

SB 37 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/28, 2/9

WHAT THE MEASURE DOES:

Requires applicant for registration as appraisal management company to certify that all owners and the controlling person do not have certain disciplinary history. Prohibits Appraiser Certification Licensure Board from approving application without making the same finding. Updates references to federal requirements. Removes 90-day exemption from prohibition against removing individual from appraiser panel of an appraisal management company without written notice. Takes effect on 91st day following adjournment *sine die*.

ISSUES DISCUSSED:

- Provisions of the measure
- Need to maintain alignment with federal law to ensure service of federally-regulated transactions

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Real estate appraisers estimate the value of buildings or land in a given market, generally to inform and protect the parties engaged in a real estate transaction. The Appraiser Certification Licensure Board regulates the practice of real estate appraisal in this state, including licensing and certification of individual appraisers and the registration of appraisal management companies that review and oversee the work of 15 or more appraisers on behalf of the company's clients. In order to ensure state-certified appraisers can provide service for federally-regulated transactions, the board routinely reviews and updates Oregon laws to maintain alignment with federal appraiser requirements.

Oregon law grants the board broad authority to discipline regulated individuals and entities, including the suspension or revocation of a license, certificate, or registration for violation of the laws administered by the board. Current law prohibits the board from issuing a registration to a business entity as an appraisal management company unless each owner with at least 10 percent ownership and the controlling person identified in the application:

- have completed a criminal records check;
- are of good moral character; and
- have never had a license, certification, or registration to act as an appraiser or appraisal management company refused, denied, canceled, or revoked in any state.

Senate Bill 37 updates requirements for the registration of appraisal management companies to align with applicable federal regulations. The measure requires a business entity that applies for registration as an appraisal management company to certify that no owner or controlling person has had an appraiser license or certificate refused, denied, canceled, surrendered, or revoked in any state or U.S. territory for substantive cause. The measure also prohibits the board from approving an application for registration unless the board makes the same findings.