Proposed AMC Legislation: The AMC Task Force has completed drafting legislation relating to the regulation of appraisal management companies (AMCs). Board Members have been provided a copy of the proposed legislation for review and approval.

A detailed discussion took place. The Board made the following revisions:

Under 43-23.5-01. Definitions:

Revise “appraisal firm” to read:
“Appraisal firm means any person or entity that exclusively employs persons on an employer and employee basis for the performance of real estate appraisal services in the normal course of its business and the real estate appraisal services being performed are in accordance with the uniform standards of professional appraisal practices.”

Revise “Appraisal panel” to read:
“Appraisal panel” means a network of licensed or certified appraiser who have…..

Under 43-23.5-07. Exemptions. Revise #1 to read:
“1. An appraisal firm.”

Under 43-23.5-17 Requirement of appraisal management company’s payment to appraiser. Revise #1 to read “45 days”:
“1. An appraisal management company shall make payment to an independent appraiser for the completion of an appraisal or valuation assignment with 60 45 days…”

Dave Lanpher made a motion to approve the proposed AMC legislation as amended. Carolyn Corwin seconded the motion. Dave Lanpher, Carolyn Corwin, Tim Timian, Harvey Huber and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Staff will make the final changes and forward the final copy to Legal Counsel. Legal Counsel will review and forward it on to Legislative Council for final review. Claus Lembke indicated he has contacted Legislators from both the House and Senate to sponsor and introduce the Bill.

HB 1216 (relating to regulation of real estate) has been introduced in the House and referred to the Judiciary Committee. Essentially, the proposed legislation will 1) require the appraiser to itemize the “appraisal fee” from the “appraisal management fee” and 2) if an appraiser fails to provide a report by the agreed-upon date, the appraiser must fully refund the appraisal fee. Discussion took place.

Board members had concerns with the proposed legislation in that the appraiser does not have privy to AMC fees. Unless the AMC is required to disclose its fees this proposed legislation would appear to be unenforceable. Furthermore, the AMC legislation being proposed by the Board does address this issue,
requiring the appraisal management company disclose both the appraiser fee and the appraisal management company fee to the client.

Regarding the proposed requirement whereby the appraiser must provide a full refund of the appraisal fee for a late appraisal, the Appraiser Board already has the statute authority to discipline appraisers who have been egregiously late in meeting deadlines.

Tim Timian moved the Board oppose HB 1216. Dave Lanpher seconded the motion. Dave Lanpher, Carolyn Corwin, Tim Timian, Harvey Huber and Joe Ibach all voted yes to the motion. The vote was unanimous. Motion carried.

Staff and Chair Ibach will draft testimony and Chair Ibach will provide testimony on behalf of the Board in opposition to HB 1216.

Respectfully submitted,

Jodie R. Campbell, Executive Secretary