

AN ACT

ENTITLED, An Act to prohibit improper influence regarding real estate appraisals.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

Section 1. That chapter 36-21B be amended by adding thereto a NEW SECTION to read as follows:

No real estate appraiser with an interest in a real estate transaction or the financing of any loan secured by real estate involving an appraisal assignment may improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal by:

- (1) Coercion, extortion, or bribery;
- (2) Withholding or threatened withholding of payment for an appraisal fee;
- (3) Conditioning of the payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached;
- (4) Requesting that the appraiser report a predetermined opinion, conclusion, or valuation or the desired valuation of any person; or
- (5) Any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, and impartiality.

A violation of this section may constitute grounds for discipline against a real estate appraiser who is registered, licensed, or certified pursuant to the laws of the State of South Dakota.

Section 2. That chapter 36-21B be amended by adding thereto a NEW SECTION to read as follows:

No person violates section 1 of this Act solely by asking a real estate appraiser to consider additional, appropriate property information, or to provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in the appraisal report, or by withholding payment of an appraisal fee based on a bona fide dispute regarding the appraiser's

compliance with the appraisal standards adopted by the Department of Revenue and Regulation pursuant to this chapter. A person does not violate section 1 of this Act solely by retaining a real estate appraiser from panels or lists on a rotating basis, or by supplying an appraiser with information the appraiser is required to analyze under the appraisal standards adopted by the department, such as agreements of sale, options, or listings of the property to be valued.

Section 3. That chapter 54-14 be amended by adding thereto a NEW SECTION to read as follows:

No mortgage lender, mortgage broker, or mortgage loan originator, required to be licensed or registered by this chapter, with an interest in a real estate transaction or the financing of any loan secured by real estate involving an appraisal assignment may improperly influence or attempt to improperly influence the development, reporting, result, or review of a real estate appraisal by:

- (1) Coercion, extortion, or bribery;
- (2) Withholding or threatened withholding of payment for an appraisal fee;
- (3) Conditioning of the payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached;
- (4) Requesting that the appraiser report a predetermined opinion, conclusion, or valuation or the desired valuation of any person; or
- (5) Any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, and impartiality.

A violation of this section may constitute grounds for discipline against a mortgage lender, mortgage broker, or mortgage loan originator who is licensed or registered pursuant to this chapter.

Section 4. That chapter 54-14 be amended by adding thereto a NEW SECTION to read as follows:

No person violates section 3 of this Act solely by asking a real estate appraiser to consider

additional, appropriate property information, or to provide further detail, substantiation, or explanation for the appraiser's value conclusion, or to correct errors in the appraisal report, or by withholding payment of an appraisal fee based on a bona fide dispute regarding the appraiser's compliance with the appraisal standards adopted by the Department of Revenue and Regulation pursuant to this chapter. A person does not violate section 3 of this Act solely by retaining a real estate appraiser from panels or lists on a rotating basis, or by supplying an appraiser with information the appraiser is required to analyze under the appraisal standards adopted by the department, such as agreements of sale, options, or listings of the property to be valued.

An Act to prohibit improper influence regarding real estate appraisals.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1124

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1124  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_ day of \_\_\_\_\_ ,

20\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.  
Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State