

SENATE BILL No. 39

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-34.1-11-16.5.

Synopsis: Real estate appraiser compensation rates. Requires real estate appraisal management companies to compensate real estate appraisers for performing appraisals at a rate that is customary and reasonable for appraisals performed in the market area in which the property that is appraised is located based on: (1) objective third party information, including government agency fee schedules, academic studies, and independent private sector surveys; or (2) customary and reasonable appraisal compensation rate schedules established by the real estate appraiser licensure and certification board.

Effective: July 1, 2016.

Kruse

January 5, 2016, read first time and referred to Committee on Commerce & Technology.



Second Regular Session 119th General Assembly (2016)

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 2015 Regular Session of the General Assembly.

SENATE BILL No. 39

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 25-34.1-11-16.5 IS ADDED TO THE INDIANA
2 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2016]: **Sec. 16.5. (a) For purposes of this**
4 **section, a market area must be identified by a single:**

- 5 (1) county;
6 (2) metropolitan area; or
7 (3) postal ZIP code area.

8 (b) An appraisal management company shall compensate real
9 estate appraisers for performing appraisals at a rate:

10 (1) that is customary and reasonable for appraisals performed
11 in the market area in which the property that is appraised is
12 located; and

13 (2) that is consistent with any applicable federal law;
14 as provided under subsection (c) or, if the board has adopted rules
15 under subsection (d), as provided under subsection (d).

16 (c) To establish customary and reasonable appraisal
17 compensation rates under this section, an appraisal management



1 **company:**
2 **(1) may use objective third party information, including:**
3 **(A) government agency fee schedules;**
4 **(B) academic studies; and**
5 **(C) independent private sector surveys; and**
6 **(2) may not use appraisal compensation rate studies ordered**
7 **or requested by appraisal management companies.**
8 **(d) The board may adopt rules under IC 4-22-2 to establish**
9 **customary and reasonable appraisal compensation rate schedules**
10 **that may be used by appraisal management companies to fulfill the**
11 **requirements of subsection (b).**

