

HB2960



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2960

by Rep. Robert Rita

SYNOPSIS AS INTRODUCED:

225 ILCS 458/5-5

Amends the Real Estate Appraiser Licensing Act of 2002. Provides that it is unlawful for a person to develop a document that reports an opinion of value of real estate or uses the term "appraisal" or "market value" in documenting or reporting an opinion of value of real estate without a license issued under the Act.

LRB101 10483 SMS 55589 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Real Estate Appraiser Licensing Act of 2002
5 is amended by changing Section 5-5 as follows:

6 (225 ILCS 458/5-5)

7 (Section scheduled to be repealed on January 1, 2022)

8 Sec. 5-5. Necessity of license; use of title; exemptions.

9 (a) It is unlawful for a person to (i) act, offer services,
10 or advertise services as a State certified general real estate
11 appraiser, State certified residential real estate appraiser,
12 or associate real estate trainee appraiser, (ii) develop a real
13 estate appraisal or other document that reports an opinion of
14 value of real estate, (iii) practice as a real estate
15 appraiser, ~~or~~ (iv) advertise or hold himself or herself out to
16 be a real estate appraiser, or (v) use the term "appraisal" or
17 "market value" in documenting or reporting an opinion of value
18 of real estate without a license issued under this Act. A
19 person who violates this subsection is guilty of a Class A
20 misdemeanor for a first offense and a Class 4 felony for any
21 subsequent offense.

22 (a-5) It is unlawful for a person, unless registered as an
23 appraisal management company, to solicit clients or enter into

1 an appraisal engagement with clients without either a certified
2 residential real estate appraiser license or a certified
3 general real estate appraiser license issued under this Act. A
4 person who violates this subsection is guilty of a Class A
5 misdemeanor for a first offense and a Class 4 felony for any
6 subsequent offense.

7 (b) It is unlawful for a person, other than a person who
8 holds a valid license issued pursuant to this Act as a State
9 certified general real estate appraiser, a State certified
10 residential real estate appraiser, or an associate real estate
11 trainee appraiser to use these titles or any other title,
12 designation, or abbreviation likely to create the impression
13 that the person is licensed as a real estate appraiser pursuant
14 to this Act. A person who violates this subsection is guilty of
15 a Class A misdemeanor for a first offense and a Class 4 felony
16 for any subsequent offense.

17 (c) This Act does not apply to a person who holds a valid
18 license as a real estate broker or managing broker pursuant to
19 the Real Estate License Act of 2000 who prepares or provides a
20 broker price opinion or comparative market analysis in
21 compliance with Section 10-45 of the Real Estate License Act of
22 2000.

23 (d) Nothing in this Act shall preclude a State certified
24 general real estate appraiser, a State certified residential
25 real estate appraiser, or an associate real estate trainee
26 appraiser from rendering appraisals for or on behalf of a

1 partnership, association, corporation, firm, or group.
2 However, no State appraisal license or certification shall be
3 issued under this Act to a partnership, association,
4 corporation, firm, or group.

5 (e) This Act does not apply to a county assessor, township
6 assessor, multi-township assessor, county supervisor of
7 assessments, or any deputy or employee of any county assessor,
8 township assessor, multi-township assessor, or county
9 supervisor of assessments who is performing his or her
10 respective duties in accordance with the provisions of the
11 Property Tax Code.

12 (e-5) For the purposes of this Act, valuation waivers may
13 be prepared by a licensed appraiser notwithstanding any other
14 provision of this Act, and the following types of valuations
15 are not appraisals and may not be represented to be appraisals,
16 and a license is not required under this Act to perform such
17 valuations if the valuations are performed by (1) an employee
18 of the Illinois Department of Transportation who has completed
19 a minimum of 45 hours of course work in real estate appraisal,
20 including the principals of real estate appraisals, appraisal
21 of partial acquisitions, easement valuation, reviewing
22 appraisals in eminent domain, appraisal for federal aid highway
23 programs, and appraisal review for federal aid highway programs
24 and has at least 2 years' experience in a field closely related
25 to real estate; (2) a county engineer who is a registered
26 professional engineer under the Professional Engineering

