

STATE OF OKLAHOMA

2nd Session of the 59th Legislature (2024)

COMMITTEE SUBSTITUTE
FOR

HOUSE BILL NO. 4107

By: Grego

COMMITTEE SUBSTITUTE

An Act relating to professions and occupations;
amending 59 O.S. 2021, Section 858-723, which relates
to the Oklahoma Certified Real Estate Appraisers Act;
mandating forfeiture of fine for frivolous
complaints; proscribing use of forfeited fines; and
providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 59 O.S. 2021, Section 858-723, is
amended to read as follows:

Section 858-723. A. The Real Estate Appraiser Board, after
notice and opportunity for a hearing, pursuant to Article II of the
Administrative Procedures Act, may issue an order imposing one or
more of the following penalties whenever the Board finds, by clear
and convincing evidence, that a certificate holder has violated any
provision of the Oklahoma Certified Real Estate Appraisers Act, or
rules promulgated pursuant thereto:

1. Revocation of the certificate with or without the right to
reapply;

CORRECTED

1 2. Suspension of the certificate for a period not to exceed
2 five (5) years;

3 3. Probation, for a period of time and under such terms and
4 conditions as deemed appropriate by the Board;

5 4. Stipulations, limitations, restrictions, and conditions
6 relating to practice;

7 5. Censure, including specific redress, if appropriate;

8 6. Reprimand, either public or private;

9 7. Satisfactory completion of an educational program or
10 programs;

11 8. Administrative fines as authorized by the Oklahoma Certified
12 Real Estate Appraisers Act; and

13 9. Payment of costs expended by the Board for any legal fees
14 and costs and probation and monitoring fees including, but not
15 limited to, administrative costs, witness fees and attorney fees.

16 B. 1. Any administrative fine imposed as a result of a
17 violation of the Oklahoma Certified Real Estate Appraisers Act or
18 the rules of the Board promulgated pursuant thereto shall not:

19 a. be less than Fifty Dollars (\$50.00) and shall not
20 exceed Two Thousand Dollars (\$2,000.00) for each
21 violation of this act or the rules of the Board, or

22 b. exceed Five Thousand Dollars (\$5,000.00) for all
23 violations resulting from a single incident or
24 transaction.

CORRECTED

1 2. All administrative fines shall be paid within thirty (30)
2 days of notification of the certificate holder by the Board of the
3 order of the Board imposing the administrative fine, unless the
4 certificate holder has entered into an agreement with the Board
5 extending the period for payment.

6 3. The certificate may be suspended until any fine imposed upon
7 the licensee by the Board is paid.

8 4. Unless the certificate holder has entered into an agreement
9 with the Board extending the period for payment, if fines are not
10 paid in full by the licensee within thirty (30) days of the
11 notification by the Board of the order, the fines shall double and
12 the certificate holder shall have an additional thirty-day period.
13 If the double fine is not paid within the additional thirty-day
14 period, the certificate shall automatically be revoked.

15 5. All monies received by the Board as a result of the
16 imposition of the administrative fine provided for in this section
17 shall be deposited in the Oklahoma Certified Real Estate Appraisers
18 Revolving Fund created pursuant to Section 858-730 of this title.

19 C. The rights of any holder under a certificate as a trainee,
20 state licensed, state certified residential or state certified
21 general real estate appraiser may be revoked or suspended, or the
22 holder of the certificate may be otherwise disciplined pursuant to
23 the provisions of the Oklahoma Certified Real Estate Appraisers Act,
24 upon any of the grounds set forth in this section. The Board may

1 investigate the actions of a trainee, state licensed, state
2 certified residential or state certified general real estate
3 appraiser, and may revoke or suspend the rights of a certificate
4 holder or otherwise discipline a trainee, state licensed, state
5 certified residential or state certified general real estate
6 appraiser for any of the following acts or omissions:

7 1. Procuring or attempting to procure a certificate pursuant to
8 the provisions of the Oklahoma Certified Real Estate Appraisers Act
9 by knowingly making a false statement, knowingly submitting false
10 information, refusing to provide complete information in response to
11 a question in an application for certification or through any form
12 of fraud or misrepresentation;

13 2. Failing to meet the minimum qualifications established
14 pursuant to the provisions of the Oklahoma Certified Real Estate
15 Appraisers Act;

16 3. Paying money other than provided for by the Oklahoma
17 Certified Real Estate Appraisers Act to any member or employee of
18 the Board to procure a certificate pursuant to the Oklahoma
19 Certified Real Estate Appraisers Act;

