

CHAPTER 392

PROFESSIONS AND OCCUPATIONS

SENATE BILL 13-155

BY SENATOR(S) Baumgardner,
also REPRESENTATIVE(S) Ryden, Fields, Labuda, Vigil, Williams, Kraft-Tharp, Schafer.

AN ACT

CONCERNING THE CONTINUATION OF THE BOARD OF REAL ESTATE APPRAISERS, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS OF THE 2012 SUNSET REPORT BY THE DEPARTMENT OF REGULATORY AGENCIES.

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

SECTION 1. In Colorado Revised Statutes, 24-34-104, **amend** (44) introductory portion and (53.5) introductory portion; **repeal** (44) (b); and **add** (53.5) (f) as follows:

24-34-104. General assembly review of regulatory agencies and functions for termination, continuation, or reestablishment. (44) The following agencies, functions, or both, ~~shall~~ terminate on July 1, 2013:

(b) ~~The board of real estate appraisers, created by article 61 of title 12, C.R.S.;~~

(53.5) The following agencies, functions, or both, ~~shall~~ terminate on September 1, 2022:

(f) THE BOARD OF REAL ESTATE APPRAISERS, CREATED BY ARTICLE 61 OF TITLE 12, C.R.S.

SECTION 2. In Colorado Revised Statutes, **amend as it will become effective July 1, 2013**, 12-61-701 as follows:

12-61-701. Legislative declaration. The general assembly finds, determines, and declares that sections 12-61-702 to 12-61-718 are enacted pursuant to the requirements of the "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989",

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

as amended. The general assembly further finds, determines, and declares that sections 12-61-702 to 12-61-718 are intended to implement the requirements of federal law in the least burdensome manner to real estate appraisers and appraisal management companies. LICENSED AD VALOREM APPRAISERS LICENSED UNDER THIS ARTICLE ARE NOT REGULATED BY THE FEDERAL "REAL ESTATE APPRAISAL REFORM AMENDMENTS", TITLE XI OF THE FEDERAL "FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989", AS AMENDED, 12 U.S.C. SECS. 3331 TO 3351.

SECTION 3. In Colorado Revised Statutes, 12-61-702, **amend as it will become effective July 1, 2013**, (1) as follows:

12-61-702. Definitions. As used in this part 7, unless the context otherwise requires:

(1) "Appraisal", "appraisal report", or "real estate appraisal" means a written or oral analysis, opinion, or conclusion relating to the nature, quality, value, or utility of specified interests in, or aspects of, identified real estate that is transmitted to the client upon the completion of an assignment. These terms include a valuation, which is an opinion of the value of real estate, and an analysis, which is a general study of real estate not specifically performed only to determine value; except that the terms include a valuation completed by an appraiser employee of a county assessor as defined in section 39-1-102 (2), C.R.S. The terms do not include an analysis, valuation, opinion, conclusion, notation, or compilation of data by an officer, director, or regular salaried employee of a financial institution or its affiliate, made for internal use only by the financial institution or affiliate, concerning an interest in real estate that is owned or held as collateral by the financial institution or affiliate and that is not represented or deemed to be an appraisal except to the financial institution, the agencies regulating the financial institution, and any secondary markets that purchase real estate secured loans. An appraisal prepared by an officer, director, or regular salaried employee of a financial institution who is not ~~registered~~, licensed or certified under this part 7 shall contain a written notice that the preparer is not ~~registered~~, licensed or certified as an appraiser under this part 7.

SECTION 4. In Colorado Revised Statutes, 12-61-704, **amend** (1) (a), (1) (b), and (1) (e) as follows:

12-61-704. 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) To promulgate and amend, as necessary, rules ~~and regulations~~ pursuant to article 4 of title 24, C.R.S., for the implementation and administration of this part 7 and as required to comply with the federal "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989", and with any requirements imposed by amendments to such federal law. The board shall not establish any requirements that are more stringent than the requirements of any applicable federal law. LICENSED AD VALOREM APPRAISERS ARE NOT REGULATED BY THE FEDERAL "REAL ESTATE APPRAISAL REFORM AMENDMENTS", TITLE XI OF THE FEDERAL "FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989". THE BOARD

SHALL ADOPT RULES REGARDING MINIMUM QUALIFICATIONS AND STANDARDS OF PRACTICE FOR LICENSED AD VALOREM APPRAISERS.

