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I N S E N A T E

May 12, 2016

Introduced by Sen. FARLEY -- (at request of the Department of State) --
read twice and ordered printed, and when printed to be committed to
the Committee on Finance

AN ACT to amend the executive law, in relation to the registration of
real estate appraisal management companies by the department of state

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-
BLY, DO ENACT AS FOLLOWS:

1 Section 1. The executive law is amended by adding a new article 6-H to
2 read as follows:

3 ARTICLE 6-H

4 REAL ESTATE APPRAISAL MANAGEMENT COMPANIES

5 SECTION 160-AAAA. DEFINITIONS.
6 160-BBBB. REGISTRATION REQUIREMENT.
7 160-CCCC. EXEMPTIONS.
8 160-DDDD. FORMS.
9 160-EEEE. DENIAL OF REGISTRATION.
10 160-FFFF. EXPIRATION OF LICENSE.
11 160-GGGG. FEES.
12 160-HHHH. OWNER REQUIREMENTS.
13 160-IIII. CONTROLLING PERSONS.
14 160-JJJJ. EMPLOYEE REQUIREMENTS.
15 160-KKKK. RESTRICTIONS.
16 160-LLLL. RECORDKEEPING.
17 160-MMMM. APPRAISER INDEPENDENCE; UNLAWFUL ACTS.
18 160-NNNN. MANDATORY REPORTING.
19 160-OOOO. UNPROFESSIONAL CONDUCT.
20 160-PPPP. ALTERATION OF APPRAISAL REPORTS.
21 160-QQQQ. ENFORCEMENT.
22 160-RRRR. DISCIPLINARY HEARINGS.
23 160-SSSS. POWER TO SUSPEND A LICENSE.
24 160-TTTT. INVESTIGATION.
25 160-UUUU. RULEMAKING AUTHORITY.
26 160-VVVV. VIOLATIONS.
27 160-WWWW. SEVERABILITY.

EXPLANATION--Matter in *ITALICS* (underscored) is new; matter in brackets
[] is old law to be omitted.

LBD14323-01-6

160-XXXX. JUDICIAL REVIEW.

S 160-AAAA. DEFINITIONS. FOR THE PURPOSES OF THIS ARTICLE:

1. "APPRAISAL" OR "REAL ESTATE APPRAISAL" MEANS AN ANALYSIS, OPINION OR CONCLUSION RELATING TO THE NATURE, QUALITY, VALUE OR UTILITY OF SPECIFIED INTERESTS IN, OR ASPECTS OF, IDENTIFIED REAL ESTATE. AN APPRAISAL MAY BE CLASSIFIED BY SUBJECT MATTER INTO EITHER A VALUATION OR AN ANALYSIS.

2. "APPRAISAL MANAGEMENT COMPANY" OR "AMC" MEANS AN INDIVIDUAL OR BUSINESS ENTITY THAT:

(A) PROVIDES APPRAISAL MANAGEMENT SERVICES TO CREDITORS OR TO SECONDARY MORTGAGE MARKET PARTICIPANTS, INCLUDING AFFILIATES;

(B) PROVIDES SUCH SERVICES IN CONNECTION WITH VALUING A CONSUMER'S REAL PROPERTY AS A SECURITY FOR CONSUMER CREDIT TRANSACTIONS SECURED BY A CONSUMER'S PRINCIPAL DWELLING; AND

(C) WITHIN A GIVEN YEAR, OVERSEES AN APPRAISAL PANEL OF MORE THAN FIFTEEN APPRAISERS WORKING IN NEW YORK OR TWENTY-FIVE OR MORE APPRAISERS WORKING IN TWO OR MORE STATES.

AN AMC SHALL NOT INCLUDE A DEPARTMENT OR DIVISION OF AN ENTITY THAT PROVIDES APPRAISAL MANAGEMENT SERVICES ONLY TO THAT ENTITY.

