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AN ACT

RELATING TO PROFESSIONAL LICENSURE; AMENDING AND ENACTING
SECTIONS OF THE REAL ESTATE APPRAISERS ACT; PROVIDING FOR
COMPLIANCE WITH FEDERAL LAW; PROVIDING FOR APPRAISAL
MANAGEMENT COMPANIES; PROVIDING FOR TRAINEES; PROVIDING FOR
AN APPRAISAL SUBCOMMITTEE; PROVIDING FOR UNIFORM STANDARDS OF
PROFESSIONAL APPRAISAL PRACTICE; PROVIDING FOR CRIMINAL
BACKGROUND CHECKS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 61-30-3 NMSA 1978 (being Laws 1990,
Chapter 75, Section 3, as amended) is amended to read:

"61-30-3. DEFINITIONS.--As used in the Real Estate
Appraisers Act:

A. "appraisal" or "real estate appraisal" means an
analysis, opinion or conclusion prepared by a real estate
appraiser relating to the nature, quality, value or utility
of specified interests in or aspects of identified real
estate or real property, for or in expectation of
compensation, and shall include the following:

(1) a valuation, analysis, opinion or
conclusion prepared by a real estate appraiser that estimates
the value of identified real estate or real property;

(2) an analysis or study of real estate or
real property other than estimating value; and

1 (3) written or oral appraisals that are
2 subject to appropriate review for compliance with the uniform
3 standards of professional appraisal practice. The work file
4 for an oral appraisal report shall be subject to appropriate
5 review for compliance with the uniform standards of
6 professional appraisal practice;

7 B. "appraisal assignment" means an engagement for
8 which an appraiser is employed or retained to act or would be
9 perceived by third parties or the public as acting as a
10 disinterested third party in rendering an unbiased appraisal;

11 C. "appraisal foundation" means the appraisal
12 foundation incorporated as an Illinois not-for-profit
13 corporation on November 30, 1987 and to which reference is
14 made in the federal real estate appraisal reform amendments;

15 D. "appraisal management company" means any
16 external third party that oversees a network or panel of
17 certified or licensed appraisers to:

18 (1) recruit, select and retain appraisers;

19 (2) contract with appraisers to perform
20 appraisal assignments;

21 (3) manage the process of having an
22 appraisal performed; or

23 (4) review and verify the work of
24 appraisers;

25 E. "appraisal report" means any communication,

1 written or oral, of an appraisal regardless of title or
2 designation and all other reports communicating an appraisal;

3 F. "appraisal review" means the act or process of
4 developing and communicating an opinion about the quality of
5 another appraiser's work;

6 G. "appraisal subcommittee" means the entity
7 within the federal financial institutions examination council
8 that monitors the requirements established by the states for
9 appraisers and appraisal management companies;

10 H. "board" means the real estate appraisers board;

11 I. "certified appraisal" or "certified appraisal
12 report" means an appraisal or appraisal report given or signed
13 and certified as such by a state certified real estate
14 appraiser and shall include an indication of which type of
15 certification is held and shall be deemed to represent to the
16 public that it meets the appraisal standards defined in the
17 Real Estate Appraisers Act;

18 J. "federal real estate appraisal reform
19 amendments" means the Federal Financial Institutions
20 Examination Council Act of 1978, as amended by Title 11, Real
21 Estate Appraisal Reform Amendments;

22 K. "general certificate" or "general
23 certification" means a certificate or certification for
24 appraisals of all types of real estate issued pursuant to the
25 provisions of the Real Estate Appraisers Act and the federal

1 real estate appraisal reform amendments;

2 L. "real estate" or "real property" means a
3 leasehold or other estate or interest in, over or under land,
4 including structures, fixtures and other improvements and
5 interests that by custom, usage or law pass with a conveyance
6 of land, though not described in a contract of sale or
7 instrument of conveyance, and includes parcels with or without
8 upper and lower boundaries and spaces that may be filled with
9 air;

10 M. "real estate appraiser" means any person who
11 engages in real estate appraisal activity in expectation of
12 compensation;

13 N. "real estate appraiser trainee" means a
14 registered real estate appraiser who meets or exceeds the
15 minimum qualification requirements of the appraiser
16 qualifications board of the appraisal foundation for real
17 estate appraisal trainees and as defined by board rule and who
18 are subject to direct supervision by a supervisory appraiser;

19 O. "residential certificate" or "residential
20 certification" means a certificate or certification, limited
21 to appraisals of residential real estate or residential real
22 property without regard to the complexity of the transaction,
23 issued pursuant to the provisions of the Real Estate
24 Appraisers Act and as provided under the terms of the federal
25 real estate appraisal reform amendments;

1 P. "residential real estate" or "residential real
2 property" means real estate designed and suited or intended
3 for use and occupancy by one to four families, including use
4 and occupancy of manufactured housing;

5 Q. "specialized services" means those services
6 that do not fall within the definition of an appraisal
7 assignment and may include specialized financing or market
8 analyses and feasibility studies that may incorporate
9 estimates of value or analyses, opinions or conclusions given
10 in connection with activities such as real estate brokerage,
11 mortgage banking, real estate counseling and real estate tax
12 counseling; provided that the person rendering such services
13 would not be perceived by third parties or the public as
14 acting as a disinterested third party in rendering an unbiased
15 appraisal or real estate appraisal, regardless of the
16 intention of the client and that person;

17 R. "state certified appraisal" means any appraisal
18 that is identified as a state certified appraisal report or is
19 in any way described as being prepared by a state certified
20 real estate appraiser;

