

SB87 INTRODUCED



1 SB87
2 TBSC495-1
3 By Senator Albritton
4 RFD: Judiciary
5 First Read: 13-Jan-26

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4 SYNOPSIS:

5 Existing law does not expressly provide a
6 statute of limitations for civil actions based upon a
7 real estate appraisal completed by a licensed real
8 estate appraiser.

9 Under existing law, the Alabama Real Estate
10 Appraisers Board is authorized to investigate
11 complaints against licensed real estate appraisers.
12 Existing law does not expressly provide a statute of
13 limitations for filing a disciplinary complaint with
14 the board.

15 This bill would require a civil action based on
16 a real estate appraisal must be brought within three
17 years of discovery of the act or omission or five years
18 from the date of the appraisal.

19 This bill would prohibit the Alabama Real Estate
20 Appraisers Board from considering disciplinary
21 complaints against a real estate appraiser based upon
22 appraisals more than five years old.

23 This bill will also make nonsubstantive,
24 technical revisions to update the existing code
25 language to the current style.

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28 A BILL



SB87 INTRODUCED

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

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



SB87 INTRODUCED

"§34-27A-20

(a) The board may investigate the actions of a licensed real property appraiser ~~on complaint or on its own motion,~~ and, either when a complaint is filed against the appraiser or by initiating an investigation on its own. Based upon their findings, the board may: (i) revoke or suspend the appraiser's license; (ii) levy fines as provided in subsection (c); (iii) require completion of education courses; or ~~discipline by public and no more than~~ iv) issue public and private reprimands, with a limit of two private reprimands per licensed real property appraiser for any of the following acts or omissions:

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

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

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

(4) A conviction, including a conviction based upon a plea of guilty or nolo contendere, of a crime which is substantially related to the qualifications, functions, and duties of a person developing real estate appraisals and communicating real estate appraisals to others, or a



SB87 INTRODUCED

conviction involving moral turpitude.

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

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

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

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

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

(10) Accepting an appraisal assignment, as defined in Section 34-27A-24, when the employment itself is contingent upon (i) the appraiser reporting a predetermined estimate, analysis, or opinion, ~~or~~ (ii) where the fee to be paid is contingent upon the opinion, conclusions, or valuation reached, or ~~upon~~ (iii) the consequences resulting from the appraisal assignment.

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



SB87 INTRODUCED

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

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

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

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

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

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

(b) The board shall not consider a complaint for disciplinary action against a real estate appraiser if the complaint relates to an appraisal that was completed more than three years before the complaint was submitted.

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



SB87 INTRODUCED

141 judgment.

142 ~~(e)~~ (d) In addition to the disciplinary powers granted
143 in subsection (a), the board may levy administrative fines of
144 not more than five hundred dollars (\$500) for each serious
145 ~~violations~~ violation of this article or the rules and
146 regulations of the board ~~of not more than \$500 for each~~
147 ~~violation.~~"

148 Section 3. This act shall become effective on June 1,
149 2026.