3. "APPRAISAL MANAGEMENT SERVICES" MEANS TO DIRECTLY OR INDIRECTLY PROVIDE ANY OF THE FOLLOWING SERVICES ON BEHALF OF A LENDER, FINANCIAL INSTITUTION, CLIENT, OR ANY OTHER PERSON IN CONNECTION WITH VALUING A CONSUMER'S PRINCIPAL DWELLING AS SECURITY FOR A CONSUMER CREDIT TRANSACTION OR INCORPORATING SUCH TRANSACTIONS INTO SECURITIZATIONS:

(A) ADMINISTER AN APPRAISER PANEL;

(B) RECRUIT, RETAIN OR SELECT APPRAISERS;

(C) QUALIFY, VERIFY LICENSING OR CERTIFICATION AND NEGOTIATE FEES AND SERVICE LEVEL EXPECTATIONS WITH PERSONS WHO ARE PART OF AN APPRAISER PANEL;

(D) CONTRACT WITH APPRAISERS TO PERFORM APPRAISAL ASSIGNMENTS;

(E) RECEIVE AN ORDER FOR AN APPRAISAL FROM ONE PERSON, AND DELIVER THE ORDER FOR THE APPRAISAL TO AN APPRAISER THAT IS PART OF AN APPRAISER PANEL FOR COMPLETION;

(F) MANAGE THE PROCESS OF HAVING AN APPRAISAL PERFORMED, INCLUDING PROVIDING ADMINISTRATIVE DUTIES, SUCH AS RECEIVING APPRAISAL ORDERS AND REPORTS, SUBMITTING COMPLETED APPRAISAL REPORTS TO CREDITORS AND UNDERWRITERS FOR SERVICES PROVIDED, AND REIMBURSING APPRAISERS FOR SERVICES PERFORMED;

(G) TRACK AND DETERMINE THE STATUS OF ORDERS FOR APPRAISALS;

(H) CONDUCT QUALITY CONTROL OF A COMPLETED APPRAISAL PRIOR TO THE DELIVERY OF THE APPRAISAL TO THE PERSON THAT ORDERED THE APPRAISAL;

(I) PROVIDE A COMPLETED APPRAISAL PERFORMED BY AN APPRAISER TO ONE OR MORE CLIENTS; OR

(J) COMPENSATE APPRAISERS FOR SERVICES RENDERED.

AN INDIVIDUAL WHO HIRES AN APPRAISER SOLELY FOR HIS OR HER OWN PURPOSES, SHALL NOT BE DEEMED AN APPRAISAL MANAGEMENT COMPANY.

4. "APPRAISER" MEANS A PERSON LICENSED OR CERTIFIED PURSUANT TO ARTICLE SIX-E OF THIS CHAPTER, OR CREDENTIALLED IN ANOTHER STATE.

5. "APPRAISER PANEL" MEANS A NETWORK, LIST OR ROSTER OF LICENSED OR CERTIFIED APPRAISERS APPROVED BY THE APPRAISAL MANAGEMENT COMPANY TO PERFORM APPRAISALS AS INDEPENDENT CONTRACTORS OF THE APPRAISAL MANAGEMENT COMPANY.

6. "APPRAISAL REVIEW" MEANS THE ACT OR PROCESS OF DEVELOPING AND COMMUNICATING AN OPINION ABOUT THE QUALITY OF ANOTHER APPRAISER'S WORK THAT WAS PERFORMED AS PART OF AN APPRAISAL ASSIGNMENT. APPRAISAL REVIEWS

1 MUST BE PERFORMED BY A PERSON WHO IS CERTIFIED AS A REAL ESTATE
2 APPRAISER PURSUANT TO ARTICLE SIX-E OF THIS CHAPTER.

3 7. "BOARD" MEANS THE STATE BOARD OF REAL ESTATE APPRAISAL WHICH SHALL
4 ADVISE THE DEPARTMENT, AS NECESSARY, ON IMPLEMENTATION OF, AND ENFORCE-
5 MENT OF THIS ARTICLE.