(b) To charge application, examination, and ~~registration~~, license and certificate renewal fees established pursuant to section 12-61-111.5 from all applicants for ~~registration~~, licensure, certification, examination, and renewal under this part 7. No fees received from applicants seeking ~~registration~~, licensure, certification, examination, or renewal shall be refunded.

(e) To issue, deny, or refuse to renew a ~~registration~~, license or certificate pursuant to this part 7;

SECTION 5. In Colorado Revised Statutes, 12-61-706, **amend** (1) (b) introductory portion, (1) (b) (III), (1) (b) (IV), (3), (5), and (9); **amend as they will become effective July 1, 2013**, (1) (a), (2), and (10); and **add** (1) (c) and (1) (d) as follows:

12-61-706. Qualifications for licensing and certification of appraisers - continuing education - rules. (1) (a) The board shall, by rule, prescribe requirements for the initial ~~registration~~, licensing or certification of persons under this part 7 to meet the requirements of the "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989", as amended, and shall develop, purchase, or contract for examinations to be passed by applicants. The board shall not establish any requirements for initial ~~registration~~, licensing or certification that are more stringent than the requirements of any applicable federal law; except that all applicants shall pass an examination offered by the board. If there is no applicable federal law, the board shall consider and may use as guidelines the most recent available criteria published by the appraiser qualifications board of the appraisal foundation or its successor organization.

(b) The four levels of appraiser licensure, pursuant to paragraph (a) of this subsection (1), ~~shall be~~ ARE defined as follows:

(III) "~~Licensed appraiser~~" "LICENSED AD VALOREM APPRAISER" means an appraiser meeting the requirements set by the board for a ~~license tax~~ AD VALOREM appraiser certification;

(IV) "~~Registered appraiser~~" "LICENSED APPRAISER" means an appraiser meeting the requirements set by the board for ~~registration~~ A LICENSE.

(c) A COUNTY ASSESSOR OR EMPLOYEE OF A COUNTY ASSESSOR'S OFFICE WHO IS A LICENSED AD VALOREM APPRAISER MAY NOT PERFORM REAL ESTATE APPRAISALS OUTSIDE OF HIS OR HER OFFICIAL DUTIES.

(d) THE BOARD SHALL TRANSFER PERSONS EMPLOYED IN A COUNTY ASSESSOR'S OFFICE OR IN THE DIVISION OF PROPERTY TAXATION IN THE DEPARTMENT OF LOCAL AFFAIRS WHO ARE REGISTERED APPRAISERS AS OF JULY 1, 2013, TO THE CATEGORY OF LICENSED AD VALOREM APPRAISER. THE BOARD SHALL ALLOW THESE PERSONS UNTIL DECEMBER 31, 2015, TO MEET ANY ADDITIONAL REQUIREMENTS IMPOSED BY THE BOARD PURSUANT TO SECTION 12-61-704 (1) (a), AS AMENDED.

(2) (a) The board shall, by rule, prescribe continuing education requirements for persons ~~registered~~; licensed or certified ~~under this part 7~~ AS CERTIFIED GENERAL APPRAISERS, CERTIFIED RESIDENTIAL APPRAISERS, OR LICENSED APPRAISERS as needed to meet the requirements of the "Real Estate Appraisal Reform Amendments", Title XI of the federal "Financial Institutions Reform, Recovery, and Enforcement Act of 1989", as amended. The board shall not establish any continuing education requirements that are more stringent than the requirements of any applicable law; except that all persons ~~registered~~; licensed or certified under this part 7 are subject to continuing education requirements. If there is no applicable federal law, the board shall consider and may use as guidelines the most recent available criteria published by the appraiser qualifications board of the appraisal foundation or its successor organization.

(b) THE BOARD SHALL, BY RULE, PRESCRIBE CONTINUING EDUCATION REQUIREMENTS FOR LICENSED AD VALOREM APPRAISERS.

(3) Any provision of this section to the contrary notwithstanding, the criteria established by the board for the ~~registration~~; licensing or certification of appraisers pursuant to this part 7 shall not include membership or lack of membership in any appraisal organization.

(5) (a) Subject to section 12-61-714 (2), all appraiser employees of county assessors shall be ~~registered~~; licensed or certified as provided in subsections (1) and (2) of this section. Obtaining and maintaining a ~~registration~~; license or certificate under any one of said subsections (1) and (2) shall entitle an appraiser employee of a county assessor to perform all real estate appraisals required to fulfill such person's official duties.