21 S. "state certified real estate appraiser" means a
22 person who has satisfied the requirements for state licensing
23 in New Mexico pursuant to the minimum criteria established by
24 the appraiser qualifications board of the appraisal foundation
25 for licensing of real estate appraisers;

1 T. "state licensed residential real estate
2 appraiser" means a person who has satisfied the requirements
3 for state licensing in New Mexico pursuant to the minimum
4 criteria established by the appraiser qualifications board of
5 the appraisal foundation and the New Mexico real estate
6 appraisers board for licensing of real estate appraisers;

7 U. "supervisory appraiser" means a state certified
8 real estate appraiser responsible for the direct supervision
9 of real estate appraiser trainees who have satisfied the
10 requirements for supervisory appraiser pursuant to the minimum
11 criteria established by the appraiser qualifications board of
12 the appraisal foundation; and

13 V. "uniform standards of professional appraisal
14 practice" means the uniform standards of professional
15 appraisal practice promulgated by the appraisal standards
16 board of the appraisal foundation and adopted by rule pursuant
17 to the Real Estate Appraisers Act."

18 SECTION 2. Section 61-30-4 NMSA 1978 (being Laws 1990,
19 Chapter 75, Section 4, as amended) is amended to read:

20 "61-30-4. ADMINISTRATION--ENFORCEMENT.--

21 A. The board shall administer and enforce the Real
22 Estate Appraisers Act.

23 B. It is unlawful for a person to engage in the
24 business, act in the capacity of, advertise or display in any
25 manner or otherwise assume to engage in the business of, or

1 act as, a real estate appraiser trainee, a state licensed
2 residential real estate appraiser or a state certified real
3 estate appraiser without a license issued by the board. A
4 person who engages in the business or acts in the capacity of
5 a real estate appraiser trainee, a state licensed residential
6 real estate appraiser or a state certified real estate
7 appraiser has submitted to the jurisdiction of the state and
8 to the administrative jurisdiction of the board,
9 notwithstanding any other provisions or statutes governing all
10 professional and occupational licenses."

11 SECTION 3. Section 61-30-5 NMSA 1978 (being Laws 1990,
12 Chapter 75, Section 5, as amended) is amended to read:

13 "61-30-5. REAL ESTATE APPRAISERS BOARD CREATED.--

14 A. There is created a "real estate appraisers
15 board" consisting of seven members appointed by the governor.
16 The board is administratively attached to the regulation and
17 licensing department.

18 B. There shall be four real estate appraiser
19 members of the board who shall be licensed or certified.
20 Membership in a professional appraisal organization or
21 association shall not be a prerequisite to serve on the board.
22 No more than two real estate appraiser members shall be from
23 any one licensed or certified category.

24 C. Board members shall be appointed to five-year
25 terms and shall serve until a successor is appointed and

1 qualified. Real estate appraiser members may be appointed for
2 no more than two consecutive five-year terms.

3 D. No more than two members shall be from any one
4 county within New Mexico, and at least one real estate
5 appraiser member shall be from each congressional district.

6 E. One member of the board shall represent lenders
7 or their assignees engaged in the business of lending funds
8 secured by mortgages or in the business of appraisal
9 management. Two members shall be appointed to represent the
10 public. The public members shall not have been real estate
11 appraisers or engaged in the business of real estate
12 appraisals or have any financial interest, direct or indirect,
13 in real estate appraisal or any real-estate-related business.

14 F. Vacancies on the board shall be filled by
15 appointment by the governor for the unexpired term within
16 sixty days of the vacancy.

17 G. The board is administratively attached to the
18 regulation and licensing department, and, pursuant to Title 11
19 of the Financial Institutions Reform, Recovery, and
20 Enforcement Act of 1989 as amended by the Dodd-Frank Wall
21 Street Reform and Consumer Protection Act, the appraisal
22 subcommittee may monitor the board for the purposes of
23 determining whether the board:

24 (1) has policies, practices, funding,
25 staffing and procedures that are consistent with the

1 requirements of the appraisal subcommittee and pursuant to
2 Title 11 of the Financial Institutions Reform, Recovery, and
3 Enforcement Act of 1989;

4 (2) processes complaints and completes
5 investigations in a reasonable time period;

6 (3) appropriately disciplines sanctioned
7 appraisers and appraisal management companies;

8 (4) maintains an effective regulatory
9 program; and

10 (5) reports complaints and disciplinary
11 actions on a timely basis to the national registries on
12 appraisers and appraisal management companies maintained by
13 the appraisal subcommittee.

14 H. The appraisal subcommittee may impose sanctions
15 against the board if it fails to have an effective appraiser
16 regulatory program."

17 SECTION 4. Section 61-30-7 NMSA 1978 (being Laws 1990,
18 Chapter 75, Section 7, as amended) is amended to read:

19 "61-30-7. BOARD--POWERS--DUTIES.--The board shall:

20 A. adopt rules necessary to implement the
21 provisions of the Real Estate Appraisers Act;

22 B. establish educational programs and research
23 projects related to the appraisal of real estate;

24 C. establish the administrative procedures for
25 processing applications and issuing registrations, licenses

1 and certificates to persons who qualify to be real estate
2 appraiser trainees, state licensed residential real estate
3 appraisers or state certified real estate appraisers;

4 D. receive, review and approve applications for
5 real estate appraiser trainees, state licensed residential
6 real estate appraisers and each category of state certified
7 real estate appraisers;

8 E. define the extent and type of educational
9 experience, appraisal experience and equivalent experience
10 that will meet the requirements for registration, licensing
11 and certification pursuant to the Real Estate Appraisers Act
12 after considering generally recognized appraisal practices and
13 set minimum requirements for education and experience;