6 8. "COMPETENT APPRAISER" MEANS AN APPRAISER THAT SATISFIES EACH
7 PROVISION OF THE COMPETENCY RULE OF THE UNIFORM STANDARDS OF PROFES-
8 SIONAL APPRAISAL PRACTICE FOR A SPECIFIC APPRAISAL ASSIGNMENT OR VALU-
9 ATION SERVICE THAT THE APPRAISER HAS RECEIVED, OR MAY RECEIVE, FROM AN
10 APPRAISAL MANAGEMENT COMPANY.

11 9. "CONTROLLING PERSON" MEANS A PERSON THAT HOLDS TEN PERCENT OR MORE
12 OF THE COMPANY AND IS:

13 (A) AN OWNER, OFFICER OR DIRECTOR OF AN APPRAISAL MANAGEMENT COMPANY;

14 (B) AN INDIVIDUAL EMPLOYED, APPOINTED OR AUTHORIZED BY AN APPRAISAL
15 MANAGEMENT COMPANY THAT HAS THE AUTHORITY TO ENTER INTO A CONTRACTUAL
16 RELATIONSHIP WITH OTHER PERSONS FOR THE PERFORMANCE OF APPRAISAL MANAGE-
17 MENT SERVICES AND HAS THE AUTHORITY TO ENTER INTO AGREEMENTS WITH
18 APPRAISERS FOR THE PERFORMANCE OF APPRAISALS;

19 (C) AN INDIVIDUAL WHO POSSESSES, DIRECTLY OR INDIRECTLY, THE POWER TO
20 DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT OR POLICIES OF AN
21 APPRAISAL MANAGEMENT COMPANY; OR

22 (D) A PERSON HOLDING TEN PERCENT OR MORE OF THE COMPANY.

23 10. "DEPARTMENT" MEANS THE NEW YORK STATE DEPARTMENT OF STATE.

24 11. "HYBRID FIRM OR ENTITY" MEANS AN ENTITY THAT HIRES BOTH REAL
25 ESTATE APPRAISERS AS EMPLOYEES TO PERFORM APPRAISALS OF REAL PROPERTY,
26 AND ENGAGE INDEPENDENT CONTRACTORS TO PERFORM SUCH APPRAISALS. A HYBRID
27 FIRM OR ENTITY SHALL BE TREATED AS AN AMC FOR PURPOSES OF STATE REGIS-
28 TRATION IF IT OVERSEES MORE THAN FIFTEEN REAL ESTATE APPRAISERS COMPLET-
29 ING VALUATION SERVICES IN AN INDIVIDUAL STATE OR TWENTY-FIVE OR MORE
30 REAL ESTATE APPRAISERS IN TWO OR MORE STATES WITHIN A GIVEN YEAR. THE
31 NUMERICAL CALCULATION FOR A HYBRID FIRM OR ENTITY SHOULD ONLY INCLUDE
32 REAL ESTATE APPRAISERS ENGAGED AS INDEPENDENT CONTRACTORS.

33 12. "PERSON" MEANS AN INDIVIDUAL, PARTNERSHIP, CORPORATION, OR ANY
34 OTHER ENTITY RECOGNIZED UNDER THE LAWS OF THIS STATE.

35 13. "REAL ESTATE" MEANS AN IDENTIFIED PARCEL OR TRACT OF LAND, INCLUD-
36 ING IMPROVEMENTS, IF ANY.

37 14. "REAL PROPERTY" MEANS THE INTEREST, BENEFITS, AND RIGHTS INHERENT
38 IN THE OWNERSHIP OF REAL ESTATE.

39 15. "UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE" OR "USPAP"
40 MEANS THE APPRAISAL STANDARDS PROMULGATED BY THE APPRAISAL STANDARDS
41 BOARD OF THE APPRAISAL FOUNDATION.

42 16. "SECONDARY MORTGAGE MARKET PARTICIPANT" MEANS A GUARANTOR OR
43 INSURER OF MORTGAGE-BACKED SECURITIES, OR AN UNDERWRITER OR ISSUER OF
44 MORTGAGE-BACKED SECURITIES. SECONDARY MORTGAGE MARKET PARTICIPANT ONLY
45 INCLUDES AN INDIVIDUAL INVESTOR IN A MORTGAGE-BACKED SECURITY IF THAT
46 INVESTOR ALSO SERVES IN THE CAPACITY OF A GUARANTOR, INSURER, UNDERWRIT-
47 ER, OR ISSUER FOR THE MORTGAGE-BACKED SECURITY.