(b) Appraiser employees of county assessors who are employed to appraise real property shall be subject to all provisions of this part 7; except that appraiser employees of county assessors who are employed to appraise real property shall not be subject to disciplinary actions by the board on the ground that they have performed appraisals beyond their level of competency when appraising real estate in fulfillment of their official duties. County assessors, if ~~registered~~; licensed or certified as provided in subsections (1) and (2) of this section, shall not be subject to disciplinary actions by the board on the ground that they have performed appraisals beyond their level of competency when appraising real estate in fulfillment of their official duties.

(c) All reasonable costs incurred by an appraiser employee of a county assessor to obtain and maintain a ~~registration~~; license or certificate pursuant to this section shall be paid by the county.

(9) The board shall not issue an appraiser's license as referenced in subparagraph ~~(HH)~~ (IV) of paragraph (b) of subsection (1) of this section unless the applicant has at least twelve months appraisal experience.

(10) (a) The board shall not issue a ~~registration~~; license or certification until the applicant establishes that he or she is truthful and honest ~~and has good moral character~~ and submits a set of fingerprints to the Colorado bureau of investigation for the purpose of conducting a state and national fingerprint-based criminal history

record check utilizing records of the Colorado bureau of investigation and the federal bureau of investigation. Each person submitting a set of fingerprints shall pay the fee established by the Colorado bureau of investigation for conducting the fingerprint-based criminal history record check to the bureau. Upon completion of the criminal history record check, the bureau shall forward the results to the board. The board may require a name-based criminal history record check for an applicant who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable. The board may deny an application for ~~registration~~, licensure or certification based on the outcome of the criminal history record check and may establish criminal history requirements more stringent than those established by any applicable federal law.

(b) AN APPLICANT FOR CERTIFICATION AS A LICENSED AD VALOREM APPRAISER IS NOT SUBJECT TO THE FINGERPRINTING AND CRIMINAL BACKGROUND CHECK REQUIREMENTS OF PARAGRAPH (a) OF THIS SUBSECTION (10).

SECTION 6. In Colorado Revised Statutes, 12-61-707, **amend** (1) (a), (1) (b) (I), (1) (b) (II), (1) (b) (III), and (2); and **amend as it will become effective July 1, 2013**, (1) (b) introductory portion as follows:

12-61-707. Expiration of licenses - renewal - penalties. (1) (a) All ~~registrations~~, licenses or certificates shall expire pursuant to a schedule established by the director and shall be renewed or reinstated pursuant to this section. Upon compliance with this section and any applicable rules of the board regarding renewal, including the payment of a renewal fee plus a reinstatement fee established pursuant to paragraph (b) of this subsection (1), the expired ~~registration~~, license or certificate shall be reinstated. No real estate appraiser's ~~registration~~, license or certificate that has not been renewed for a period greater than two years shall be reinstated, and such person shall be required to make new application for ~~registration~~, licensure or certification.

(b) A person who fails to renew his or her ~~real estate appraiser's registration~~, license or certificate before the applicable renewal date may have it reinstated if the person does any one of the following:

(I) Makes proper application, within thirty-one days after the date of expiration, by payment of the regular ~~three-year~~ renewal fee; ~~or~~

(II) If proper application is made more than thirty-one days, but within one year, after the date of expiration, by payment of the regular ~~three-year~~ renewal fee and payment of a reinstatement fee equal to one-third the regular ~~three-year~~ renewal fee; ~~or~~

(III) If proper application is made more than one year, but within two years, after the date of expiration, by payment of the regular ~~three-year~~ renewal fee and payment of a reinstatement fee equal to two-thirds the regular ~~three-year~~ renewal fee.

(2) ~~In the event~~ IF the federal registry fee ~~to be~~ collected by the board and transmitted to the federal financial institutions examination council is adjusted during the period prior to expiration of a license or certificate, the board shall collect the amount of the increase in such fee from the holder of the license or certificate

and ~~shall forward such~~ THE amount to the ~~said~~ council ~~on an annual basis~~ ANNUALLY. THE FEDERAL REGISTRY FEE DOES NOT APPLY TO LICENSED AD VALOREM APPRAISERS LICENSED UNDER THIS ARTICLE.

SECTION 7. In Colorado Revised Statutes, 12-61-708, **amend** (1) introductory portion and (1) (a) as follows:

12-61-708. Licensure or certification by endorsement - temporary practice.