14 F. provide for continuing education programs for
15 the renewal of registrations, licenses and certification that
16 will meet the requirements provided in the Real Estate
17 Appraisers Act and set minimum requirements;

18 G. adopt standards to define the education
19 programs that will meet the requirements of the Real Estate
20 Appraisers Act and that will encourage conducting programs at
21 various locations throughout the state;

22 H. adopt standards for the development and
23 communication of real estate appraisals provided in the Real
24 Estate Appraisers Act and adopt rules explaining and
25 interpreting the standards after considering generally

1 recognized appraisal practices;

2 I. adopt a code of professional responsibility for
3 real estate appraiser trainees, state licensed residential
4 real estate appraisers and state certified real estate
5 appraisers;

6 J. comply with annual reporting requirements and
7 other requirements set forth in the federal real estate
8 appraisal reform amendments;

9 K. collect and transmit annual registry fees from
10 individuals who perform or seek to perform appraisals in
11 federally related transactions and from an appraisal
12 management company that either has registered with the board
13 or operates as a subsidiary of a federally regulated financial
14 institution;

15 L. maintain a registry of the names and addresses
16 of the persons who hold current registrations, licenses and
17 certificates issued under the Real Estate Appraisers Act;

18 M. establish procedures for disciplinary action in
19 accordance with the Uniform Licensing Act against any
20 applicant or holder of a registration, license or certificate
21 for violations of the Real Estate Appraisers Act and any rules
22 adopted pursuant to provisions of that act;

23 N. register and supervise appraisal management
24 companies and submit additional information about the
25 appraisal management company to the appraisal subcommittee's

1 national registry;

2 O. recognize appraiser certifications and licenses
3 from states whose appraisal program is found to be consistent
4 with Title 11 of the Financial Institutions Reform, Recovery,
5 and Enforcement Act of 1989 as determined by the appraisal
6 subcommittee; and

7 P. perform such other functions and duties as may
8 be necessary to carry out the provisions of the Real Estate
9 Appraisers Act."

10 SECTION 5. Section 61-30-8 NMSA 1978 (being Laws 1990,
11 Chapter 75, Section 8, as amended) is amended to read:

12 "61-30-8. BOARD--ORGANIZATION--MEETINGS.--

13 A. The board shall organize by electing a chair
14 and vice chair from among its members annually. A majority of
15 the board shall constitute a quorum and may exercise all
16 powers and duties established by the provisions of the Real
17 Estate Appraisers Act.

18 B. The board shall keep a record of its
19 proceedings, a register of persons registered, licensed or
20 certified as real estate appraiser trainees, state licensed
21 residential real estate appraisers or state certified real
22 estate appraisers, showing the name and places of business of
23 each, and shall retain all records and applications submitted
24 to the board pursuant to the Real Estate Appraisers Act.

25 C. The board shall meet not less frequently than

1 once each calendar quarter at such place as may be designated
2 by the board, and special meetings may be held on five days'
3 written notice to each of the members by the chair. At least
4 annually, the board shall meet in each of the congressional
5 districts."

6 SECTION 6. Section 61-30-10 NMSA 1978 (being Laws 1990,
7 Chapter 75, Section 10, as amended) is amended to read:

8 "61-30-10. REGISTRATION, LICENSE OR CERTIFICATION
9 REQUIRED--EXCEPTIONS.--

10 A. It is unlawful for any person in this state to
11 engage or attempt to engage in the business of developing or
12 communicating real estate appraisals or appraisal reports
13 without first registering as a real estate appraiser trainee
14 or obtaining a license or certificate from the board under the
15 provisions of the Real Estate Appraisers Act.

16 B. No person, unless certified by the board as a
17 state certified real estate appraiser under a general
18 certification or residential certification, shall:

19 (1) assume or use any title, designation or
20 abbreviation likely to create the impression of a state
21 certified real estate appraiser;

22 (2) use the term "state certified" to
23 describe or refer to any appraisal or evaluation of real
24 estate prepared by the person;

25 (3) assume or use any title, designation or

1 abbreviation likely to create the impression of certification
2 as a state certified real estate appraiser firm, partnership,
3 corporation or group; or

4 (4) assume or use any title, designation or
5 abbreviation likely to create the impression of certification
6 under a general certificate or describe or refer to any
7 appraisal or evaluation of nonresidential real estate by the
8 term "state certified" if the preparer's certification is
9 limited to residential real estate.

10 C. A real estate appraiser trainee is only
11 authorized to prepare appraisals of all types of real estate
12 or real property under direct supervision of the supervisory
13 appraiser holding a residential or general certificate;
14 provided that such person does not assume or use any title,
15 designation or abbreviation likely to create the impression of
16 certification as a state certified real estate appraiser or
17 licensure as a state licensed residential real estate
18 appraiser.

19 D. The scope of practice for:

20 (1) a real estate appraiser trainee is
21 appraisal of those properties that the supervisory appraiser
22 is permitted by the supervisory appraiser's current credential
23 and that the supervisory appraiser is qualified to appraise.