48 S 160-BBBB. REGISTRATION REQUIREMENT. IT SHALL BE UNLAWFUL FOR A
49 PERSON TO, DIRECTLY OR INDIRECTLY, ENGAGE OR ATTEMPT TO ENGAGE IN BUSI-
50 NESS AS AN APPRAISAL MANAGEMENT COMPANY, OR TO ADVERTISE OR HOLD ONESELF
51 OUT AS ENGAGING IN OR CONDUCTING BUSINESS AS AN APPRAISAL MANAGEMENT
52 COMPANY WITHOUT FIRST OBTAINING A CERTIFICATE OF REGISTRATION ISSUED BY
53 THE DEPARTMENT UNDER THE PROVISIONS OF THIS ARTICLE.

54 S 160-CCCC. EXEMPTIONS. THE PROVISIONS OF THIS ARTICLE SHALL NOT APPLY
55 TO ANY PERSON THAT EXCLUSIVELY EMPLOYS APPRAISERS FOR THE PERFORMANCE OF
56 APPRAISALS OR TO ANY APPRAISAL MANAGEMENT COMPANY THAT IS A WHOLLY-OWNED

SUBSIDIARY OF A FINANCIAL INSTITUTION, WHICH IS REGULATED BY THE FEDERAL FINANCIAL INSTITUTION REGULATORY AGENCY. THE REGISTRATION PROVISIONS OF THIS ARTICLE SHALL NOT APPLY TO THE STATE, OR OF ANY POLITICAL SUBDIVISION OF THE STATE WHICH EMPLOYS APPRAISERS.

S 160-DDDD. FORMS. AN APPLICANT FOR A CERTIFICATE OF REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY SHALL SUBMIT AN APPLICATION ON SUCH FORMS AS PRESCRIBED BY THE DEPARTMENT.

S 160-EEEE. DENIAL OF REGISTRATION. THE DEPARTMENT MAY INVESTIGATE THE GOOD CHARACTER OF APPLICANTS FOR A CERTIFICATE OF REGISTRATION UNDER THIS ARTICLE AND MAY DENY THE ISSUANCE OF A CERTIFICATE OF REGISTRATION BASED UPON LACK OF GOOD CHARACTER WHICH MAY INCLUDE, BUT IS NOT LIMITED TO, ANY OF THE GROUNDS ENUMERATED IN THIS ARTICLE.

S 160-FFFF. EXPIRATION OF LICENSE. A CERTIFICATE OF REGISTRATION GRANTED BY THE DEPARTMENT PURSUANT TO THIS ARTICLE SHALL BE VALID FOR A PERIOD OF TWO YEARS FROM THE DATE UPON WHICH IT IS ISSUED.

S 160-GGGG. FEES. 1. THE DEPARTMENT SHALL COLLECT A FEE OF TWO HUNDRED FIFTY DOLLARS FOR A CERTIFICATE OF REGISTRATION ISSUED OR REISSUED UNDER THE PROVISIONS OF THIS ARTICLE. ADDITIONALLY, THE DEPARTMENT SHALL ASSESS TWENTY-FIVE DOLLARS FOR EACH APPRAISER ADDED TO AN APPRAISAL MANAGEMENT COMPANY'S APPRAISER PANEL.

2. THE DEPARTMENT SHALL COLLECT FROM EACH APPRAISAL MANAGEMENT COMPANY SEEKING TO BE REGISTERED, THE AMOUNT DETERMINED BY THE APPRAISAL SUBCOMMITTEE TO BE A NATIONAL REGISTRY FEE FOR EACH APPRAISER ON THE APPRAISER PANEL OF AN APPRAISAL MANAGEMENT COMPANY PURSUANT TO SECTION 1109(A)(4) OF THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989 AS AMENDED BY THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT. THE DEPARTMENT MAY TRANSMIT THE ANNUAL REGISTRY FEE TO THE APPRAISAL SUBCOMMITTEE. THE DEPARTMENT SHALL PROVIDE ITS ROSTER OF APPRAISAL MANAGEMENT COMPANIES TO THE APPRAISAL SUBCOMMITTEE. THESE TRANSMITTALS SHALL OCCUR AT LEAST ANNUALLY.

