

SENATE BILL No. 337

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-34.1-11.

Synopsis: Appraisal management companies. Prohibits an appraisal management company (AMC) from removing an appraiser from its appraiser panel or otherwise refusing to assign requests for real estate appraisal services to a real estate appraiser on its appraiser panel unless the AMC meets certain requirements. Allows a real estate appraiser to request the real estate appraiser licensure and certification board (board) to review the AMC's removal of the real estate appraiser or the AMC's refusal to assign requests to the real estate appraiser. Provides that an AMC is subject to disciplinary sanctions if the board determines that the real estate appraiser did not commit a violation of the law or applicable real estate appraisal standards. Requires an AMC, before the AMC receives payment for real estate appraisal services, to: (1) provide to the person who requested the appraisal services; and (2) make clear to any person that may rely on the appraisal report; information concerning fees. Provides that an AMC or a person requesting appraisal services from an AMC may not prohibit a real estate appraiser from disclosing the real estate appraiser's fee in a real estate appraisal report.

Effective: July 1, 2013.

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January 8, 2013, read first time and referred to Committee on Commerce, Economic Development & Technology.

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First Regular Session 118th General Assembly (2013)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2012 Regular Session of the General Assembly.

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SENATE BILL No. 337



A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 25-34.1-11-3.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2013]: **Sec. 3.5. As used in this chapter,**
4 **"appraiser panel" means a group of real estate appraisers who are**
5 **selected by an appraisal management company to perform real**
6 **estate appraisal services for the appraisal management company.**

7 SECTION 2. IC 25-34.1-11-11.5 IS ADDED TO THE INDIANA
8 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
9 [EFFECTIVE JULY 1, 2013]: **Sec. 11.5. (a) An appraisal**
10 **management company may not remove a real estate appraiser**
11 **from, or otherwise refuse to assign requests for real estate**
12 **appraisal services to a real estate appraiser on, the appraisal**
13 **management company's appraiser panel unless the appraisal**
14 **management company does all of the following:**

- 15 (1) Provides written notification to the real estate appraiser
16 that states:
17 (A) the reason that the appraisal management company is



1 removing the real estate appraiser or refusing to assign
 2 requests for appraisal services to the real estate appraiser;
 3 and

4 (B) the nature of the alleged conduct or violation, if the
 5 appraisal management company is removing the real
 6 estate appraiser or refusing to assign requests for
 7 appraisal services to the real estate appraiser as a result
 8 of:

9 (i) illegal conduct; or

10 (ii) a violation of applicable real estate appraisal
 11 standards;

12 by the real estate appraiser.

13 (2) Provides the real estate appraiser an opportunity to
 14 respond to the notification described under subdivision (1).

15 (b) If an appraisal management company is removing a real
 16 estate appraiser or refusing to assign appraisal service requests to
 17 a real estate appraiser as a result of:

18 (1) alleged illegal conduct; or

19 (2) an alleged violation of applicable real estate appraisal
 20 standards;

21 by the real estate appraiser, the real estate appraiser may file a
 22 complaint with the board requesting a review of the appraisal
 23 management company's decision.

24 (c) An appraisal management company is subject to disciplinary
 25 sanctions under section 17 of this chapter for a violation of this
 26 chapter if the board determines that a real estate appraiser who
 27 filed a complaint under subsection (b) did not commit the alleged
 28 violation of:

29 (1) the law; or

30 (2) applicable real estate appraisal standards.

31 SECTION 3. IC 25-34.1-11-13.5 IS ADDED TO THE INDIANA
 32 CODE AS A NEW SECTION TO READ AS FOLLOWS
 33 [EFFECTIVE JULY 1, 2013]: **Sec. 13.5. (a) Before an appraisal**
 34 **management company receives payment for real estate appraisal**
 35 **services, the appraisal management company shall provide to the**
 36 **person who requested the appraisal services, and make clear to any**
 37 **person that may rely on the real estate appraisal report, the**
 38 **following information:**

39 (1) The costs and fees for the appraisal services performed by
 40 the appraisal management company.

41 (2) The costs and fees for the appraisal performed by the real
 42 estate appraiser on behalf of the appraisal management

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1 **company.**
2 **(3) The total fee charged to the person who made the**
3 **appraisal services request.**
4 **(b) An appraisal management company or a person requesting**
5 **appraisal services from an appraisal management company may**
6 **not prohibit a real estate appraiser from disclosing in a real estate**
7 **appraisal report the real estate appraiser's fee for the real estate**
8 **appraisal.**

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