24 All real estate appraiser trainees must comply with the
25 competency rule of the uniform standards of professional

1 appraisal practice;

2 (2) a state licensed residential real estate
3 appraiser is appraisal of non-complex, one-to-four residential
4 units having a transaction value of less than one million
5 dollars (\$1,000,000) and complex one-to-four residential units
6 having a transaction value less than two hundred fifty
7 thousand dollars (\$250,000). "Complex one-to-four family
8 residential property appraisal" means one in which the
9 property to be appraised, the form of ownership or the market
10 conditions are typical. The state licensed residential real
11 estate appraiser must comply with the competency rule of the
12 uniform standards of professional appraisal practice;

13 (3) a state certified residential real
14 estate appraiser is appraisal of one-to-four residential units
15 without regard to value or complexity. This classification
16 includes the appraisal of vacant or unimproved land that is
17 utilized for one-to-four family purposes or for which the
18 highest and best use is for one-to-four family purposes, and
19 the classification does not include the appraisal of
20 subdivisions for which a development analysis or appraisal is
21 necessary. All state certified residential real estate
22 appraisers must comply with the competency rule of the uniform
23 standards of professional appraisal practice; and

24 (4) a state certified general real estate
25 appraiser is appraisal of all types of property. All state

1 certified general real estate appraisers must comply with the
2 competency rule of the uniform standards of professional
3 appraisal practice.

4 E. The requirement of registration, licensing or
5 certification shall not apply to a qualifying or associate
6 broker, as defined under the provisions of Chapter 61, Article
7 29 NMSA 1978, who gives an opinion of the price of real estate
8 for the purpose of marketing, selling, purchasing, leasing or
9 exchanging such real estate or any interest therein or for the
10 purpose of providing a financial institution with a collateral
11 assessment of any real estate in which the financial
12 institution has an existing or potential security interest.

13 The opinion of the price shall not be referred to or construed
14 as an appraisal or appraisal report and shall not be used as
15 the primary basis to determine the value of real estate for
16 the purpose of loan origination.

17 F. The requirement of registration, licensing or
18 certification shall not apply to real estate appraisers of the
19 property tax division of the taxation and revenue department,
20 to a county assessor or to the county assessor's employees,
21 who as part of their duties are required to engage in real
22 estate appraisal activity as a county assessor or on behalf of
23 the county assessor and no additional compensation fee or
24 other consideration is expected or charged for such appraisal
25 activity, other than such compensation as is provided by law.

1 G. The prohibition of Subsection A of this section
2 does not apply to persons whose real estate appraisal
3 activities are limited to the appraisal of interests in
4 minerals, including oil, natural gas, liquid hydrocarbons or
5 carbon dioxide, and property held or used in connection with
6 mineral property, if that person is authorized in the person's
7 state of residence to practice and is actually engaged in the
8 practice of the profession of engineering or geology.

9 H. The process of analyzing, without altering, an
10 appraisal report, except appraisal reviews as defined by the
11 uniform standards of professional appraisal practice, that is
12 part of a request for mortgage credit is considered a
13 specialized service as defined in Subsection S of Section
14 61-30-3 NMSA 1978 and is exempt from the requirements of
15 registration, licensing or certification."

16 SECTION 7. Section 61-30-10.1 NMSA 1978 (being Laws
17 1992, Chapter 54, Section 8, as amended) is amended to read:

18 "61-30-10.1. QUALIFICATION FOR REAL ESTATE APPRAISER
19 TRAINEE.--

20 A. Registration as a real estate appraiser trainee
21 shall be granted only to persons who are deemed by the board
22 to be of good repute and competent to render appraisals.

23 B. Each applicant for registration as a real
24 estate appraiser trainee shall be a legal resident of the
25 United States, except as otherwise provided in Section

1 61-30-20 NMSA 1978, and have reached the age of majority.

2 C. Each applicant for registration as a real
3 estate appraiser trainee shall meet the education requirements
4 as established for the real estate appraiser trainee
5 classification issued by the appraiser qualifications board of
6 the appraisal foundation and adopted by rule pursuant to the
7 Real Estate Appraisers Act.

8 D. The board shall require such information as it
9 deems necessary from every applicant to determine the
10 applicant's honesty, trustworthiness and competency."

11 SECTION 8. Section 61-30-11 NMSA 1978 (being Laws 1990,
12 Chapter 75, Section 11, as amended) is amended to read:

13 "61-30-11. QUALIFICATIONS FOR LICENSE.--

14 A. Licenses shall be granted only to persons who
15 are deemed by the board to be of good repute and competent to
16 render appraisals.

17 B. Each applicant for a license as a state
18 licensed residential real estate appraiser shall be a legal
19 resident of the United States, except as otherwise provided in
20 Section 61-30-20 NMSA 1978, and have reached the age of
21 majority.

22 C. Each applicant for a license as a state
23 licensed residential real estate appraiser shall have
24 additional experience and education requirements as
25 established for the licensed classification issued by the

1 appraiser qualifications board of the appraisal foundation and
2 adopted by rule pursuant to the Real Estate Appraisers Act.

3 D. The board shall require such information as it
4 deems necessary from every applicant to determine the
5 applicant's honesty, trustworthiness and competency.

6 E. Persons who do not meet the qualifications for
7 licensure are not qualified for appraisal assignments
8 involving federally related transactions."

9 SECTION 9. Section 61-30-12 NMSA 1978 (being Laws 1990,
10 Chapter 75, Section 12, as amended) is amended to read:

11 "61-30-12. QUALIFICATIONS FOR CERTIFIED RESIDENTIAL AND
12 GENERAL REAL ESTATE APPRAISERS.--

13 A. Certified classification shall be granted only
14 to persons who are deemed by the board to be of good repute
15 and competent to render appraisals.

16 B. Each applicant for a state certified
17 residential or general real estate appraiser classification
18 shall be a legal resident of the United States, except as
19 otherwise provided in Section 61-30-20 NMSA 1978, and have
20 reached the age of majority.

21 C. Each applicant for a residential certificate as
22 a state certified real estate appraiser shall have performed
23 actively as a real estate appraiser and shall have additional
24 experience and education requirements as established for the
25 residential certification classification issued by the

1 appraiser qualifications board of the appraisal foundation and
2 adopted by rule pursuant to the Real Estate Appraisers Act.