3. EXCEPT FOR CHANGES MADE ON A RENEWAL APPLICATION, APPRAISAL MANAGEMENT COMPANIES SHALL PROVIDE THE DEPARTMENT WITH NOTICE OF A CHANGE IN THE APPRAISAL MANAGEMENT COMPANY'S PRINCIPAL ADDRESS. CHANGE OF ADDRESS NOTIFICATIONS SHALL BE ACCOMPANIED BY A FEE OF TEN DOLLARS.

4. EXCEPT FOR CHANGES MADE ON A RENEWAL APPLICATION, THE DEPARTMENT SHALL COLLECT A FEE OF TEN DOLLARS FOR CHANGING A NAME ON A CERTIFICATE OF REGISTRATION.

5. IN LIEU OF THE FEE SET FORTH IN SUBDIVISION ONE OF THIS SECTION, THE DEPARTMENT SHALL COLLECT A FEE OF THREE HUNDRED FIFTY DOLLARS TO REISSUE A CERTIFICATE OF REGISTRATION UNDER THIS ARTICLE WHICH WAS SUBMITTED AFTER THE EXPIRATION OF THE IMMEDIATELY PRECEDING REGISTRATION TERM.

S 160-HHHH. OWNER REQUIREMENTS. AN APPRAISAL MANAGEMENT COMPANY APPLYING FOR A CERTIFICATE OF REGISTRATION SHALL NOT BE OWNED IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, BY A PERSON WHO HAS HAD A LICENSE, REGISTRATION OR CERTIFICATE TO ACT AS A REAL ESTATE APPRAISER DENIED, REVOKED, OR SURRENDERED IN LIEU OF PENDING DISCIPLINE IN ANY STATE OR BY A PERSON HOLDING TEN PERCENT OR MORE OF THE COMPANY WHERE THAT PERSON HAS HAD A LICENSE, REGISTRATION OR CERTIFICATE TO ACT AS A REAL ESTATE APPRAISER DENIED, REVOKED, OR SURRENDERED IN LIEU OF POSSIBLE DISCIPLINE IN ANY STATE.

S 160-IIII. CONTROLLING PERSONS. 1. EACH APPRAISAL MANAGEMENT COMPANY APPLYING FOR A CERTIFICATE OF REGISTRATION SHALL DESIGNATE ONE CONTROLLING PERSON WHO SHALL BE THE MAIN CONTACT FOR ALL COMMUNICATION BETWEEN THE DEPARTMENT AND THE APPRAISAL MANAGEMENT COMPANY. THE DESIGNATED CONTROLLING PERSON SHALL NEVER HAVE HAD A LICENSE OR CERTIFICATE TO ACT

1 AS AN APPRAISER DENIED, REVOKED, OR SURRENDERED IN LIEU OF POSSIBLE
2 DISCIPLINE IN ANY STATE AND SHALL BE OF GOOD MORAL CHARACTER, AS DETER-
3 MINED BY THE DEPARTMENT. APPLICANTS SHALL COOPERATE WITH ANY SUCH BACK-
4 GROUND INVESTIGATION CONDUCTED BY THE DEPARTMENT.

5 2. EACH PERSON THAT OWNS MORE THAN TEN PERCENT OF AN APPRAISAL MANAGE-
6 MENT COMPANY SHALL BE OF GOOD MORAL CHARACTER, AS DETERMINED BY THE
7 DEPARTMENT. APPLICANTS SHALL COOPERATE WITH ANY SUCH BACKGROUND INVESTI-
8 GATION CONDUCTED BY THE DEPARTMENT.