1 Practice Act of 1989; (3) an employee of a municipality who has
2 (i) completed a minimum of 45 hours of coursework in real
3 estate appraisal, including the principals of real estate
4 appraisals, appraisal of partial acquisitions, easement
5 valuation, reviewing appraisals in eminent domain, appraisal
6 for federal aid highway programs, and appraisal review for
7 federal aid highway programs and (ii) has either 2 years'
8 experience in a field clearly related to real estate or has
9 completed 20 hours of additional coursework that is sufficient
10 for a person to complete waiver valuations as approved by the
11 Federal Highway Administration; or (4) a municipal engineer who
12 has completed coursework that is sufficient for his or her
13 waiver valuations to be approved by the Federal Highway
14 Administration and who is a registered professional engineer
15 under the Professional Engineering Act of 1989, under the
16 following circumstances:

17 (A) a valuation waiver in an amount not to exceed
18 \$10,000 prepared pursuant to the federal Uniform
19 Relocation Assistance and Real Property Acquisition
20 Policies Act of 1970, or prepared pursuant to the federal
21 Uniform Relocation Assistance and Real Property
22 Acquisition for Federal and Federally-Assisted Programs
23 regulations and which is performed by (1) an employee of
24 the Illinois Department of Transportation and co-signed,
25 with a license number affixed, by another employee of the
26 Illinois Department of Transportation who is a registered

1 professional engineer under the Professional Engineering
2 Practice Act of 1989 or (2) an employee of a municipality
3 and co-signed with a license number affixed by a county or
4 municipal engineer who is a registered professional
5 engineer under the Professional Engineering Practice Act
6 of 1989; and

7 (B) a valuation waiver in an amount not to exceed
8 \$10,000 prepared pursuant to the federal Uniform
9 Relocation Assistance and Real Property Acquisition
10 Policies Act of 1970, or prepared pursuant to the federal
11 Uniform Relocation Assistance and Real Property
12 Acquisition for Federal and Federally-Assisted Programs
13 regulations and which is performed by a county or municipal
14 engineer who is employed by a county or municipality and is
15 a registered professional engineer under the Professional
16 Engineering Practice Act of 1989. In addition to his or her
17 signature, the county or municipal engineer shall affix his
18 or her license number to the valuation.

19 Nothing in this subsection (e-5) shall be construed to
20 allow the State of Illinois, a political subdivision thereof,
21 or any public body to acquire real estate by eminent domain in
22 any manner other than provided for in the Eminent Domain Act.

23 (f) A State real estate appraisal certification or license
24 is not required under this Act for any of the following:

25 (1) A person, partnership, association, or corporation
26 that performs appraisals of property owned by that person,

1 partnership, association, or corporation for the sole use
2 of that person, partnership, association, or corporation.

3 (2) A court-appointed commissioner who conducts an
4 appraisal pursuant to a judicially ordered evaluation of
5 property.

6 However, any person who is certified or licensed under this Act
7 and who performs any of the activities set forth in this
8 subsection (f) must comply with the provisions of this Act. A
9 person who violates this subsection (f) is guilty of a Class A
10 misdemeanor for a first offense and a Class 4 felony for any
11 subsequent offense.

12 (g) This Act does not apply to an employee, officer,
13 director, or member of a credit or loan committee of a
14 financial institution or any other person engaged by a
15 financial institution when performing an evaluation of real
16 property for the sole use of the financial institution in a
17 transaction for which the financial institution would not be
18 required to use the services of a State licensed or State
19 certified appraiser pursuant to federal regulations adopted
20 under Title XI of the federal Financial Institutions Reform,
21 Recovery, and Enforcement Act of 1989, nor does this Act apply
22 to the procurement of an automated valuation model.

23 "Automated valuation model" means an automated system that
24 is used to derive a property value through the use of publicly
25 available property records and various analytic methodologies
26 such as comparable sales prices, home characteristics, and

1 historical home price appreciations.

2 (Source: P.A. 98-444, eff. 8-16-13; 98-933, eff. 1-1-15;

3 98-1109, eff. 1-1-15; 99-78, eff. 7-20-15.)