



House Judiciary Reported Substitute for SB87

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A BILL
TO BE ENTITLED
AN ACT

Relating to commencement of actions; to add Section 6-2-42 to the Code of Alabama 1975; to establish a statute of limitations for actions based upon a real estate appraisal; to amend Section 34-27A-20, Code of Alabama 1975, to establish a statute of limitations for filing a complaint with the Alabama Real Estate Appraisers Board against an appraiser; and to make nonsubstantive, technical revisions to update the existing code language to the current style.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 6-2-42 is added to the Code of Alabama 1975, to read as follows:

§6-2-42

(a) A civil action based on a real estate appraisal completed by a person who is or was licensed, certified, or registered under Chapter 27A of Title 34, on the date of the appraisal must be commenced against the appraiser no more than three years from a person's discovery of the act or omission giving rise to the action but no more than five years after the date the appraisal was completed.

(b) This section is inapplicable to any action arising



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29 from a real estate appraisal where the real estate appraiser
30 fraudulently inflated the value of the property or colluded
31 with others to fraudulently inflate the value of the property.

32 Section 2. Section 34-27A-20, Code of Alabama 1975, is
33 amended to read as follows:

34 "§34-27A-20

35 (a) The board may investigate the actions of a licensed
36 real property appraiser ~~on complaint or on its own motion,~~
37 and, either when a complaint is filed against the appraiser or
38 by initiating an investigation on its own. Based upon their
39 findings, the board may: (i) revoke or suspend the appraiser's
40 license; ~~(e);~~ (d);
41 (iii) require completion of education courses; ~~or discipline~~
42 ~~by public and no more than~~ iv) issue public and private
43 reprimands, with a limit of two private reprimands per
44 licensed real property appraiser for any of the following acts
45 or omissions:

46 (1) ~~Procuring~~ Obtaining or attempting to ~~procure~~ obtain
47 a license or certificate pursuant to this article by knowingly
48 making a false statement, submitting false information,
49 refusing to provide complete information in response to a
50 question in an application for a license, or through any form
51 of fraud or misrepresentation.

52 (2) Failing to meet the minimum qualifications
53 established by this article.

54 (3) Paying money other than authorized by this article
55 to any member or employee of the board to ~~procure~~ obtain a
56 license under this article.



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57 (4) A conviction, including a conviction based upon a
58 plea of guilty or nolo contendere, of a crime which is
59 substantially related to the qualifications, functions, and
60 duties of a person developing real estate appraisals and
61 communicating real estate appraisals to others, or a
62 conviction involving moral turpitude.

63 (5) An act or omission involving dishonesty, fraud, or
64 misrepresentation with the intent to ~~substantially~~ benefit the
65 certificate holder or another person substantially, or with
66 the intent to substantially injure another person.

67 (6) Violation of any of the standards for the
68 development or communication of real estate appraisals as
69 provided in this section.

70 (7) Failure or refusal without good cause to exercise
71 reasonable diligence in developing an appraisal, preparing an
72 appraisal, ~~in~~ preparing an appraisal report, or ~~in~~
73 communicating an appraisal.

74 (8) Negligence or incompetence in developing an
75 appraisal, ~~in~~ preparing an appraisal report, or ~~in~~
76 communicating an appraisal.

77 (9) Willfully disregarding or violating this article or
78 the regulations of the board for the administration and
79 enforcement of this article.

80 (10) Accepting an appraisal assignment, as defined in
81 Section 34-27A-24, when the employment itself is contingent
82 upon (i) the appraiser reporting a predetermined estimate,
83 analysis, or opinion, ~~or~~ (ii) where the fee to be paid is
84 contingent upon the opinion, conclusions, or valuation



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85 reached, or ~~upon~~ (iii) the consequences resulting from the
86 appraisal assignment.

87 (11) Violating the confidential nature of governmental
88 records to which he or she gained access through employment or
89 engagement as an appraiser by a governmental agency.

90 (12) Entry of a final civil judgment against the person
91 on grounds of fraud, misrepresentation, or deceit in the
92 making of any appraisal of real property.

93 (13) Presenting to the board, as payment for a fee or
94 fine, a check that is returned unpaid.

95 (14) Failing to keep for at least five years, a
96 complete record or file of appraisal or specialized
97 assignments regulated under this article, in accordance with
98 Uniform Standards of Professional Appraisal Practice and
99 Section 34-27A-26.

100 (15) Failing ~~within a reasonable time~~ to provide
101 information within a reasonable time or providing false
102 information in response to a request by the board during an
103 investigation or after a formal complaint has been filed.

104 (16) Failing to pay ~~by required deadlines,~~ fees or
105 fines levied by the board by required deadlines.

106 (17) Failing to notify the board within a reasonable
107 time of the filing of any civil action related to the
108 appraisal practice or of any criminal prosecution filed
109 against the appraiser.

110 (b) The board shall not consider a complaint for
111 disciplinary action against a real estate appraiser if the
112 complaint relates to an appraisal that was completed more than

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113 five years before the complaint was submitted.

114 (c) In a disciplinary proceeding based upon a civil
115 judgment, the real property appraiser shall be ~~afforded an~~
116 ~~opportunity~~ allowed to present matters in mitigation and
117 extenuation, but may not collaterally attack the civil
118 judgment.

119 ~~(c)~~ (d) In addition to the disciplinary powers granted
120 in subsection (a), the board may levy administrative fines of
121 not more than five hundred dollars (\$500) for each serious
122 ~~violations~~ violation of this article or the rules and
123 regulations of the board ~~of not more than \$500 for each~~
124 ~~violation.~~"

125 Section 3. This act shall become effective on June 1,
126 2026.