9 3. EACH APPRAISAL MANAGEMENT COMPANY APPLYING FOR A CERTIFICATE OF
10 REGISTRATION SHALL CERTIFY TO THE DEPARTMENT THAT IT HAS REVIEWED EACH
11 ENTITY THAT OWNS MORE THAN TEN PERCENT OF THE APPRAISAL MANAGEMENT
12 COMPANY AND THAT NO ENTITY THAT OWNS MORE THAN TEN PERCENT OF THE
13 APPRAISAL MANAGEMENT COMPANY IS MORE THAN TEN PERCENT OWNED BY ANY
14 PERSON THAT HAS HAD A LICENSE OR CERTIFICATE TO ACT AS AN APPRAISER
15 REFUSED, DENIED, CANCELLED, REVOKED, OR SURRENDERED IN LIEU OF A PENDING
16 REVOCATION.

17 S 160-JJJJ. EMPLOYEE REQUIREMENTS. 1. AN APPRAISAL MANAGEMENT COMPANY
18 THAT APPLIES FOR A CERTIFICATE OF REGISTRATION SHALL NOT KNOWINGLY
19 EMPLOY, UTILIZE, OR ENGAGE, FOR ANY REAL ESTATE APPRAISAL, VALUATION
20 SERVICE OR APPRAISAL REVIEW ASSIGNMENT A PERSON WHO HAS HAD A LICENSE OR
21 CERTIFICATE TO ACT AS AN APPRAISER IN THIS STATE OR IN ANY OTHER STATE
22 DENIED, REVOKED, OR SURRENDERED IN LIEU OF POSSIBLE DISCIPLINE.

23 2. PRIOR TO PLACING AN ASSIGNMENT FOR AN APPRAISAL OR VALUATION
24 SERVICE WITH AN APPRAISER ON THE APPRAISER PANEL OF AN APPRAISAL MANAGE-
25 MENT COMPANY, THE APPRAISAL MANAGEMENT COMPANY SHALL VERIFY THAT THE
26 APPRAISER RECEIVING THE ASSIGNMENT IS A COMPETENT APPRAISER AS DEFINED
27 BY THE USPAP COMPETENCY RULE WITH REGARDS TO GEOGRAPHIC AREA AND THE
28 TYPE OF PROPERTY BEING APPRAISED. AN APPRAISER IS DEEMED PART OF AN
29 APPRAISAL MANAGEMENT COMPANY PANEL AS OF THE EARLIEST DATE ON WHICH: (A)
30 THE APPRAISAL MANAGEMENT COMPANY ACCEPTS THE APPRAISER FOR CONSIDERATION
31 FOR FUTURE APPRAISAL ASSIGNMENTS IN A COVERED TRANSACTION OR FOR SECOND-
32 ARY MORTGAGE MARKET PARTICIPANTS IN CONNECTION WITH COVERED TRANS-
33 ACTIONS; OR (B) ENGAGES THE APPRAISER TO PERFORM ONE OR MORE APPRAISALS
34 ON BEHALF OF A CREDITOR FOR A COVERED TRANSACTION OR SECONDARY MORTGAGE
35 MARKET PARTICIPANT IN CONNECTION WITH COVERED TRANSACTIONS.

36 3. AN APPRAISAL MANAGEMENT COMPANY MAY NOT HIRE, EMPLOY OR ENGAGE, OR
37 IN ANY WAY CONTRACT WITH OR PAY A PERSON WHO IS NOT LICENSED OR CERTI-
38 FIED AS A REAL ESTATE APPRAISER BY THE DEPARTMENT PURSUANT TO ARTICLE
39 SIX-E OF THIS CHAPTER, UNLESS THE WORK BEING PERFORMED IS A COMPARATIVE
40 MARKET ANALYSIS FOR THE PURPOSE OF OR INTENTION TO LIST OR SELL REAL
41 ESTATE.

42 4. AN APPRAISER SHALL BE CONSIDERED PART OF AN APPRAISAL MANAGEMENT
43 COMPANY'S APPRAISER PANEL UNTIL: (A) THE APPRAISAL MANAGEMENT COMPANY
44 SENDS A WRITTEN NOTICE TO THE APPRAISER REMOVING THE APPRAISER WITH AN
45 EXPLANATION; OR (B) WRITTEN NOTICE IS RECEIVED FROM THE APPRAISER ASKING
46 TO BE REMOVED OR A NOTICE OF THE DEATH OR INCAPACITY OF THE APPRAISER.

