

CHAPTER 315

PROFESSIONS AND OCCUPATIONS

HOUSE BILL 22-1261

BY REPRESENTATIVE(S) Roberts and Ricks, Snyder, Jodeh, Lindsay, McLachlan;
also SENATOR(S) Hansen and Priola.

AN ACT

CONCERNING THE CONTINUATION OF THE BOARD OF REAL ESTATE APPRAISERS, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS CONTAINED IN THE 2021 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES REGARDING THE BOARD OF REAL ESTATE APPRAISERS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 24-34-104, **repeal** (23)(a)(VI); and **add** (32)(a)(VIII) as follows:

24-34-104. General assembly review of regulatory agencies and functions for repeal, continuation, or reestablishment - legislative declaration - repeal. (23) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2022:

(VI) ~~The board of real estate appraisers created in part 6 of article 10 of title 12;~~

(32) (a) The following agencies, functions, or both, are scheduled for repeal on September 1, 2031:

(VIII) THE BOARD OF REAL ESTATE APPRAISERS CREATED IN PART 6 OF ARTICLE 10 OF TITLE 12.

SECTION 2. In Colorado Revised Statutes, 12-10-603, **amend** (6) as follows:

12-10-603. Board of real estate appraisers - creation - compensation - immunity - legislative declaration - subject to review - repeal of part. (6) This part 6 is repealed, effective September 1, 2022 2031. Before the repeal, this part 6 is scheduled for review in accordance with section 24-34-104.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

SECTION 3. In Colorado Revised Statutes, 12-10-602, **add** (5.5) and (10) as follows:

12-10-602. Definitions. As used in this part 6, unless the context otherwise requires:

(5.5) "EVALUATION" MEANS AN OPINION ABOUT THE MARKET VALUE OF REAL ESTATE THAT IS:

(a) MADE IN ACCORDANCE WITH THE 2010 "INTERAGENCY APPRAISAL AND EVALUATION GUIDELINES" DEVELOPED BY THE FOLLOWING FEDERAL AGENCIES THAT REGULATE FINANCIAL INSTITUTIONS:

- (I) THE FEDERAL RESERVE BOARD;
- (II) THE OFFICE OF THE COMPTROLLER OF THE CURRENCY;
- (III) THE FEDERAL DEPOSIT INSURANCE CORPORATION;
- (IV) THE OFFICE OF THRIFT SUPERVISION; AND
- (V) THE NATIONAL CREDIT UNION ADMINISTRATION; AND

(b) PROVIDED TO A FINANCIAL INSTITUTION FOR USE IN A REAL-ESTATE-RELATED TRANSACTION FOR WHICH AN APPRAISAL IS NOT REQUIRED BY THE FEDERAL AGENCIES LISTED IN SUBSECTION (5.5)(a) OF THIS SECTION.

(10) "UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE" MEANS THE STANDARDS FOR THE APPRAISAL PROFESSION IN THE UNITED STATES, AS ADOPTED BY CONGRESS IN 1989 THROUGH THE FEDERAL "FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989", PUB.L. 101-73, AS AMENDED, AND THAT THE APPRAISAL FOUNDATION PERIODICALLY UPDATES.

SECTION 4. In Colorado Revised Statutes, 12-10-604, **amend** (1)(a)(IV) as follows:

12-10-604. Powers and duties of the board - rules. (1) In addition to all other powers and duties imposed upon it by law, the board has the following powers and duties:

(a) (IV) In any list or registry it maintains, the board shall identify or separately account for any appraisal management company that oversees a panel of more than fifteen certified or licensed appraisers in Colorado, or ~~more than~~ twenty-five OR MORE CERTIFIED OR LICENSED APPRAISERS in all states in which it does business, within a given year.

SECTION 5. In Colorado Revised Statutes, 12-10-606, **amend** (5); and **add** (7) as follows:

12-10-606. Qualifications for licensing and certification of appraisers -

continuing education - definitions - rules - evaluations. (5) The board shall not issue an appraiser's license as referenced in subsection (1)(b)(IV) of this section unless the applicant has ~~at least twelve months'~~ MET THE MINIMUM appraisal experience REQUIREMENT ESTABLISHED BY THE APPRAISER QUALIFICATIONS BOARD OF THE APPRAISAL FOUNDATION OR ITS SUCCESSOR ORGANIZATION.