3 D. Each applicant for a general certificate as a
4 state certified real estate appraiser shall have performed
5 actively as a real estate appraiser and have additional
6 experience and education requirements as established for the
7 general certification classification issued by the appraiser
8 qualifications board of the appraisal foundation and adopted
9 pursuant to the Real Estate Appraisers Act.

10 E. The board shall require such information as it
11 deems necessary from every applicant to determine the
12 applicant's honesty, trustworthiness and competency."

13 SECTION 10. Section 61-30-13 NMSA 1978 (being Laws
14 1990, Chapter 75, Section 13, as amended) is amended to read:

15 "61-30-13. APPLICATION FOR REGISTRATION, LICENSE OR
16 CERTIFICATE--EXAMINATION.--

17 A. All applications for registrations, licenses or
18 certificates shall be made to the board in writing, either in
19 person or electronically, shall specify whether registration
20 or a license or a certificate is being applied for by the
21 applicant and, if a certificate, the classification of the
22 certificate being applied for by the applicant and shall
23 contain such data and information as may be required by the
24 board.

25 B. Each applicant for a license or a certificate

1 shall demonstrate, by successfully passing a written
2 examination, prepared by or under the supervision of the
3 board, that the applicant possesses, consistent with licensure
4 or the certification sought, the following:

5 (1) an appropriate knowledge of technical
6 terms commonly used in or related to real estate appraising,
7 appraisal report writing and economic concepts applicable to
8 real estate;

9 (2) a basic understanding of real estate
10 law;

11 (3) an adequate knowledge of theory and
12 techniques of real estate appraisal;

13 (4) an understanding of the principles of
14 land economics, real estate appraisal processes and problems
15 likely to be encountered in the gathering, interpreting and
16 processing of data in carrying out appraisal disciplines;

17 (5) an understanding of the standards for
18 the development and communication of real estate appraisals as
19 provided in the Real Estate Appraisers Act;

20 (6) knowledge of theories of depreciation,
21 cost estimating, methods of capitalization and the mathematics
22 of real estate appraisal that are appropriate for the
23 classification of a certificate applied for by the applicant;

24 (7) knowledge of other principles and
25 procedures as may be appropriate for the respective

1 classification; and

2 (8) an understanding of the types of
3 misconduct for which disciplinary proceedings may be initiated
4 against a real estate appraiser trainee, a state licensed
5 residential real estate appraiser or a state certified real
6 estate appraiser as set forth in the Real Estate Appraisers
7 Act.

8 C. An applicant for a license or a certificate who
9 fails to successfully complete the written examination may
10 apply for a reexamination for a license or certificate upon
11 compliance with such conditions as set forth in the rules
12 adopted by the board pursuant to the provisions of the Real
13 Estate Appraisers Act."

14 SECTION 11. Section 61-30-14 NMSA 1978 (being Laws
15 1990, Chapter 75, Section 14, as amended) is amended to read:

16 "61-30-14. ISSUANCE AND RENEWAL OF REGISTRATION,
17 LICENSES AND CERTIFICATES.--

18 A. The board shall issue to each qualified
19 applicant evidence of registration, a license or a certificate
20 in a form and size prescribed by the board.

21 B. The board in its discretion may renew
22 registrations, licenses or certificates for periods of one,
23 two or three years for the purpose of coordinating continuing
24 education requirements with registration, license or
25 certificate renewal requirements.

1 C. Each registration, license or certificate
2 holder shall submit proof of compliance with continuing
3 education requirements and the renewal fee.

4 D. Each application for renewal shall include
5 payment of a registry fee set by the federal financial
6 institutions examination council. The registry fee shall be
7 transmitted by the board to the federal financial institutions
8 examination council.

9 E. The board shall certify renewal of each
10 registration, license or certificate in the absence of any
11 reason or condition that might warrant the refusal of the
12 renewal of a registration, license or certificate.

13 F. In the event that a registration, license or
14 certificate holder fails to properly apply for renewal of the
15 registration, license or certificate within the thirty days
16 immediately following the registration, license or certificate
17 renewal date of any given year, the registration, license or
18 certificate shall expire thirty days following the renewal
19 date.

20 G. The board may renew an expired registration
21 upon application, payment of the current annual renewal fee,
22 submission of proof of compliance with continuing education
23 requirements and payment of a reinstatement fee in the amount
24 not to exceed two hundred dollars (\$200), in addition to any
25 other fee permitted under the Real Estate Appraisers Act.

1 H. The board may renew an expired license or
2 certificate upon application, payment of the current annual
3 renewal fee, submission of proof of compliance with continuing
4 education requirements and payment of the reinstatement fee,
5 in addition to any other fee permitted under the Real Estate
6 Appraisers Act; provided that the board may, in the board's
7 discretion, treat the former certificate holder as a new
8 applicant and further may require reexamination as a condition
9 to reissuance of a certificate.

10 I. If during a period of one year from the date a
11 registration, license or certificate expires, the
12 registration, license or certificate holder is either absent
13 from this state on active duty military service or is
14 suffering from an illness or injury of such severity that the
15 person is physically or mentally incapable of renewal of the
16 registration, license or certificate, payment of the
17 reinstatement fee and, in the case of a license or certificate
18 holder, reexamination shall not be required by the board if,
19 within three months of the person's permanent return to this
20 state or sufficient recovery from illness or injury to allow
21 the person to make an application, the person makes
22 application to the board for renewal. A copy of the person's
23 military orders or a certificate of the applicant's physician
24 shall accompany the application.