47 S 160-KKKK. RESTRICTIONS. AN APPRAISAL MANAGEMENT COMPANY THAT APPLIES
48 FOR A CERTIFICATE OF REGISTRATION SHALL NOT KNOWINGLY:

49 1. EMPLOY ANY PERSON IN A POSITION IN WHICH THE PERSON HAS THE RESPON-
50 SIBILITY TO ORDER OR REVIEW COMPLETED APPRAISALS OR VALUATION SERVICES
51 WHO HAS HAD A LICENSE, REGISTRATION OR CERTIFICATE TO ACT AS AN
52 APPRAISER IN THIS STATE OR IN ANY OTHER STATE, REFUSED, DENIED,
53 CANCELLED, REVOKED, OR SURRENDERED IN LIEU OF A PENDING REVOCATION;

54 2. ENTER INTO ANY INDEPENDENT CONTRACTOR ARRANGEMENT, WHETHER IN
55 VERBAL, WRITTEN, OR BY OTHER FORM, WITH ANY PERSON WHO HAS HAD A
56 LICENSE, REGISTRATION OR CERTIFICATE TO ACT AS AN APPRAISER IN THIS

STATE OR IN ANY OTHER STATE, REFUSED, DENIED, CANCELLED, REVOKED, OR SURRENDERED IN LIEU OF A PENDING REVOCATION; AND

3. ENTER INTO ANY CONTRACT, AGREEMENT, OR OTHER BUSINESS RELATIONSHIP, WHETHER IN VERBAL, WRITTEN, OR ANY OTHER FORM, WITH ANY ENTITY THAT EMPLOYS, HAS ENTERED INTO AN INDEPENDENT CONTRACT ARRANGEMENT, OR HAS ENTERED INTO ANY CONTRACT, AGREEMENT, OR OTHER BUSINESS RELATIONSHIP, WHETHER IN VERBAL, WRITTEN, OR ANY OTHER FORM, WITH ANY PERSON WHO HAS EVER HAD A LICENSE, REGISTRATION OR CERTIFICATE TO ACT AS AN APPRAISER IN THIS STATE OR IN ANY OTHER STATE, REFUSED, DENIED, CANCELLED, REVOKED OR SURRENDERED IN LIEU OF A PENDING REVOCATION.

S 160-LLLL. RECORDKEEPING. EACH APPRAISAL MANAGEMENT COMPANY SHALL MAINTAIN A DETAILED RECORD OF EACH SERVICE REQUEST THAT IT RECEIVES AND THE REAL ESTATE APPRAISER THAT PERFORMS THE APPRAISAL FOR THE APPRAISAL MANAGEMENT COMPANY. RECORDS SHALL BE MAINTAINED FOR A PERIOD OF AT LEAST FIVE YEARS AFTER AN APPRAISAL IS COMPLETED OR TWO YEARS AFTER FINAL DISPOSITION OF A JUDICIAL PROCEEDING RELATED TO THE ASSIGNMENT, WHICHEVER PERIOD EXPIRES LATER. APPRAISAL MANAGEMENT COMPANIES SHALL MAKE RECORDS AVAILABLE TO THE DEPARTMENT UPON REQUEST. APPRAISAL MANAGEMENT COMPANIES SHALL ALSO ALLOW THE DEPARTMENT TO EXAMINE THE BOOKS AND RECORDS OF THE APPRAISAL MANAGEMENT COMPANY AND REQUIRE IT TO SUBMIT REPORTS, INFORMATION AND DOCUMENTS UPON REQUEST. APPRAISAL MANAGEMENT COMPANIES SHALL ALSO ALLOW THE DEPARTMENT TO VERIFY THAT THE APPRAISERS ON THE PANEL HOLD A VALID LICENSE OR CERTIFICATION.