(7) (a) THE BOARD SHALL, BY RULE, AUTHORIZE AN EXEMPTION FROM COMPLIANCE WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE FOR A LICENSED APPRAISER PERFORMING AN EVALUATION; EXCEPT THAT THE BOARD'S RULES MUST NOT EXEMPT A LICENSED APPRAISER PERFORMING AN EVALUATION FROM COMPLYING WITH THE ETHICS, RECORD-KEEPING, COMPETENCY, AND SCOPE-OF-WORK STANDARDS OF THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE.

(b) A LICENSED APPRAISER MAY PERFORM AN EVALUATION IF CONDUCTED IN ACCORDANCE WITH BOARD RULES PROMULGATED UNDER SUBSECTION (7)(a) OF THIS SECTION.

SECTION 6. In Colorado Revised Statutes, 12-10-607, **amend** (9) as follows:

12-10-607. Appraisal management companies - application for license - exemptions. (9) Financial institutions and appraisal management company subsidiaries that are owned and controlled by ~~the financial institution and regulated by a federal financial institution regulatory agency~~ AN INSURED DEPOSITORY INSTITUTION, AS DEFINED IN 12 U.S.C. SEC. 1813 (c)(2), AS AMENDED, AND REGULATED BY THE FEDERAL OFFICE OF THE COMPTROLLER OF THE CURRENCY, THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM, OR THE FEDERAL DEPOSIT INSURANCE CORPORATION are not required to register with or be licensed by the board. This exemption includes a panel of appraisers who are engaged to provide appraisal services and are administered by a financial institution regulated by ~~a~~ ONE OF THE federal financial regulatory ~~agency~~ AGENCIES LISTED IN THIS SUBSECTION (9).

SECTION 7. In Colorado Revised Statutes, 12-10-610, **amend** (3)(a) as follows:

12-10-610. Expiration of licenses - renewal - penalties - fees - rules. (3) (a) If the applicant has complied with this section and any applicable rules of the board regarding renewal, except for the continuing education requirements pursuant to section 12-10-606, the licensee may renew the license on inactive status. An inactive license may be activated if the licensee submits written certification of compliance with ~~section 12-10-606 for the previous licensing period~~ THE REQUIRED NUMBER OF CONTINUING EDUCATION HOURS AS DETERMINED BY THE APPRAISER QUALIFICATIONS BOARD OF THE APPRAISAL FOUNDATION OR ITS SUCCESSOR ORGANIZATION. The board may adopt rules establishing procedures to facilitate reactivation of licenses.

SECTION 8. In Colorado Revised Statutes, 12-10-613, **amend** (3) and (7) as follows:

12-10-613. Prohibited activities - grounds for disciplinary actions - procedures. (3) When a complaint or an investigation discloses an instance of misconduct by a licensed or certified appraiser that, in the opinion of the board, does

not warrant formal action by the board but should not be dismissed as being without merit, the board may send a letter of admonition ~~by certified mail~~ to the appraiser against whom a complaint was made. The letter ~~shall~~ MUST advise the appraiser of the right to make a written request, within twenty days after receipt of the letter of admonition, to the board to begin formal disciplinary proceedings as provided in this section to adjudicate the conduct or acts on which the letter was based.

(7) In addition to any other discipline imposed pursuant to this section, ~~any~~ A person who violates this part 6 or the rules promulgated pursuant to this article 10 may be penalized by the board, upon a finding of a violation MADE pursuant to article 4 of title 24, as follows:

~~(a) In the first administrative proceeding against a person~~ BY IMPOSITION OF a fine of ~~not less than three hundred dollars but not more than five hundred~~ ONE THOUSAND dollars per violation.

~~(b) In any subsequent administrative proceeding against a person for transactions occurring after a final agency action determining that a violation of this part 6 has occurred, a fine of not less than one thousand dollars but not more than two thousand dollars.~~

SECTION 9. In Colorado Revised Statutes, 12-10-614, **amend** (2) as follows:

12-10-614. Appraisal management companies - prohibited activities - grounds for disciplinary actions - procedures - rules. (2) When a complaint or an investigation discloses an instance of misconduct that, in the opinion of the board, does not warrant formal action by the board but should not be dismissed as being without merit, the board may send a letter of admonition ~~by certified mail, return receipt requested,~~ to the licensee against whom the complaint was made. The letter ~~shall~~ MUST advise the licensee of the right to make a written request, within twenty days after receipt of the letter of admonition, to the board to begin formal disciplinary proceedings as provided in this section to adjudicate the conduct or acts on which the letter was based.

SECTION 10. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 2, 2022