(1) The board may issue a license or certification to an appraiser by endorsement to engage in the occupation of real estate appraisal to any applicant who has a license ~~registration~~, or certification in good standing as a real estate appraiser under the laws of another jurisdiction if:

(a) The applicant presents proof satisfactory to the board that, at the time of application for a Colorado ~~registration~~, license or certificate by endorsement, the applicant possesses credentials and qualifications ~~which~~ THAT are substantially equivalent to the requirements of this part 7; or

SECTION 8. In Colorado Revised Statutes, 12-61-709, **amend** (2); and **amend as it will become effective July 1, 2013**, (1) as follows:

12-61-709. Denial of license or certificate - renewal. (1) The board is empowered to determine whether an applicant for ~~registration~~, licensure or certification possesses the necessary qualifications for ~~registration~~, licensure or certification required by this part 7. The board may consider such qualities as the applicant's truthfulness AND honesty ~~and moral character~~, and whether the applicant has been convicted of a crime. As used in this subsection (1), "applicant" includes any individual who owns, in whole or in part, directly or indirectly, an appraisal management company and any appraiser designated as a controlling appraiser by a partnership, limited liability company, or corporation acting as an appraisal management company.

(2) If the board determines that an applicant does not possess the applicable qualifications required by this part 7, or such applicant has violated any provision of this part 7 or the rules ~~and regulations~~ promulgated by the board or any board order, the board may deny the applicant a ~~registration~~, license or certificate or deny the renewal or reinstatement of a ~~registration~~, license or certificate pursuant to section 12-61-707; and, in such instance, the board shall provide such applicant with a statement in writing setting forth the basis of the board's determination that the applicant does not possess the qualifications or professional competence required by this part 7. Such applicant may request a hearing on such determination as provided in section 24-4-104 (9), C.R.S.

SECTION 9. In Colorado Revised Statutes, 12-61-710, **amend** (1) (i), (1) (j), (2), (2.5), (3), (5) (a), (10), and (11); and **add** (1) (k) as follows:

12-61-710. Prohibited activities - grounds for disciplinary actions - procedures - repeal. (1) A real estate appraiser is in violation of this part 7 if the appraiser:

(i) Has been subject to an adverse or disciplinary action in another state, territory,

or country relating to a license, certificate, ~~registration~~, or other authorization to practice as an appraiser. A disciplinary action relating to a ~~registration~~, license or certificate as an appraiser ~~registered~~, licensed or certified under this part 7 or any related occupation in any other state, territory, or country for disciplinary reasons shall be deemed to be prima facie evidence of grounds for disciplinary action or denial of licensure or certification by the board. This paragraph (i) shall apply only to violations based upon acts or omissions in such other state, territory, or country that are also violations of this part 7.

(j) Has failed to disclose in the appraisal report the fee paid to the appraiser for a residential real property appraisal if the appraiser was engaged by an appraisal management company to complete the assignment; OR

(k) HAS ENGAGED IN CONDUCT THAT WOULD BE GROUNDS FOR THE DENIAL OF A LICENSE OR CERTIFICATION UNDER SECTION 12-61-709.

(2) If an applicant, a ~~registrant~~, a licensee, or a certified person has violated any of the provisions of this section, the board may deny or refuse to renew any ~~registration~~, license or certificate, or, as specified in subsections (2.5) and (5) of this section, revoke or suspend any ~~registration~~, license or certificate, issue a letter of admonition to a licensee or certified person, place a ~~registrant~~, licensee or certified person on probation, or impose public censure.

(2.5) When a complaint or an investigation discloses an instance of misconduct by a ~~registered~~, 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 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.

(3) A proceeding for discipline of a ~~registrant~~, licensee or certified person may be commenced when the board has reasonable grounds to believe that a ~~registrant~~, licensee or certified person has committed any act or failed to act pursuant to the grounds established in subsection (1) of this section or when a request for a hearing is timely made under subsection (2.5) of this section.

(5) As authorized in subsection (2) of this section, disciplinary actions by the board may consist of the following:

(a) **Revocation of a license or certificate.** (I) Revocation of a ~~registration~~, license or certificate by the board shall mean that the ~~registered~~, licensed or certified person shall surrender his or her ~~registration~~, license or certificate immediately to the board.

