

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 170

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

RELATING TO REAL ESTATE APPRAISERS; AMENDING SECTION 54-4105, IDAHO CODE, TO
PROVIDE THAT LOCAL HIGHWAY JURISDICTIONS MAY PERFORM VALUE ESTIMATES IN
THE SAME MANNER AS THE IDAHO TRANSPORTATION DEPARTMENT.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 54-4105, Idaho Code, be, and the same is hereby
amended to read as follows:

54-4105. EXCEPTIONS. (1) The provisions of this chapter do not re-
strict the right to use the term "appraiser," provided that such term is not
used in a manner that creates the impression of certification by the state
of Idaho to perform real estate appraisals other than ad valorem tax ap-
praisals. However, nothing in this chapter shall entitle a state licensed
or state certified real estate appraiser to appraise real estate for ad val-
orem tax purposes unless he has first been certified by the Idaho state tax
commission pursuant to section 63-105A(17), Idaho Code.

(2) The provisions of this chapter shall not apply to a licensed real
estate broker, associate broker or salesperson who, in the ordinary course
of his business gives an opinion of the price of real estate for the purpose
of a prospective listing or sale, provided that such person does not repre-
sent himself as being a state licensed or certified real estate appraiser.

(3) The provisions of this chapter shall not prohibit a real estate
broker or associate broker licensed under chapter 20, title 54, Idaho Code,
whose license is active and in good standing, from rendering a broker's price
opinion, for which the broker may charge a fee, provided the broker's price
opinion complies with the following requirements:

(a) The broker's price opinion shall be in writing and contain the fol-
lowing:

- (i) A statement of the intended purpose of the price opinion;
- (ii) A brief description of the subject property and property in-
terest to be priced;
- (iii) The basis of reasoning used to reach the conclusion of the
price, including the applicable market data and/or capitalization
computation;
- (iv) Any assumptions or limiting conditions;
- (v) A disclosure of any existing or contemplated interest of the
broker(s) issuing the opinion;
- (vi) The name and signature of the broker(s) issuing the price
opinion and the date of its issuance;
- (vii) A disclaimer that, unless the broker is licensed under the
Idaho real estate appraisers act, chapter 41, title 54, Idaho
Code, the report is not intended to meet the uniform standards of
professional appraisal practice;

1 (viii) A disclaimer that the broker's price opinion is not in-
2 tended to be an appraisal of the market value of the property, and
3 that if an appraisal is desired, the services of a licensed or cer-
4 tified appraiser should be obtained.

5 The broker's price opinion permitted under this chapter may not be used
6 as an appraisal, or in lieu of an appraisal, in a federally related
7 transaction.

8 (4) Any person who is not licensed or certified under the provisions of
9 this chapter may assist a state licensed or certified real estate appraiser
10 in the performance of an appraisal, provided that he is actively and person-
11 ally supervised by the state licensed or certified appraiser and provided
12 further that any appraisal report rendered in connection with the appraisal
13 is reviewed and signed by the state licensed or certified real estate ap-
14 praiser.

15 (5) The provisions of this chapter requiring mandatory licensure or
16 certification shall not apply to employees or agents of the Idaho trans-
17 portation department or a local highway jurisdiction when estimating the
18 market value for property that is subject to eminent domain by the department
19 or local highway jurisdiction, or property owned by the department or local
20 highway jurisdiction that has been declared surplus, where a noncomplex
21 appraisal would normally be ordered, and the market value is ten thousand
22 dollars (\$10,000) or less. Such estimates of market value shall be reviewed
23 and approved by an Idaho state certified general real estate appraiser.
24 Idaho state certified general real estate appraisers who estimate or review
25 market value of property under this section shall be exempt from the re-
26 quirements of uniform standards of professional appraisal practice. A value
27 estimate shall be provided to the property owner who shall also be informed
28 of his right to request and receive an appraisal of his property.

29 (6) This chapter shall not prohibit a property owner from expressing
30 his personal opinion of the value of his own property, nor shall the provi-
31 sions of this chapter prohibit a lender, or employee of a lending institu-
32 tion, from forming and expressing an opinion of collateral value in the ordi-
33 nary course of business including, but not limited to, mortgaging property,
34 underwriting a loan, or foreclosing a loan, so long as such opinion of col-
35 lateral value is not represented as being an appraisal of the market value of
36 the property, or prepared under the provisions of this chapter.

37 (7) This chapter shall not prohibit an attorney or accountant from ren-
38 dering professional advice within the ordinary course of his profession, so
39 long as such advice is not represented to be an appraisal of the market value
40 of the property.