

Senate Bill No. 1196¹
As Relevant to Bureau of Real Estate Appraisers

CHAPTER 800

An act to amend Sections 11301, 11320, 11328, and 11340 of the Business and Professions Code,
relating to professions and vocations.

[Approved by Governor September 29, 2016. Filed with Secretary of State September 29, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1196, Hill. Professions and vocations: Bureau of Real Estate, Bureau of Real Estate Appraisers, and Bureau of Security and Investigative Services.

Existing law, the Real Estate Appraisers' Licensing and Certification Law, provides for the licensure, certification, and regulation of real estate appraisers and appraisal management companies by the Bureau of Real Estate Appraisers within the Department of Consumer Affairs, which is headed by the Chief of the Bureau of Real Estate Appraisers. That law requires the chief to adopt regulations governing the process and the procedure of applying for a real estate appraiser's license and requires these regulations to include, among others, necessary experience or education and the submittal of an applicant's social security number. To substantiate appraisal experience or to facilitate investigations, existing law requires licensees, applicants, and persons acting in a capacity that requires a license to submit copies of appraisals or any other work product, as specified, and all supporting documentation.

A willful violation of these laws is a crime.

This bill would subject the Bureau of Real Estate and the Bureau of Real Estate Appraisers to review by the appropriate policy committees of the Legislature, as specified. The bill would further authorize the Real Estate Commissioner to suspend the license of a real estate license upon the entry of a guilty plea by the licensee to any of the crimes described above. The bill would require the rescission of the suspension if the plea is withdrawn. The bill would further require the Chief of the Bureau of Real Estate Appraisers to require, as part of the educational requirements for applicants for licensure, the completion of a course on state and federal laws regulating the appraisal profession, as specified, and would additionally authorize the submittal of an applicant's individual taxpayer identification number. The bill would additionally require those licensees, applicants, and persons acting in a capacity that requires a license to submit copies of engagement letters. Because the willful failure to submit those engagement letters would be a crime, the bill would impose a state-mandated local program.

¹ This Bill involved amending various sections of the Business and Professions Code not relevant to the Bureau of Real Estate Appraisers. Those irrelevant sections have been removed from this document for the ease of the reader. The full version of this Bill can be found at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1196.

BILL TEXT

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SEC. 78.

Section 11301 of the Business and Professions Code is amended to read:

11301.

(a) (1) There is hereby created within the Department of Consumer Affairs a Bureau of Real Estate Appraisers to administer and enforce this part.

(2) Notwithstanding any other law, the powers and duties of the bureau, as set forth in this part, shall be subject to review by the appropriate policy committees of the Legislature. The review shall be performed as if this part were scheduled to be repealed as of January 1, 2021.

(b) Whenever the term "Office of Real Estate Appraisers" appears in any other law, it means the "Bureau of Real Estate Appraisers."

SEC. 79.

Section 11320 of the Business and Professions Code is amended to read:

11320.

No person shall engage in federally related real estate appraisal activity governed by this part or assume or use the title of or any title designation or abbreviation as a licensed appraiser in this state without an active license as defined in Section 11302. Any person who willfully violates this provision is guilty of a public offense punishable by imprisonment pursuant to subdivision (h) of Section 1170 of the Penal Code, or in a county jail for not more than one year, or by a fine not exceeding ten thousand dollars (\$10,000), or by both the imprisonment and fine. The possession of a license issued pursuant to this part does not preempt the application of other statutes including the requirement for specialized training or licensure pursuant to Article 3 (commencing with Section 750) of Chapter 2.5 of Division 1 of the Public Resources Code.

SEC. 80.

Section 11328 of the Business and Professions Code is amended to read:

11328.

To substantiate documentation of appraisal experience, or to facilitate the investigation of illegal or unethical activities by a licensee, applicant, or other person acting in a capacity that requires a license, that licensee, applicant, or person shall, upon the request of the director, submit copies of the engagement letters, appraisals, or any work product which is addressed by the Uniform Standards of Professional Appraisal Practice, and all supporting documentation and data to the office. This material shall be confidential in accordance with the confidentiality provisions of the Uniform Standards of Professional Appraisal Practice.

SEC. 81.

Section 11340 of the Business and Professions Code is amended to read:

11340.

The director shall adopt regulations governing the process and the procedure of applying for a license which shall include, but not be limited to, necessary experience or education, equivalency, and minimum requirements of the Appraisal Foundation, if any.

(a) For purposes of the educational background requirements established under this section, the director shall do both of the following:

(1) Grant credits for any courses taken on real estate appraisal ethics or practices pursuant to Section 10153.2, or which are deemed by the director to meet standards established pursuant to this part and federal law.

(2) Require the completion of a course on state and federal laws regulating the appraisal profession, as approved by the bureau every two years. The course shall include an examination that requires an applicant to demonstrate the applicant's knowledge of those laws.

(b) For the purpose of implementing and applying this section, the director shall prescribe by regulation “equivalent courses” and “equivalent experience.” The experience of employees of an assessor’s office or of the State Board of Equalization in setting forth opinions of value of real property for tax purposes shall be deemed equivalent to experience in federally related real estate appraisal activity. Notwithstanding any other law, a holder of a valid real estate broker license shall be deemed to have completed appraisal license application experience requirements upon proof that he or she has accumulated 1,000 hours of experience in the valuation of real property.

(c) The director shall adopt regulations for licensure which shall meet, at a minimum, the requirements and standards established by the Appraisal Foundation and the federal financial institutions regulatory agencies acting pursuant to Section 1112 of the Financial Institutions Reform Recovery and Enforcement Act of 1989 (FIRREA) (Public Law 101-73). The director shall, by regulation, require the application for a real estate appraiser license to include the applicant’s social security number or individual taxpayer identification number.

(d) In evaluating the experience of any applicant for a license, regardless of the number of hours required of that applicant, the director shall apply the same standards to the experience of all applicants.

(e) No license shall be issued to an applicant who is less than 18 years of age.