission and to make recommendations to the
4 commission in regard to the suspension or revocation of the
5 certificate of a State certified real estate appraiser;

6 h. To maintain a record of every real estate appraiser
7 certified in this State, their places of business and the date and
8 number of their certificate;

9 i. To make recommendations to the commission in regard to
10 the establishment of standards for the development and
11 communication of real estate appraisals by a licensed or State
12 certified real estate appraiser for an appraisal of real estate
13 located in this State;

14 j. To make recommendations to the commission in regard to
15 the establishment and revision of the standards of professional
16 appraisal practice for licensed or State certified real estate
17 appraisers which shall be equal to or exceed the Uniform
18 Standards of Professional Appraisal Practice promulgated by the
19 Appraisal Standards Board of the Appraisal Foundation;

20 k. To make recommendations to the commission in regard to
21 rules and regulations necessary to effectuate the purposes of this
22 act;

23 l. To perform any other functions and duties which may be
24 necessary to carry out the provisions of this act.

25 56. (New section) The commission with the recommendation
26 of the board may, by regulation, establish criteria for the
27 approval of real estate appraisal education courses, schools and
28 instructors and may collect reasonable fees as prescribed by the
29 commission from applicants for approval.

30 57. (New section) The Commissioner of Insurance shall
31 provide the commission and the board with such personnel, office
32 space, furnishings, equipment and supplies as he deems necessary
33 after consultation with the commission and the board for the
34 proper discharge of the duties imposed by the provisions of this
35 act. The commissioner shall prescribe the duties of persons thus
36 assigned to the commission and the board and shall fix their
37 compensation within the limits of available appropriation.

38 58. (New section) In the event that the government of the
39 United States enacts legislation or rules requiring states to
40 collect fees from appraisers licensed or certified by those states
41 and to remit the monies to a federal agency, the commission is
42 authorized to impose and collect the fees and may adopt rules
43 requiring the payment of the fees by all appraisers licensed or
44 certified pursuant to the provisions of this act.

45 59. R.S.45:15-5 is amended to read as follows:

46 45:15-5. a. The New Jersey Real Estate Commission,
47 hereinafter in this article designated as the "commission,"
48 created and established by an act entitled "An act to define,

1 regulate and license real estate brokers and salesmen, to create a
2 State real estate commission and to provide penalties for the
3 violation of the provisions hereof," approved April 5, 1921
4 (P.L.1921, c.141, p.370), as amended by an act approved April 23,
5 1929 (P.L.1929, c.168, p.310), is continued. The commission shall
6 constitute the division of the New Jersey Real Estate
7 Commission in the Department of Insurance. The commission
8 shall consist of [seven] nine members, appointed by the Governor
9 pursuant to the provisions of P.L.1971, c.60 [(C.45:1-1 et seq.)]
10 (C.45:1-2.1 et seq.), each of whom shall have been a resident of
11 this State for a period of at least 10 years [five]. Three members
12 shall have been real estate brokers for a period of at least 10
13 years and three members shall have been State certified real
14 estate appraisers for a period of at least five years. Two of the
15 State certified real estate appraiser members shall also have
16 been real estate brokers for a period of at least 10 years; [one
17 member] two members shall be [a] public [member,] members;
18 and one member shall be a representative of an appropriate
19 department. The department representative shall serve at the
20 pleasure of the Governor. Upon the expiration of the term of
21 office of any other member, his successor shall be appointed by
22 the Governor for a term of 3 years. A majority of the voting
23 members of the commission shall constitute a quorum thereof.
24 Each member shall hold his office until his successor has
25 qualified. Members to fill vacancies shall be appointed by the
26 Governor for the unexpired term. The Governor may remove any
27 commissioner for cause, upon notice and opportunity to be heard.

28 b. During the six years immediately following the enactment
29 of P.L. , c. (C.) (now pending before the Legislature as
30 this bill) the qualifications for the appointment of the three State
31 certified real estate appraiser members of the commission as set
32 forth in subsection a. of R.S.45:15-5 may be waived and any real
33 estate appraiser who has been a resident of this State for 10
34 years and currently holds a designation or certification from an
35 association recognized by the Appraisal Foundation as defined in
36 section 2 of P.L. , c. (C.) (now pending before the
37 Legislature as this bill) may be appointed to the commission
38 provided that at all times two of the State certified real estate
39 appraiser members of the commission shall have also been
40 licensed as real estate brokers for a period of at least 10 years.
41 (cf. P.L.1977, c.331, s.1)

42 60. There is appropriated \$300,000 from the General Fund to
43 the Department of Insurance to fund the implementation of this
44 act in Fiscal Year 1990 and \$500,000 from the General Fund to
45 the Department of Insurance to fund the implementation of this
46 action Fiscal Year 1991.