25 J. The board may adopt additional requirements by

1 rule for the issuance or renewal of registrations, licenses
2 or certificates to maintain or upgrade real estate appraiser
3 qualifications at a level no less than the recommendations of
4 the appraiser qualifications board of the appraisal
5 foundation or the requirements of the appraisal
6 subcommittee."

7 SECTION 12. Section 61-30-15 NMSA 1978 (being Laws
8 1990, Chapter 75, Section 15, as amended) is amended to read:

9 "61-30-15. REFUSAL, SUSPENSION OR REVOCATION OF
10 REGISTRATION, LICENSE OR CERTIFICATE.--

11 A. The board, consistent with Section 61-30-7
12 NMSA 1978, shall refuse to issue or renew a registration,
13 license or certificate or shall suspend or revoke a
14 registration, license or certificate at any time when the
15 applicant, real estate appraiser trainee, state licensed
16 residential real estate appraiser or state certified real
17 estate appraiser, in performing or attempting to perform any
18 of the actions set forth in the Real Estate Appraisers Act, is
19 determined by the board to have:

20 (1) procured or attempted to procure a
21 registration, license or certificate by knowingly making a
22 false statement or submitting false information or through any
23 form of fraud or misrepresentation;

24 (2) refused to provide complete information
25 in response to a question in an application for registration,

1 a license or certificate or failed to meet the minimum
2 qualifications established by the Real Estate Appraisers Act;

3 (3) paid money, other than as provided for
4 in the Real Estate Appraisers Act, to any member or employee
5 of the board to procure registration, a license or a
6 certificate;

7 (4) been convicted of a crime that is
8 substantially related to the qualifications, functions and
9 duties of the person developing real estate appraisals and
10 communicating real estate appraisals to others;

11 (5) committed an act involving dishonesty,
12 fraud or misrepresentation or by omission engaged in a
13 dishonest or fraudulent act or misrepresentation with the
14 intent to substantially benefit the registration, license or
15 certificate holder or another person or with the intent to
16 substantially injure another person;

17 (6) willfully disregarded or violated any of
18 the provisions of the Real Estate Appraisers Act or the rules
19 of the board adopted pursuant to that act;

20 (7) accepted an appraisal assignment when
21 the employment itself is contingent upon the real estate
22 appraiser reporting a predetermined analysis or opinion or
23 where the fee to be paid for the performance of the appraisal
24 assignment is contingent upon the opinion, conclusion or
25 valuation reached or upon the consequences resulting from the

1 appraisal assignment; provided that a contingent fee agreement
2 is permitted for the rendering of special services not
3 constituting an appraisal assignment and the acceptance of a
4 contingent fee is clearly and prominently stated on the
5 written appraisal report;

6 (8) suffered the entry of a final civil
7 judgment on the grounds of fraud, misrepresentation or deceit
8 in the making of an appraisal; provided that the real estate
9 appraiser trainee, state licensed residential real estate
10 appraiser or state certified real estate appraiser shall be
11 afforded an opportunity to present matters in mitigation and
12 extenuation, but may not collaterally attack the civil
13 judgment; or

14 (9) committed any other conduct that is
15 related to dealings as a real estate appraiser trainee, a
16 state licensed residential real estate appraiser or a state
17 certified real estate appraiser and that constitutes or
18 demonstrates bad faith, untrustworthiness, impropriety, fraud,
19 dishonesty or any unlawful act.

20 B. The board, consistent with Section 61-30-7 NMSA
21 1978, shall refuse to issue or renew a registration, license
22 or certificate and shall suspend or revoke a registration,
23 license or certificate at any time when the board determines
24 that the applicant or real estate appraiser trainee, state
25 licensed residential real estate appraiser or state certified

1 real estate appraiser, in the performance of real estate
2 appraisal work, has:

3 (1) repeatedly failed to observe one or more
4 of the standards for the development or communication of real
5 estate appraisals set forth in the rules adopted pursuant to
6 the Real Estate Appraisers Act;

7 (2) repeatedly failed or refused, without
8 good cause, to exercise reasonable diligence in developing an
9 appraisal, preparing an appraisal report or communicating an
10 appraisal;

11 (3) repeatedly been negligent or incompetent
12 in developing an appraisal, in preparing an appraisal report
13 or in communicating an appraisal; or

14 (4) violated the confidential nature of
15 records to which the real estate appraiser trainee, state
16 licensed residential real estate appraiser or state certified
17 real estate appraiser gained access through employment or
18 engagement as such an appraiser.

19 C. The action of the board relating to the
20 issuance, suspension or revocation of any registration,
21 license or certificate shall be governed by the provisions of
22 the Uniform Licensing Act; provided that the time limitations
23 set forth in the Uniform Licensing Act shall not apply to the
24 processing of administrative complaints filed with the board,
25 which shall be governed by federal statute, regulation or

1 policy. The board shall participate in any hearings required
2 or conducted by the board pursuant to the provisions of the
3 Uniform Licensing Act.

4 D. The provisions of the Criminal Offender
5 Employment Act shall govern any consideration of criminal
6 records required or permitted under the Real Estate Appraisers
7 Act.

8 E. Nothing in the Real Estate Appraisers Act shall
9 be construed to preclude any other remedies otherwise
10 available under common law or statutes of this state."

11 SECTION 13. Section 61-30-16 NMSA 1978 (being Laws
12 1990, Chapter 75, Section 16, as amended) is amended to read:

13 "61-30-16. STANDARDS OF PROFESSIONAL APPRAISAL
14 PRACTICE--CERTIFICATE OF GOOD STANDING.--

15 A. Each real estate appraiser trainee, state
16 licensed residential real estate appraiser or state certified
17 real estate appraiser shall comply with the generally accepted
18 standards of professional appraisal practice and the generally
19 accepted ethical rules to be observed by a real estate
20 appraiser. The generally accepted standards of professional
21 appraisal practice and professional ethics are currently
22 evidenced by the uniform standards of professional appraisal
23 practice. Real estate appraisals shall be written or oral
24 appraisals and subject to appropriate review for compliance
25 with the uniform standards of professional appraisal practice.

