

HB 2501 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/27

WHAT THE MEASURE DOES:

Directs Appraiser Certification and Licensure Board to establish rates of pay for independent contractor appraisers. Requires appraisal management company to compensate independent contractor appraisers at rates set by Board. Requires appraiser management company to pay appraiser within 31 days, as opposed to 45 days, or according to schedule agreed to by parties. Requires notice to appraiser if appraisal management company will not make payment. Prohibits appraisal management company from prohibiting appraiser from stating appraiser's business address on appraisal report or from informing property owner or lender of appraiser's business address. Allows person not regulated by Board to prepare real estate appraisal documents for internal use by financial institution, consumer finance company or insurance company.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Under current law, a person must be registered, certified or licensed by the Appraisal Certification and Licensure Board in order perform real estate appraisal activity; the statutes include a lengthy list of exceptions. A State Licensed Appraiser is authorized to appraise non-complex, one-to-four family residential properties valued under \$1 million and complex one-to-four family residential properties under \$250,000. A State Certified Residential Appraiser can appraise one-to-four family residential properties regardless of complexity or value as well other types of real property valued under \$250,000. A State Certified General Appraiser can appraise all types of real property. The education and experience requirements increase at each level. A Registered Appraiser Assistant works under the direct supervision of select licensees. Prior to registering, an appraiser assistant must meet education and examination requirements.

The eight-member Board is comprised of five appraisers, one banker, one representative of an appraisal management company, and one public member. The Governor appoints members of the Board; members can serve two four-year terms. There are currently three vacancies on the Board. The Board is a semi-independent agency.

A high volume of real estate activity has resulted in frustration by some who say the length of time to receive an appraisal is too long and the cost is too high. There are currently 1,520 licensed and certified appraisers in Oregon, a ten percent over two years. In addition, there are 111 appraiser assistants, a 54 percent increase over three years. The number of appraisers who have inactivated their license or certification stands at 91; inactive appraisers must meet the continuing education requirements while inactive.