

1 TO THE HONORABLE SENATE:

2 The Committee on Government Operations to which was referred House
3 Bill No. 506 entitled “An act relating to professions and occupations regulated
4 by the Office of Professional Regulation” respectfully reports that it has
5 considered the same and recommends that the Senate propose to the House that
6 the bill be amended by striking out in their entirety Secs. 22–24 regarding real
7 estate appraisers and inserting in lieu thereof the following:

8 Sec. 22. 26 V.S.A. § 3314 is amended to read:

9 § 3314. BOARD; POWERS AND DUTIES

10 * * *

11 (b) In addition to its other powers and duties under this chapter, the Board
12 shall:

13 * * *

14 ~~(5) Inquire of the Vermont Crime Information Center for any~~
15 ~~information on criminal records of any and all applicants, and the Center shall~~
16 ~~provide such information to the Board. The Board, through the Vermont~~
17 ~~Crime Information Center, shall also inquire of the appropriate state criminal~~
18 ~~record repositories in all states in which it has reason to believe an applicant~~
19 ~~has resided or been employed, and it shall also inquire of the Federal Bureau of~~
20 ~~Investigation for any information on criminal records of applicants. The Board~~
21 ~~shall obtain fingerprints of the applicant, in digital form if practicable, and any~~

1 ~~appropriate identifying information for submission to the Federal Bureau of~~
2 ~~Investigation in connection with a state and national background check.~~
3 ~~Applicants shall bear all costs associated with background screening. The~~
4 ~~Board may also make additional inquiries it deems necessary into the~~
5 ~~character, integrity, and reputation of the applicant.~~

6 (6) Perform other functions and duties as may be necessary to carry out
7 the provisions of this chapter and to comply with the requirements of the Act,
8 including by adopting rules defining and regulating appraisal management
9 companies in a manner consistent with the Act.

10 Sec. 23. 26 V.S.A. § 3320a is amended to read:

11 § 3320a. APPRAISAL MANAGEMENT COMPANIES

12 ~~(a) An appraisal management company acts as a broker in acquiring~~
13 ~~finished appraisals from real estate appraisers and supplying the appraisals to~~
14 ~~third parties, but appraisal management companies are not licensed to perform~~
15 ~~real estate appraisals under this chapter. Acting as an appraisal management~~
16 ~~company includes:~~

17 ~~(1) administering or assigning work to licensed real estate appraisers;~~

18 ~~(2) receiving requests for real estate appraisals from clients;~~

19 ~~(3) receiving a fee paid by clients for acquiring real estate appraisals; or~~

20 ~~(4) entering into an agreement with one or more real estate appraisers to~~
21 ~~perform appraisals.~~

1 ~~(b) An appraisal management company does not include:~~
2 ~~(1) a government agency;~~
3 ~~(2) a bank, credit union, licensed lender, or savings institution;~~
4 ~~(3) a person or entity that has as its primary business the performance of~~
5 ~~appraisals in accordance with this chapter but who or which, in the normal~~
6 ~~course of business, engages the services of a licensed appraiser to perform~~
7 ~~appraisals or related services that the person or entity cannot perform because~~
8 ~~of the location or type of property in question, workload, scope of practice~~
9 ~~required by an assignment, or to otherwise maintain professional responsibility~~
10 ~~to clients.~~

11 ~~(c) An appraisal management company shall register with the Board prior~~
12 ~~to conducting business in this State. An application shall include a registration~~
13 ~~fee and information required by the Board that is necessary to determine~~
14 ~~eligibility for registration.~~

15 ~~(d) When contracting for the performance of real estate appraisal services,~~
16 ~~an appraisal management company shall only engage the professional services~~
17 ~~of an appraiser licensed and in good standing to practice pursuant to this~~
18 ~~chapter.~~

19 ~~(e) A registrant's employee reviewing finished appraisals shall be certified~~
20 ~~or licensed in good standing in one or more states and shall be certified at a~~

1 ~~level that corresponds with or is higher than the level of licensure required to~~
2 ~~perform the appraisal.~~ [Repealed.]

3 Sec. 24. BOARD OF REAL ESTATE APPRAISERS, RULEMAKING
4 AUTHORITY; GENERAL ASSEMBLY, INTENT; OFFICE OF
5 PROFESSIONAL REGULATION, PRELIMINARY
6 ASSESSMENT AND REPORT

7 (a) Rulemaking authority. The Board of Real Estate Appraisers may adopt
8 the rules described in 26 V.S.A. § 3314(b)(6) in Sec. 22 of this act prior to the
9 effective date of that section.

10 (b) Intent. The amendments regarding real estate appraisers set forth in
11 Secs. 22 and 23 of this act are intended to facilitate an informed decision by
12 the General Assembly regarding whether the State should opt in or out of
13 appraisal management company regulation in accordance with federal law
14 permitting such state discretion, and to allow Board rulemaking in preparation
15 for that legislative decision.

16 (c) Preliminary assessment. The Director of the Office of Professional
17 Regulation shall conduct a preliminary assessment of appraisal management
18 company regulation in accordance with 26 V.S.A. chapter 57 and report his or
19 her findings and recommendations to the Senate and House Committees on
20 Government Operations on or before January 1, 2018.

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE

DRAFT