2020 South Dakota Legislature

House Bill 1127

Introduced by: ***Representative*** *Chase*

An Act to revise provisions regarding real estate appraisers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That § 36-21B-2 be AMENDED:

36-21B-2. Definitions.

~~For the purposes of this chapter, an appraisal is~~ Terms used in this chapter mean:

(1) "Appraisal," the act or process of developing an opinion of value of real estate for another and for compensation;

(2) "Appraisal practice," any valuation service, including appraisal, appraisal review, or appraisal consulting, performed by a person acting as an appraiser;

(3) "Evaluation," a valuation of real estate prepared for a federally insured depository institution for a transaction that, pursuant to regulations promulgated by one or more federal financial institution regulatory agency, qualifies for the appraisal threshold exemption, business loan exemption, or subsequent transaction exemption; and

(4) "Federal financial institution regulatory agency," the Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, or Board of Governors of the Federal Reserve System.

Section 2. That § 36-21B-2.1 be REPEALED.

~~**36-21B-2.1. Appraisal practice defined.**~~

Section 3. That § 36-21B-3 be AMENDED:

36-21B-3. Promulgation of rules.

The secretary of the Department of Labor and Regulation may promulgate rules pursuant to chapter 1-26 relating to appraisers and appraisals ~~and to enable the secretary to promulgate rules~~ in the following areas:

(1) Certification, licensing, and registration of appraisers;
(2) Definition of terms;
(3) Uniform standards of professional appraisal practice;
(4) Application for and issuance of certificates;
(5) Examinations and examination procedures;
(6) Pre-certification education criteria and continuing education;
(7) Qualifications for and upgrading of a certificate;
(8) Transactions requiring certified, licensed, or registered appraisers;
(9) Renewal and late renewal procedures;
(10) Certificate by reciprocity;
(11) Temporary practice and permits;
(12) Complaints and grounds for disciplinary actions including denial, revocation, suspension, censure, and reprimand;
(13) Conflict of interest and investigation;
(14) Advertising by certified, licensed, or registered appraisers;
(15) Retention and inspection of records, and rosters of appraisers;
(16) Appraiser membership, competency, and independence;
(17) Review of appraisals and contracting for investigations;
(18) Inspection, examination, and photocopy of appraisal records for audit purposes; ~~and~~
(19) Inactive status; and
(20) Exemptions and standards allowing appraisers to perform an evaluation for a federally insured depository institution.

Section 4. That a NEW SECTION be added:

36-21B-13. Evaluation for federally insured depository institution.

A certified, licensed, or registered appraiser may provide an evaluation of real estate for a federally insured depository institution if the evaluation is permitted by law, regulation, or regulatory guidance. Any evaluation by an appraiser must be conducted in accordance with federal and state laws and rules, regulatory guidelines, and the most current appraisal and evaluation guidelines established for federally insured depository institutions by one or more federal financial institution regulatory agency.