(II) Any person whose ~~registration~~, license or certificate to practice is revoked is rendered ineligible to apply for any ~~registration~~, license or certificate issued under this part 7 until more than two years have elapsed from the date of surrender of the ~~registration~~, license or certificate. Any reapplication after such two-year period shall be treated as a new application.

(10) Any ~~registrant~~, licensee or certified person having direct knowledge that any person has violated any of the provisions of this part 7 shall report such knowledge to the board.

(11) The board, on its own motion or upon application, at any time after the imposition of any discipline as provided in this section may reconsider its prior action and reinstate or restore such ~~registration~~, license or certificate or terminate probation or reduce the severity of its prior disciplinary action. The taking of any such further action or the holding of a hearing with respect thereto shall rest in the sole discretion of the board.

SECTION 10. In Colorado Revised Statutes, 12-61-712, **amend** (1) (a) as follows:

12-61-712. Unlawful acts. (1) It is unlawful for any person to:

(a) Violate any provision of section 12-61-710 (1) (c), (1) (e), or (1) (f), or to perform a real estate appraisal in conjunction with a debt instrument that is federally guaranteed or in the federal secondary market or regulated pursuant to title 12, U.S.C., without first having obtained a ~~registration~~, license or certificate from the board pursuant to this part 7;

SECTION 11. In Colorado Revised Statutes, **amend** 12-61-714 as follows:

12-61-714. Special provision for appraiser employees of county assessors.

(1) Except as provided in subsection (2) of this section, unless a federal waiver is applied for and granted pursuant to section 12-61-704 (1) (j), on and after July 1, 1997, any person acting as a real estate appraiser in this state in conjunction with a debt instrument that is federally guaranteed or in the federal secondary market or regulated pursuant to title 12, U.S.C., shall be ~~registered~~, licensed or certified as provided in this part 7, and, on and after said date, no person shall practice in conjunction with a debt instrument that is federally guaranteed or in the federal secondary market or regulated pursuant to title 12, U.S.C., without such a ~~registration~~, license or certificate or hold himself or herself out to the public as a ~~registered~~, licensed or certified real estate appraiser unless ~~registered~~, licensed or certified pursuant to this part 7.

(2) Any appraiser employee of any county assessor who is employed to appraise real property shall be ~~registered~~, licensed or certified as provided in this part 7 and shall have two years from the date of taking office or the beginning of employment to comply with the provisions of this part 7.

SECTION 12. In Colorado Revised Statutes, 12-61-715, **add** (2) as follows:

12-61-715. Duties of board under federal law. (2) THE BOARD SHALL NOT COLLECT OR TRANSMIT THE INFORMATION REQUIRED BY THIS SECTION FOR LICENSED AD VALOREM APPRAISERS.

SECTION 13. In Colorado Revised Statutes, 12-61-716, **amend** (1) as follows:

12-61-716. Business entities. (1) A corporation, partnership, bank, savings and

loan association, savings bank, credit union, or other business entity may provide appraisal services if such appraisal is prepared by ~~individuals registered, certified, or licensed in accordance with this part 7~~ A CERTIFIED GENERAL APPRAISER, A CERTIFIED RESIDENTIAL APPRAISER, OR A LICENSED APPRAISER. An individual who is not a ~~registered, certified, or licensed appraiser~~ CERTIFIED GENERAL APPRAISER, A CERTIFIED RESIDENTIAL APPRAISER, OR A LICENSED APPRAISER may assist in the preparation of an appraisal if:

(a) The assistant is under the direct supervision of a ~~registered, certified or licensed appraiser~~; and

(b) The final appraisal document is approved and signed by an individual who is a ~~registered, certified or licensed appraiser~~.

SECTION 14. In Colorado Revised Statutes, 12-61-718, **amend** (1) (b) as follows:

12-61-718. Scope of article - regulated financial institutions - de minimis exemption. (1) (b) Such appraisal shall not be represented or deemed to be an appraisal except to the said financial institution, the agencies regulating the said financial institution, and any secondary markets that purchase real estate secured loans. Such appraisal shall contain a written notice that the preparer is not ~~registered, licensed or certified as an appraiser under this part 7~~. Nothing in this subsection (1) shall be construed to exempt a person ~~registered, licensed or certified as an appraiser under this part 7~~ from regulation as provided in this part 7.

