

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 59th Legislature (2024)

4 COMMITTEE SUBSTITUTE  
5 FOR  
6 HOUSE BILL NO. 4107

By: Grego of the House

and

**Green** of the Senate

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10                                   COMMITTEE SUBSTITUTE

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

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

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

20                   Section 858-723.   A.   The Real Estate Appraiser Board, after  
21 notice and opportunity for a hearing, pursuant to Article II of the  
22 Administrative Procedures Act, may issue an order imposing one or  
23 more of the following penalties whenever the Board finds, by clear  
24 and convincing evidence, that a certificate holder has violated any

1 provision of the Oklahoma Certified Real Estate Appraisers Act, or  
2 rules promulgated pursuant thereto:

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

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

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

9 4. Stipulations, limitations, restrictions, and conditions  
10 relating to practice;

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

12 6. Reprimand, either public or private;

13 7. Satisfactory completion of an educational program or  
14 programs;

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

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

20 B. 1. Any administrative fine imposed as a result of a  
21 violation of the Oklahoma Certified Real Estate Appraisers Act or  
22 the rules of the Board promulgated pursuant thereto shall not:  
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- 1           a.    be less than Fifty Dollars (\$50.00) and shall not  
2                    exceed Two Thousand Dollars (\$2,000.00) for each  
3                    violation of this act or the rules of the Board, or  
4           b.    exceed Five Thousand Dollars (\$5,000.00) for all  
5                    violations resulting from a single incident or  
6                    transaction.

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

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

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

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

1 C. The rights of any holder under a certificate as a trainee,  
2 state licensed, state certified residential or state certified  
3 general real estate appraiser may be revoked or suspended, or the  
4 holder of the certificate may be otherwise disciplined pursuant to  
5 the provisions of the Oklahoma Certified Real Estate Appraisers Act,  
6 upon any of the grounds set forth in this section. The Board may  
7 investigate the actions of a trainee, state licensed, state  
8 certified residential or state certified general real estate  
9 appraiser, and may revoke or suspend the rights of a certificate  
10 holder or otherwise discipline a trainee, state licensed, state  
11 certified residential or state certified general real estate  
12 appraiser for any of the following acts or omissions:

13 1. Procuring or attempting to procure a certificate pursuant to  
14 the provisions of the Oklahoma Certified Real Estate Appraisers Act  
15 by knowingly making a false statement, knowingly submitting false  
16 information, refusing to provide complete information in response to  
17 a question in an application for certification or through any form  
18 of fraud or misrepresentation;

19 2. Failing to meet the minimum qualifications established  
20 pursuant to the provisions of the Oklahoma Certified Real Estate  
21 Appraisers Act;

22 3. Paying money other than provided for by the Oklahoma  
23 Certified Real Estate Appraisers Act to any member or employee of  
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1 the Board to procure a certificate pursuant to the Oklahoma  
2 Certified Real Estate Appraisers Act;

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

7 5. An act or omission involving dishonesty, fraud, or  
8 misrepresentation with the intent to substantially benefit the  
9 certificate holder or another person or with the intent to  
10 substantially injure another person;

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

14 7. Failure or refusal without good cause to exercise reasonable  
15 diligence in developing an appraisal, preparing an appraisal report  
16 or communicating an appraisal;

17 8. Negligence or incompetence in developing an appraisal, in  
18 preparing an appraisal report, or in communicating an appraisal;

19 9. Willfully disregarding or violating any of the provisions of  
20 the Oklahoma Certified Real Estate Appraisers Act or the regulations  
21 of the Board for the administration and enforcement of the  
22 provisions of the Oklahoma Certified Real Estate Appraisers Act;

23 10. Accepting an appraisal assignment when the employment  
24 itself is contingent upon the appraiser reporting a predetermined

1 estimate, analysis or opinion, or where the fee to be paid is  
2 contingent upon the opinion, conclusion, or valuation reached, or  
3 upon the consequences resulting from the appraisal assignment;

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

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

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

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

14 D. In a disciplinary proceeding based upon a civil judgment,  
15 the trainee, state licensed, state certified residential or state  
16 certified general real estate appraiser shall be afforded an  
17 opportunity to present matters in mitigation and extenuation, but  
18 may not collaterally attack the civil judgment.

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

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

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

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

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

3 F. As used in this section:

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

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

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

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14 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated  
15 02/21/2024 - DO PASS, As Amended and Coauthored.

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