

SENATE BILL 1701

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 62, Chapter 39, Part 1 and Title 62, Chapter 39, Part 3, relative to real estate appraisers.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-39-102, is amended by adding the following language as new, appropriately designated subdivisions:

() "Federal financial institutions regulatory agencies" means the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the National Credit Union Administration;

() "Federally related transaction" means any real estate-related financial transaction that:

(A) A federal financial institution's regulatory agency engages in, contracts for, or regulates; and

(B) Requires the services of an appraiser;

() "Real estate-related financial transaction" means any transaction involving:

(A) The sale, lease, purchase, investment in, or exchange of real property, including interests in property, or the financing thereof;

(B) The refinancing of real property or interests in real property; or

(C) The use of real property or interests in property as security for a loan or investment, including mortgage-backed securities;

() "Standard of valuation practice" means a nationally or internationally recognized standard for the performance of a real estate appraisal that has been approved by the commission and includes, but is not limited to:

(A) International valuation standards of the International Valuation Standards Council;

(B) Standards of Valuation Practice and Code of Professional Ethics of the Appraisal Institute;

(C) European Valuation Standards of The European Group of Valuers' Associations;

(D) Canadian Uniform Standards of Professional Appraisal Practice of the Appraisal Institute of Canada; or

(E) Valuation standards of the Royal Institution of Chartered Surveyors;

SECTION 2. Tennessee Code Annotated, Section 62-39-329, is amended by deleting the section and substituting instead the following:

(a) It is the intent of this chapter that real estate appraisals be performed in accordance with generally accepted appraisal standards.

(b) State licensed or certified real estate appraisers shall comply with the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation when performing appraisals for federally related transactions and any other duly established standards of the commission. The commission shall not establish any criteria for licensure that are more stringent than the criteria established by the federal appraiser qualification board.

(c) A state licensed or certified real estate appraiser may comply with a standard of valuation practice other than the Uniform Standards of Professional Appraisal Practice promulgated by the appraisal standards board of the appraisal foundation when performing an appraisal, an analysis, or a valuation appraisal for any purpose other than a federally related transaction.

(d) Notwithstanding any law to the contrary, the commission may commence a disciplinary action against a licensed or certified real estate appraiser performing an appraisal, analysis, or a valuation appraisal in accordance with a standard of valuation practice other than the Uniform Standards of Professional Appraisal Practice only for a violation of this part, and shall not commence a disciplinary action against a state licensed or certified appraiser for any violation of a standard of valuation practice other than the Uniform Standards of Professional Appraisal Practice.

SECTION 3. The Tennessee Real Estate Appraisers Commission is authorized to promulgate rules to effectuate the purposes of this act. The rules shall be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 4. This act shall take effect upon becoming a law, the public welfare requiring it.