

SENATE BILL No. 419

By Committee on Federal and State Affairs

2-12

1 AN ACT concerning the Kansas appraisal management company
2 registration act; AMC ownership limitations and removal of appraisers;
3 amending K.S.A. 2017 Supp. 58-4704, 58-4708, 58-4709 and 58-4721
4 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2017 Supp. 58-4704 is hereby amended to read as
8 follows: 58-4704. (a) The application for the registration shall be on a
9 form approved by the board and shall, at a minimum, include the
10 following information:

11 (1) The legal name and any other trade or business name of the entity
12 seeking registration;

13 (2) the mailing and physical addresses of the entity seeking
14 registration;

15 (3) the telephone, email, website, and facsimile contact information
16 of the entity seeking registration;

17 (4) if the entity is a corporation, limited liability company,
18 partnership, association, sole proprietorship or any other business entity
19 that is not domiciled in this state:

20 (A) The name and contact information for the entity's agent for
21 service of process in this state pursuant to K.S.A. 2017 Supp. 58-4707, and
22 amendments thereto; and

23 (B) proof that the entity is properly and currently registered with the
24 Kansas office of the secretary of state;

25 (5) the name, mailing and physical addresses, telephone, email and
26 facsimile contact for any person that owns 10% or more of the AMC;

27 (6) the name, mailing and physical addresses, telephone, email and
28 facsimile contact for the named controlling person;

29 (7) a certification that the entity has a system and process in place to
30 verify that a person being added to the appraiser panel of the AMC for
31 appraisal services being performed in Kansas:

32 (A) Holds a credential in good standing in this state pursuant to the
33 state certified and licensed real estate appraisers act and the regulations
34 adopted thereunder if a license or certification is required to perform
35 appraisals, pursuant to K.S.A. 2017 Supp. 58-4711, and amendments
36 thereto; and

1 (B) is geographically competent and performs appraisal assignments
2 within the appraiser's scope of practice;

3 (8) a certification that the entity has a system in place to review an
4 amount or percentage of the appraisal reports submitted by each appraiser
5 who is performing real estate appraisal services for the AMC within
6 Kansas as specified in rules and regulations of the board on an annual
7 basis to validate that the real estate appraisal services are being conducted
8 in accordance with USPAP and the state certified and licensed real estate
9 appraisers act and the regulations adopted thereunder, pursuant to K.S.A.
10 2017 Supp. 58-4712, and amendments thereto;

11 (9) a certification that the entity maintains a detailed record of each
12 service request that it receives and the appraiser that performs real estate
13 appraisal services for the AMC, pursuant to K.S.A. 2017 Supp. 58-4713,
14 and amendments thereto;

15 (10) an irrevocable consent to service of process pursuant to K.S.A.
16 2017 Supp. 58-4707, and amendments thereto;

17 (11) any other information reasonably required by the board to
18 evaluate compliance with the application requirements in this act; and

19 (12) a certification that the entity requires that appraisals are
20 conducted independently and free from inappropriate influence and
21 coercion pursuant to the appraisal independence standards established
22 under section 129E of the truth in lending act, as specified in ~~subsection~~
23 ~~(a)~~ of K.S.A. 2017 Supp. 58-4716(a), and amendments thereto.

24 (b) The board shall review each application that is properly submitted
25 and either issue the registration to the applicant or deny such application in
26 accordance with the provisions of this act.

27 (c) *The board may transmit information and any disciplinary action*
28 *taken on any appraisal management company to the national registry of*
29 *the appraisal subcommittee.*

30 Sec. 2. K.S.A. 2017 Supp. 58-4708 is hereby amended to read as
31 follows: 58-4708. (a) The board shall establish by rules and regulations the
32 fee to be paid by each AMC seeking registration or renewal of a
33 registration under this act. The amount of the registration and renewal fees
34 shall be sufficient for the administration of this act, but in no case shall the
35 fees be more than \$3,500. The initial registration fee shall be prorated for
36 an applicant that initially applies for registration 11 or fewer months prior
37 to September 30. *The board shall have the authority to collect and remit*
38 *the national registry fee for any AMC operating in this state that is exempt*
39 *from registration pursuant to K.S.A. 2017 Supp. 58-4705, and amendments*
40 *thereto.*

41 (b) The board shall establish by rules and regulations a late renewal
42 fee not to exceed \$500.

43 (c) The executive director of the board shall remit all moneys,

1 received pursuant to this act to the state treasurer in accordance with the
2 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
3 each such remittance, the state treasurer shall deposit the entire amount in
4 the state treasury. Other than amounts collected for the AMC federal
5 registry fees, or for civil fines imposed pursuant to K.S.A. 2017 Supp. 58-
6 4723, and amendments thereto, such deposit shall be credited to the
7 appraiser fee fund. All expenditures from such fund shall be made in
8 accordance with appropriations acts upon warrants of the director of
9 accounts and reports issued pursuant to vouchers approved by the
10 chairperson of the board or by a person or persons designated by the
11 chairperson. Civil fines shall be credited to the state general fund.