1 The work file for an oral appraisal report shall be subject to
2 appropriate review for compliance with the uniform standards
3 of professional appraisal practice.

4 B. The board, upon payment of a fee in an amount
5 specified in its regulations, may issue a certificate of good
6 standing to any state registered, licensed or certified real
7 estate appraiser who is in good standing under the Real Estate
8 Appraisers Act."

9 SECTION 14. Section 61-30-17 NMSA 1978 (being Laws
10 1990, Chapter 75, Section 17, as amended) is amended to read:

11 "61-30-17. FEES.--

12 A. The board shall charge and collect the
13 following fees not to exceed:

14 (1) an application fee for real estate
15 appraiser trainee registration, two hundred dollars (\$200);

16 (2) an application fee for a license or
17 residential certification, four hundred dollars (\$400);

18 (3) an application fee for general
19 certification, five hundred dollars (\$500);

20 (4) an examination fee for general and
21 residential certification or license, two hundred dollars
22 (\$200);

23 (5) a registration renewal fee for a real
24 estate appraiser trainee, two hundred fifty dollars (\$250);

25 (6) a certificate renewal fee for

1 residential certification, or license renewal, four hundred
2 fifty dollars (\$450);

3 (7) a certificate renewal fee for general
4 certification, five hundred dollars (\$500);

5 (8) the registry fee as required by the
6 federal real estate appraisal reform amendments;

7 (9) for registration for temporary practice,
8 two hundred dollars (\$200), and an additional extension fee
9 may be applied;

10 (10) for each duplicate registration,
11 license or certificate issued because a registration, license
12 or certificate is lost or destroyed and an affidavit as to its
13 loss or destruction is made and filed, fifty dollars (\$50.00);
14 and

15 (11) fees to cover reasonable and necessary
16 administrative expenses.

17 B. The board shall establish the fee for appraisal
18 management company registration by rule to cover the cost of
19 the administration of the Appraisal Management Company
20 Registration Act, but in no case shall the fee be more than
21 two thousand dollars (\$2,000). Registration fees shall be
22 credited to the appraiser fund pursuant to Section 61-30-18
23 NMSA 1978."

24 SECTION 15. Section 61-30-18 NMSA 1978 (being Laws
25 1990, Chapter 75, Section 18, as amended) is amended to read:

1 "61-30-18. APPRAISER FUND CREATED--DISPOSITION--METHOD
2 OF PAYMENT.--

3 A. There is created in the state treasury the
4 "appraiser fund" to be administered by the board. All fees
5 received by the board pursuant to the Real Estate Appraisers
6 Act and the Appraisal Management Company Registration Act
7 shall be deposited with the state treasurer to the credit of
8 the appraiser fund. Income earned on investment of the fund
9 shall be credited to the fund.

10 B. Money in the appraiser fund shall be used by
11 the board to meet necessary expenses incurred in the
12 enforcement of the provisions of the Real Estate Appraisers
13 Act and the Appraisal Management Company Registration Act, in
14 carrying out the duties imposed by the Real Estate Appraisers
15 Act and the Appraisal Management Company Registration Act and
16 for the promotion of education and standards for real estate
17 appraisers in this state. Payments out of the appraiser fund
18 shall be on vouchers issued and signed by the person
19 designated by the board upon warrants drawn by the department
20 of finance and administration.

21 C. All unexpended or unencumbered balances
22 remaining at the end of each fiscal year shall remain in the
23 appraiser fund for use in accordance with the provisions of
24 the Real Estate Appraisers Act and the Appraisal Management
25 Company Registration Act. Money in the fund shall be used by

1 the board to support efforts to comply with the rules of the
2 appraisal subcommittee, including the complaint process,
3 complaint investigations and appraiser enforcement
4 activities."

5 SECTION 16. Section 61-30-19 NMSA 1978 (being Laws
6 1990, Chapter 75, Section 19, as amended) is amended to read:

7 "61-30-19. CONTINUING EDUCATION.--

8 A. The board shall adopt rules providing for
9 continuing education programs that offer courses in real
10 property appraisal, practices and techniques, including basic
11 real estate law and practice. The rules shall require that
12 every real estate appraiser trainee, state licensed
13 residential real estate appraiser or state certified real
14 estate appraiser, as a condition to renewal, shall
15 successfully complete the continuing education requirements
16 approved by the board.

17 B. The rules shall prescribe areas of specialty or
18 expertise relating to registration, licenses and the type of
19 certificate held and may require that a certain part of
20 continuing education be devoted to courses in the area of the
21 real estate appraiser trainee's, state licensed residential
22 real estate appraiser's or state certified real estate
23 appraiser's specialty or expertise. The rules shall also
24 permit real estate appraiser trainees, state licensed
25 residential real estate appraisers or state certified real

1 estate appraisers to meet the continuing education
2 requirements by participation other than as a student in
3 educational processes and programs in real property appraisal
4 theory, practices and techniques by instructing or preparing
5 educational materials."