47 61. This act shall take effect on April 1, 1991 except that
48 sections 3, 15, 16, 18, 19, 32, 33, 34, 37, 38, and 49 shall take

1 effect on December 1, 1991 and sections 1, 2, 4, 5, 6, 7, 35, 36,
2 50, 51, 52, 53, 54, 55, 56, 57, 58, 59 and 60 shall take effect
3 immediately.

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STATEMENT

7

8 This bill provides for the mandatory licensing and voluntary
9 certification of real estate appraisers by the New Jersey Real
10 Estate Commission.

11 Under the bill's provisions, no person shall undertake, prepare
12 or complete an appraisal assignment within the State unless he
13 holds a valid license or certificate issued by the New Jersey Real
14 Estate Commission. To be eligible for licensure as a real estate
15 appraiser, an applicant shall:

16 a. Be at least 18 years of age;

17 b. Be of good moral character;

18 c. Have a high school diploma or its equivalent;

19 d. Have successfully completed a course of study in real estate
20 appraising of at least 21 classroom hours conducted by an
21 approved education provider, which shall include seven hours on
22 the standards of professional practice; and

23 e. Successfully complete a real estate appraiser licensing
24 exam administered by the commission.

25 The bill provides for the licensing without examination of a
26 real estate appraiser who makes application to the commission
27 within two years of the bill's effective date and who holds a
28 designation or certification from a real estate appraiser
29 organization whose requirements for the designation are
30 equivalent to the educational requirements for licensure, or who
31 presents satisfactory evidence of the successful completion of
32 the equivalent number of classroom hours of real estate
33 education conducted by an approved education provider. The bill
34 also provides for the licensing without examination of a real
35 estate appraiser who holds an appraisal certification granted by
36 another state or any federal agency based upon the fulfillment of
37 the standards for certification established by the Appraisal
38 Foundation, or who holds a license or certification issued by
39 another state which has educational and experience requirements
40 substantially similar to this State provided that the other state
41 offers similar reciprocity to real estate appraisers licensed by
42 New Jersey. The bill also provides for the issuance of a
43 temporary real estate appraiser license to a licensed real estate
44 broker or tax assessor who makes application to the commission
45 within one year of the act's effective date. If during the term of
46 the temporary license the individual completes the education
47 requirements for licensure, he shall be issued a regular license
48 without examination.

1 The bill also authorizes the New Jersey Real Estate
2 Commission to conduct a program of voluntary certification for
3 real estate appraisers. Only a person who is certified pursuant to
4 the substitute's provisions may use the title "State Certified
5 Real Estate Appraiser" or refer to any appraisal which he
6 performs as "a certified appraisal.

7 Under the bill's provisions, the commission may certify an
8 applicant as either a State certified general real estate appraiser
9 who is authorized to appraise all types of real property, or a
10 State certified residential real estate appraiser who is authorized
11 to appraise residential real estate of one to four units, and up to
12 12 units when a net income capitalization analysis is not required
13 by the terms of the appraisal assignment. To be eligible for
14 examination as a State certified real estate appraiser an
15 applicant shall present evidence satisfactory to the commission
16 that he has successfully completed the number of hours of
17 education from an approved education provider required for
18 certification as a certified appraiser as prescribed by the
19 Appraisal Foundation. The applicant shall also present
20 satisfactory evidence that he fulfills the experience requirements
21 for certification as prescribed by the commission which
22 requirements shall not be less than those prescribed by the
23 Appraisal Foundation. The bill provides for the certification
24 without examination of a real estate appraiser who holds a valid
25 certificate or license issued by another state which has
26 educational and experience requirements substantially similar for
27 certification in this State provided that the other state offers
28 similar reciprocity to New Jersey State certified real estate
29 appraisers.

30 The bill also establishes a State Real Estate Appraisal Board in
31 the Department of Insurance under the New Jersey Real Estate
32 Commission composed of seven State certified real estate
33 appraisers to advise the commission concerning matters of
34 certification. The commission shall not certify a person as a
35 State certified real estate appraiser without the recommendation
36 of the board unless it conducts a hearing at which the applicant
37 proves his eligibility for the issuance or renewal of a certificate

38 The bill also increases the membership of the New Jersey Real
39 Estate Commission to nine members and requires that three of
40 those members hold certificates as State certified real estate
41 appraisers.

42 The bill also deals with the issues of continuing education, the
43 renewal of licensure or certification, and the suspension or
44 revocation of licensure or certification or the imposition of
45 alternative disciplinary sanctions.

46

47

REGULATED PROFESSIONS

48

49 Provides for the mandatory licensing and voluntary certification
50 of real estate appraisers by the New Jersey Real Estate
51 Commission; appropriates \$300,000.