12 (d) All amounts required to be collected and actually collected for the
13 AMC federal registry fees shall be credited totally to the AMC federal
14 registry clearing fund which is hereby created in the state treasury. All
15 disbursements from the AMC federal registry clearing fund shall be made
16 upon warrants of the director of accounts and reports issued pursuant to
17 vouchers approved by the chairperson of the board or by a person or
18 persons designated by the chairperson. Amounts credited to the AMC
19 federal registry clearing fund under this section shall not be subject to any
20 limitations imposed by the appropriations act of the legislature.

21 Sec. 3. K.S.A. 2017 Supp. 58-4709 is hereby amended to read as
22 follows: 58-4709. (a) No single interest in an AMC applying for, holding-
23 or renewing a registration under this act shall ~~exceed 10% when~~ be owned
24 by:

25 (1) An individual who has held a credential issued by any appraiser-
26 credentialing jurisdiction to act as an appraiser and such credential:

27 (A) Was refused, denied, suspended, revoked, or surrendered or
28 nonrenewed in lieu of a pending disciplinary proceeding in any
29 jurisdiction against such individual; and

30 (B) not subsequently granted or reinstated; or

31 (C) is otherwise not in good standing; or

32 (2) any person who owns ~~more than a 10% an~~ interest in an entity
33 and such person has held a credential issued by any appraiser-credentialing
34 jurisdiction to act as an appraiser that:

35 (A) Was refused, denied, revoked, suspended, or surrendered or
36 nonrenewed in lieu of a pending disciplinary proceeding in any
37 jurisdiction against such person; and

38 (B) (i) not subsequently granted or reinstated, or

39 (ii) is otherwise not in good standing.

40 (b) (1) Each individual that owns ~~more than a 10% an~~ interest in an
41 AMC who applies for, holds, or renews a registration under this act shall
42 be of good moral character as determined by the board by rules and
43 regulations.

1 (2) As a part of an application for an original registration, and for a
 2 renewal registration if required by the board, the board shall require the
 3 individual to be fingerprinted and submit to a state and national criminal
 4 history record check. The individual's fingerprints shall be used to identify
 5 the individual and to determine whether the individual has a record of
 6 criminal history in this state or other jurisdiction. The board shall require
 7 the individual to submit the fingerprints to the Kansas bureau of
 8 investigation and the federal bureau of investigation for a state and
 9 national criminal history record check. The board shall use the information
 10 obtained from the fingerprinting and the criminal history for purposes of
 11 verifying the identification of the individual and in the official
 12 determination of the qualifications and fitness of the applicant to be issued,
 13 maintain, or renew a registration.

14 (3) Local and state law enforcement officers and agencies shall assist
 15 the board in taking and processing fingerprints of individuals for any
 16 registration and shall release all records of adult convictions to the board.

17 (4) The board may fix and collect a fee in an amount necessary to
 18 reimburse the board for the cost of fingerprinting and the criminal history
 19 record check. Such fee shall be established by rules and regulations.

20 (c) Each AMC applying for registration or for renewal of a
 21 registration under this act shall certify to the board on a form prescribed by
 22 the board that:

23 (1) Such AMC has reviewed each person or entity that owns ~~more~~
 24 ~~than a 10% an~~ interest in the AMC; and

25 (2) no person or entity that owns ~~more than a 10% an~~ interest in the
 26 AMC has held a credential issued by any appraiser-credentialing
 27 jurisdiction to act as an appraiser and such credential:

28 (A) Was refused, denied, suspended, revoked, or surrendered or
 29 nonrenewed in lieu of a pending disciplinary proceeding in any
 30 jurisdiction against such individual; and

31 (B) (i) was not subsequently granted or reinstated; or

32 (ii) is otherwise not in good standing.

33 Sec. 4. K.S.A. 2017 Supp. 58-4721 is hereby amended to read as
 34 follows: 58-4721. ~~(a) Except within the first 30 days after an appraiser is~~
 35 ~~first added to the appraiser panel of an AMC, No AMC shall remove an~~
 36 appraiser from its appraiser panel, or otherwise refuse to assign requests
 37 for real estate appraisal services to an appraiser without:

38 ~~(+)~~ (a) Notifying the appraiser in writing of the reasons why such
 39 appraiser is being removed from the appraiser panel of the AMC;

40 ~~(-)~~ (b) providing an opportunity for the appraiser to respond to the
 41 written notification of the AMC either personally or through legal counsel;
 42 and

43 ~~(-)~~ (c) if the appraiser is being removed from the panel for illegal

1 conduct, violation of the USPAP, or a violation of this act or the
2 regulations adopted thereunder, providing notice to the appraiser and to the
3 board detailing allegations of fact and alleged violations of USPAP,
4 regulations or laws.

5 Sec. 5. K.S.A. 2017 Supp. 58-4704, 58-4708, 58-4709 and 58-4721
6 are hereby repealed.

7 Sec. 6. This act shall take effect and be in force from and after its
8 publication in the statute book.