20 4. A conviction, including a conviction based upon a plea of
21 guilty or nolo contendere, of a felony crime that substantially
22 relates to the practice of real estate appraisals or poses a
23 reasonable threat to public safety;

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CORRECTED

1 5. An act or omission involving dishonesty, fraud, or
2 misrepresentation with the intent to substantially benefit the
3 certificate holder or another person or with the intent to
4 substantially injure another person;

5 6. Violation of any of the standards for the development or
6 communication of real estate appraisals as provided in the Oklahoma
7 Certified Real Estate Appraisers Act;

8 7. Failure or refusal without good cause to exercise reasonable
9 diligence in developing an appraisal, preparing an appraisal report
10 or communicating an appraisal;

11 8. Negligence or incompetence in developing an appraisal, in
12 preparing an appraisal report, or in communicating an appraisal;

13 9. Willfully disregarding or violating any of the provisions of
14 the Oklahoma Certified Real Estate Appraisers Act or the regulations
15 of the Board for the administration and enforcement of the
16 provisions of the Oklahoma Certified Real Estate Appraisers Act;

17 10. Accepting an appraisal assignment when the employment
18 itself is contingent upon the appraiser reporting a predetermined
19 estimate, analysis or opinion, or where the fee to be paid is
20 contingent upon the opinion, conclusion, or valuation reached, or
21 upon the consequences resulting from the appraisal assignment;

22 11. Violating the confidential nature of governmental records
23 to which the appraiser gained access through employment or
24 engagement as an appraiser by a governmental agency;

1 12. Entry of a final civil judgment against the person on
2 grounds of deceit, fraud, or willful or knowing misrepresentation in
3 the making of any appraisal of real property;

4 13. Violating any of the provisions in the code of ethics set
5 forth in this act; or

6 14. Failing to at any time properly identify themselves
7 according to the specific type of certification held.

8 D. In a disciplinary proceeding based upon a civil judgment,
9 the trainee, state licensed, state certified residential or state
10 certified general real estate appraiser shall be afforded an
11 opportunity to present matters in mitigation and extenuation, but
12 may not collaterally attack the civil judgment.

13 E. 1. A complaint may be filed with the Board against a
14 trainee or state licensed or state certified appraiser for any
15 violations relating to a specific transaction of the Oklahoma
16 Certified Real Estate Appraisers Act by any person who is the
17 recipient of, relies upon or uses an appraisal prepared for a
18 federally related transaction or real-estate-related financial
19 transaction as described in Section 858-701 of this title.

20 2. Any person with knowledge of any circumstances surrounding
21 an act or omission by a trainee or state licensed or state certified
22 appraiser involving fraud, dishonesty or misrepresentation in any
23 real property valuation-related activity, not limited to federally
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1 related transactions, may file a complaint with the Board setting
2 forth all facts surrounding the act or omission.

3 3. A complaint may be filed against a trainee or state licensed
4 or state certified appraiser directly by the Board, if reasonable
5 cause exists for violations of the code of ethics set forth in this
6 act.

7 4. Any complaint filed pursuant to this subsection shall be in
8 writing and signed by the person filing same and shall be on a form
9 approved by the Board. The trainee or state licensed or state
10 certified appraiser shall be entitled to any hearings or subject to
11 any disciplinary proceedings provided for in the Oklahoma Certified
12 Real Estate Appraisers Act based upon any complaint filed pursuant
13 to this subsection.

14 5. If, after hearing evidence on a complaint against a trainee,
15 state licensed appraiser, or state certified appraiser pursuant to
16 this subsection, the Board finds the complaint to be frivolous, the
17 Board has the authority to levy a fine of no more than Five Hundred
18 Dollars (\$500.00). Any forfeited fines shall be transferred to the
19 Oklahoma Real Estate Appraiser Board and used for training purposes.

20 F. As used in this section:

21 1. "Substantially relates" means the nature of criminal conduct
22 for which the person was convicted has a direct bearing on the
23 fitness or ability to perform one or more of the duties or
24 responsibilities necessarily related to the occupation; and

1 2. "Poses a reasonable threat" means the nature of criminal
2 conduct for which the person was convicted involved an act or threat
3 of harm against another and has a bearing on the fitness or ability
4 to serve the public or work with others in the occupation.

5 SECTION 2. This act shall become effective November 1, 2024.

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