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Update from the State House for appraisal professionals - by Allan Cohen

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I wrote two articles, Column A and Column B, for today's NEREJ. I tossed Column A. Here is Column B: The state's 190th legislative session was not kind to the real estate appraisal profession. Mandatory licensing, which is commonplace across the country, was not supported by the Massachusetts House of Representatives. The bill passed in the Senate but stalled in the House. Formal legislative sessions for the 190th session ended July 31 and hopes this consumer protection bill will pass are dim.

The intention of this bill was to require unlicensed appraisers to get their license. Or, if you value property for a living, such as an accountant or analyst, do not call your work product an "appraisal." Call it something else because you are not a licensed appraiser. The House didn't care enough to pass the bill, or maybe they were influenced by a non-licensed group to allow them to continue doing appraisals without a license. If you have a license and follow the rules for registering, attending continuing education, and paying all the costs associated with both in every two-year cycle, then you should be upset with the State for doing nothing.

Back in January 2018, and one year after this bill was first being proposed, the Senate Ways and Means Committee read the mandatory licensing bill as Senate Bill 104. Senate Ways & Means tweaked the language, which changed the bill's number to S.2246, sent it through three readings and passed it. The House Ways and Means Committee was up next, but didn't take up the cause. On July 31, lack of movement by the House diminished the prospect of potential passage without a vote or fanfare.

Appraisal Management Company (AMC) legislation also failed to pass by July 31. On this topic, the House said yes and the Senate said nothing. Despite Dodd-Frank deadline requirements, passage of a similar bill in about 50 of 55 licensing jurisdictions including states and territories, and everyone MBREA approached saying, "Of course the state should have an AMC bill," the Massachusetts version of an AMC bill awaits probable Senate action during an "informal" session later this year. Three biennial versions of the AMC bill have stalled. The latest text had the support of appraisal

management companies, MBREA, and the Legislature's Joint Committee on Financial Services. The current version began as House Bill 577 in January 2017. Language was tweaked, and the bill number changed to H.4331 and amended again later as H.4566. The AMC's and their lobbyist supported the bill. As the state legislature's formal sessions ended on July 31, the bill remains in Senate Ways and Means for probable action.

Two other pro-appraiser pieces of legislation, H.1975, which intended to align intended use and intended user with USPAP, and H.2000, which also aligned state regs with USPAP's timeline for record keeping and complaints, were referred by various committees to study groups. Say good night. Study groups are a polite version of no.

Short shift for appraisers by the Legislature placed us in the same hole as dozens of groups that supported bills receiving similar fates. Economic development packages filled with pork and special interest funding and sensitive issues such as sexual conversion therapy passed in the eleventh hour while aspects of health care, legislation targeting opioid addiction, funding for educational reform packages, and appraisal matters fell to the wayside. Political fallout in the form of antipathy, sarcasm, and negative headlines now reign. Several reps and senators have expressed disappointment and frustration when their interests and bills were not passed. The State House News Service, The Boston Globe, and various other media outlets are among the disenchanted though this presents fodder for their respective bases. Reporters describe the legislators as "shrugging off" their nonvotes and minimal advances. A writer for Midday Magazine described the closing of the legislature's formal sessions as a logjam, broken process, and a trend that gets worse with each biennial session.

Appraisers presented four bills to the Legislature this past session. Something may happen in the waning months of the year, during a few informal sessions. We will continue making calls and sending emails to the State House though we are unsure who will respond. Bill passage and optimism take a lot of effort these days.

The views and opinions expressed in this article are those of the author and do not necessarily reflect the official policy or position of the MBREA or any other organization the author is associated with.

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