SECTION 15. In Colorado Revised Statutes, 39-2-123, **amend** (2) as follows:

39-2-123. Board of assessment appeals created - members - compensation. (2) Effective July 1, 1991, the existing board of assessment appeals is abolished, and the terms of members of the board then serving are terminated. Effective July 1, 1991, except as otherwise provided in section 39-2-125 (1) (c) (I), the new board shall be comprised of three members who shall be appointed by the governor with the consent of the senate. Members of the board shall be experienced in property valuation and taxation and shall be public employees, as defined in section 24-10-103 (4) (a), C.R.S., who are not subject to the state personnel system laws. One of such members shall be or shall have been, within the five years immediately preceding the date of initial appointment, actively engaged in agriculture. On and after June 1, 1993, members shall be ~~registered, licensed or certificated~~ pursuant to the provisions of part 7 of article 61 of title 12, C.R.S., and, if any member fails to become so ~~registered, licensed or certificated~~ by said date, the office of such member shall be deemed to be vacated and shall be filled in the same manner as other vacancies. Initial appointments to the board shall be as follows: One member shall be appointed for a term of two years, and two members shall be appointed for terms of four years. Thereafter, appointments to the board shall be for terms of four years each. Service on the board shall be at the pleasure of the governor, who may appoint a replacement to serve for the unexpired term of any member. Such replacement shall be appointed with the consent of the senate. Any other vacancies on the board shall be filled by appointment by the governor with the consent of the senate for the unexpired term.

SECTION 16. In Colorado Revised Statutes, 39-8-108.5, **amend** (1) (b) introductory portion as follows:

39-8-108.5. Arbitration of property valuations - arbitrators - qualifications - procedures. (1) (b) Except as otherwise provided in paragraph (c) of this subsection (1), persons on such list shall be, in addition to any other qualifications deemed necessary by the board, experienced in the area of property taxation, on and after June 1, 1993, be ~~registered~~, licensed or certificated pursuant to part 7 of article 61 of title 12, C.R.S., and be any one of the following:

SECTION 17. In Colorado Revised Statutes, 28-3-106, **amend** (1) (s) (I) as follows:

28-3-106. Powers and duties of adjutant general. (1) The adjutant general has the following powers and duties:

(s)(I) If, in the judgment of the adjutant general, any real estate which has been acquired for military purposes is unsuitable for military purposes, the adjutant general, by and with the approval of the governor, in writing, has authority to sell, trade, or otherwise dispose of such real estate, but, except as otherwise provided by subparagraph (II) of this paragraph (s), such real estate shall not be disposed of for less than its appraised value. The appraised value of such real estate shall be determined by an appraiser who is ~~registered~~, licensed or certificated pursuant to part 7 of article 61 of title 12, C.R.S., and who is selected by the adjutant general from a list of three qualified individuals submitted to the adjutant general by the department. Appraisers shall be selected for the list, and their fees shall be negotiated in accordance with the standards established by part 14 of article 30 of title 24, C.R.S. The adjutant general, by and with the advice and approval of the governor, is authorized to lease any property belonging to the department when it is not needed for the immediate use of the department. All conveyances which are required for the purpose of this section shall be executed by the governor under the seal of the state, and the proceeds of all sales, trades, or other disposition shall be placed in an account to be invested by the state treasurer as provided in section 24-36-113, C.R.S. Any interest earned on the investment or deposit of such proceeds shall remain in such account and shall not be credited to the general fund or any other fund of the state. Said proceeds and any interest thereon shall be disbursed by authority of the adjutant general, subject to appropriation by the general assembly, only for the construction, repair, improvement, acquisition, or costs of acquisition or sale of armories throughout the state. Costs of acquisition or sale shall include but need not be limited to appraisals, site surveys, environmental surveys, title work, property inspections, closing costs, legal fees, real estate fees, site preparation, or utility studies. Prior to disposing of any real property pursuant to the provisions of this paragraph (s), the adjutant general shall submit a report to the capital development committee which describes such real property, the maintenance costs related to such real property, the current value of such real property, any conditions or limitations which may restrict the use of such real property, and the terms of the proposed disposition of such real property. The capital development committee shall review any such report which is submitted to the capital development committee and shall provide recommendations to the adjutant general concerning the proposed real property disposition within thirty days after the date of receipt of such report. The adjutant general shall not complete any

such real property disposition without considering any recommendations of the capital development committee which are provided within such thirty-day period.

SECTION 18. Effective date. This act takes effect July 1, 2013.

SECTION 19. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 5, 2013