6 SECTION 17. Section 61-30-20 NMSA 1978 (being Laws
7 1990, Chapter 75, Section 20, as amended) is amended to read:

8 "61-30-20. NONRESIDENT APPLICANTS--RECIPROCITY.--

9 A. Pursuant to Title 11 of the Financial
10 Institutions Reform, Recovery, and Enforcement Act of 1989 as
11 amended by the Dodd-Frank Wall Street Reform and Consumer
12 Protection Act, the board shall issue a registration, license
13 or certificate to a nonresident if the applicant's home state
14 complies with Title 11 as determined by the appraisal
15 subcommittee.

16 B. The registration, license or certificate shall
17 be issued upon payment of the application fee, verification
18 that the applicant has complied with the applicant's resident
19 state's current education requirements and the filing with the
20 board of a license history and verification of good standing
21 issued by the licensing board of the other state.

22 C. The applicant shall file an irrevocable consent
23 that suits and actions may be commenced against the applicant
24 in the proper court of any county of this state in which a
25 cause of action may arise from the applicant's actions as a

1 real estate appraiser trainee, state licensed residential real
2 estate appraiser or state certified real estate appraiser or
3 in which the plaintiff may reside, by the service of any
4 processes or pleadings authorized by the laws of this state on
5 the board, the consent stipulating and agreeing that such
6 service of processes or pleadings on the board shall be taken
7 and held in all courts to be as valid and binding as if
8 personal service has been made upon the applicant in New
9 Mexico. In case any process or pleading mentioned in the case
10 is served upon the board, it shall be by duplicate copies, one
11 of which shall be filed in the office of the board and the
12 other immediately forwarded by registered mail to the
13 nonresident real estate appraiser trainee, state licensed
14 residential real estate appraiser or state certified real
15 estate appraiser to whom the processes or pleadings are
16 directed."

17 SECTION 18. Section 61-30-21 NMSA 1978 (being Laws
18 1990, Chapter 75, Section 21, as amended) is amended to read:

19 "61-30-21. TEMPORARY PRACTICE.--

20 A. Pursuant to Title 11 of the Financial
21 Institutions Reform, Recovery, and Enforcement Act of 1989 as
22 amended by the Dodd-Frank Wall Street Reform and Consumer
23 Protection Act, the board shall recognize, on a temporary
24 basis, the registration, certification or license of a real
25 estate appraiser issued by another state if:

1 (1) the real estate appraiser's business is
2 of a temporary nature and certified by the real estate
3 appraiser not to exceed six months, with no more than one
4 extension allowed; and

5 (2) the real estate appraiser registers the
6 temporary practice with the board.

7 B. The applicant or any person registering with
8 the board for temporary practice shall file an irrevocable
9 consent that suits and actions may be commenced against the
10 applicant in the proper court of any county of this state in
11 which a cause of action may arise from the applicant's actions
12 as a real estate appraiser trainee, a state licensed
13 residential real estate appraiser or a state certified real
14 estate appraiser or in which the plaintiff may reside, by the
15 service of any processes or pleadings authorized by the laws
16 of this state on the board, the consent stipulating and
17 agreeing that such service of processes or pleadings on the
18 board shall be taken and held in all courts to be as valid and
19 binding as if personal service had been made upon the
20 applicant in New Mexico. If a process or pleading mentioned
21 in the case is served upon the board, it shall be by duplicate
22 copies, one of which shall be filed in the office of the board
23 and the other immediately forwarded by registered mail to the
24 nonresident real estate appraiser trainee, state licensed
25 residential real estate appraiser or state certified real

1 estate appraiser to whom the processes or pleadings are
2 directed."

3 SECTION 19. Section 61-30-22 NMSA 1978 (being Laws
4 1990, Chapter 75, Section 22, as amended) is amended to read:

5 "61-30-22. CIVIL AND CRIMINAL PENALTIES--INJUNCTIVE
6 RELIEF.--

7 A. Any person who violates any provision of the
8 Real Estate Appraisers Act is guilty of a misdemeanor and
9 shall be punished by a fine of not more than one thousand
10 dollars (\$1,000) or by imprisonment for not more than six
11 months or both.

12 B. In the event any person has engaged in or
13 proposes to engage in any act or practice violating a
14 provision of the Real Estate Appraisers Act, the attorney
15 general or the district attorney of the judicial district in
16 which the person resides or the judicial district in which the
17 violation has occurred or will occur shall, upon application
18 of the board, maintain an action in the name of the state to
19 prosecute the violation or to enjoin the proposed act or
20 practice.

21 C. The board may impose a civil penalty in an
22 amount not to exceed one thousand dollars (\$1,000) for each
23 violation of the Real Estate Appraisers Act and assess
24 administrative costs for any investigation and administrative
25 or other proceedings against a real estate appraiser trainee,

1 a state licensed residential real estate appraiser or a state
2 certified real estate appraiser or against any person who is
3 found, through an administrative proceeding, to have acted
4 without a license. Appeals from decisions of the board shall
5 be taken as provided in Section 39-3-1.1 NMSA 1978."

6 SECTION 20. A new section of the Real Estate Appraisers
7 Act is enacted to read:

8 "CRIMINAL BACKGROUND CHECKS.--

9 A. The board may adopt rules that provide for
10 criminal background checks for all registrants, certified
11 licensees and licensees to include:

12 (1) requiring criminal history background
13 checks of applicants for registration, certified licensure or
14 licensure pursuant to the Real Estate Appraisers Act;

15 (2) requiring applicants for registration,
16 or certified licensure or licensure to be fingerprinted;

17 (3) providing for an applicant who has been
18 denied registration or certified licensure or licensure to
19 inspect or challenge the validity of the background check
20 record;

21 (4) establishing a fingerprint and
22 background check fee not to exceed fees as determined by the
23 department of public safety to be paid by the applicant; and

24 (5) providing for submission of an
25 applicant's fingerprint cards to the federal bureau of

