



# Oregon

John A. Kitzhaber, MD, Governor

## Appraiser Certification and Licensure Board

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March 29, 2013

The Honorable Senator Lee Beyer, Committee Chair  
Senate Committee on Business and Labor  
900 Court Street NE S-419  
Salem, OR 97301

Re: SB 617  
Agency: Appraiser Certification and Licensure Board (Board)  
Agency Position: Neutral

Mr. Chairman and Members of the Committee:

SB 617 requires the Board, before disciplining a person, to appoint and convene a panel of three licensed appraisers to determine whether an objective basis exists to believe that alleged violation(s) of ORS 674 and OAR 161 has occurred before disciplining a person.

Implementation of SB 617 will impact current Board/staff workload and case turn-around time. The basis of this statement is the fact that Board must dedicate time to recruit panelists and additional staff, conduct interviews, provide training, draft procedures to ensure consistent panel case processing/tracking, draft administrative rules for SB 617's implementation, as well as expend management and compliance staff time to support the panel's monthly work activities. Based on the volume of enforcement cases and the time involved with serving on the panel, the Board anticipates the appraiser would not be willing to "volunteer" to serve on the panel without compensation.

The Board assumes that the intent of SB 617 is to have panel input regarding *all* potential disciplinary actions; however, SB 617 does not address any potential disciplinary actions related to Appraisal Management Companies which also fall under the Board's jurisdiction.

Related to appraiser panelists, SB 617 references to "licensed" appraisers may be confusing. In the appraiser community, "Licensed appraiser" refers to a category of appraisers or license type i.e. State Licensed Appraiser. "Licensed" could mean to all appraiser "licensees" of the Board as defined in 161-002-0000. This wording may become even more problematic depending on the type of appraisal being reviewed, as certain "licensed" appraisers would not qualify to review all types of appraisal reports. State Licensed and State Certified Residential Appraisers are both limited in their scope of practice and are prohibited from reviewing appraisal reports that are outside the scope of practice permitted by their license/certificate.



SB 617 leaves some question regarding the Board's ability to impose an emergency suspension under the authority granted in ORA 183.430(2), Office of Administrative Hearing Rule 137-003-0560 and Model Rule 131-003-0010 which "provides a swift and effective method for an agency to suspend or refuse to renew a license when the licensee's activity constitutes a serious danger to public health and safety."

The Board would likely have a difficult time getting appraisers to serve on the panel since appraiser panel members would be independent contractors and the bill provides no protection to appraiser panel members from the risk of lawsuit from appraisers who feel aggrieved by the panel's determination of violations. This is particularly germane in light of a recent lawsuit filed against an appraiser who served as the Board's expert in an enforcement case. The charges in the lawsuit against this expert were eventually dismissed. However, the appraiser had to pay for his own legal defense costs since neither the Board nor the Trial Division of the Department of Justice were permitted pay for his defense.

The Board has experienced a decrease in the number of its licensees for 19 consecutive quarters, or an 18% decrease in the number of its licensees over that time period. As a result, agency revenue has decreased sharply.

Passage of SB 617 would have a *significant* fiscal impact. The Board would have no choice but to pass on this impact to its licensees in the form of fee increases since the Board is a self-sustaining agency operating primarily through fees collected for various licenses, certificates and registrations issued. Also, the Board's semi-independent status does not afford the opportunity to draw from the Emergency Board in the event that the Board's expenses exceed income and operating reserves.

If you have any questions I will be happy to visit with you or your staff.

Respectfully,



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