S 160-MMMM. APPRAISER INDEPENDENCE; UNLAWFUL ACTS. EACH APPRAISAL MANAGEMENT COMPANY SHALL ENSURE THAT REAL ESTATE APPRAISALS ARE CONDUCTED INDEPENDENTLY AND FREE FROM INAPPROPRIATE INFLUENCE AND COERCION. NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, IT SHALL BE UNLAWFUL FOR ANY EMPLOYEE, DIRECTOR, OFFICER, OR AGENT OF AN APPRAISAL MANAGEMENT COMPANY REGISTERED IN THIS STATE PURSUANT TO THIS ARTICLE TO:

1. COMPENSATE, COERCE, EXTORT, COLLUDE, INSTRUCT, INDUCE, BRIBE, OR INTIMIDATE, OR ATTEMPT TO COMPENSATE, COERCE, EXTORT, COLLUDE, INSTRUCT, INDUCE, BRIBE, OR INTIMIDATE A PERSON, FIRM OR OTHER ENTITY CONDUCTING OR INVOLVED IN AN APPRAISAL FOR THE PURPOSE OF CAUSING THE APPRAISED VALUE ASSIGNED UNDER THE APPRAISAL OR OTHER VALUATION SERVICES TO THE PROPERTY TO BE BASED ON ANY FACTOR OTHER THAN THE INDEPENDENT JUDGMENT OF THE APPRAISER;

2. MISCHARACTERIZE THE APPRAISED VALUE OF A PROPERTY IN CONJUNCTION WITH A CONSUMER CREDIT TRANSACTION;

3. SEEK TO INFLUENCE AN APPRAISER OR OTHERWISE TO ENCOURAGE A TARGETED VALUE IN ORDER TO FACILITATE THE MAKING OR PRICING OF A CONSUMER CREDIT TRANSACTION;

4. WITHHOLD OR THREATEN TO WITHHOLD TIMELY PAYMENT FOR AN APPRAISAL REPORT OR FOR OTHER VALUATION SERVICES RENDERED WITH THE APPRAISAL REPORT OR SERVICES THAT ARE PROVIDED IN ACCORDANCE WITH THE CONTRACT BETWEEN PARTIES;

5. WITHHOLD OR THREATEN TO WITHHOLD FUTURE BUSINESS, OR TO DEMOTE OR TERMINATE AN APPRAISER WITHOUT JUST CAUSE;

6. EXPRESSLY OR IMPLICITLY PROMISE FUTURE BUSINESS, PROMOTIONS, OR INCREASED COMPENSATION FOR AN APPRAISER IN EXCHANGE FOR THE REAL ESTATE APPRAISER INFLATING OR DEFLATING HIS OR HER APPRAISED VALUE OF REAL PROPERTY;

7. REQUIRE A REAL ESTATE APPRAISER TO INDEMNIFY AN APPRAISAL MANAGEMENT COMPANY OR HOLD AN APPRAISAL MANAGEMENT COMPANY HARMLESS FOR ANY LIABILITY, DAMAGE, LOSSES, OR CLAIMS ARISING OUT OF THE SERVICES PERFORMED BY THE APPRAISAL MANAGEMENT COMPANY, AND NOT THE SERVICES PERFORMED BY THE APPRAISER;

8. CONDITION THE REQUEST FOR AN APPRAISAL OR THE PAYMENT OF AN EARNED FEE, SALARY OR BONUS, ON THE OPINION, CONCLUSION, OR VALUATION TO BE REACHED, OR ON A PRELIMINARY ESTIMATE OR OPINION REQUESTED FROM AN APPRAISER;

9. REQUEST THAT AN APPRAISER PROVIDE AN ESTIMATED, PREDETERMINED, OR DESIRED VALUATION IN AN APPRAISAL REPORT, OR PROVIDE ESTIMATED VALUES OR COMPARABLE SALES AT ANY TIME PRIOR TO THE APPRAISER'S COMPLETION OF AN APPRAISAL;

10. PROVIDE TO AN APPRAISER AN ANTICIPATED, ESTIMATED, ENCOURAGED, OR DESIRED VALUE FOR A SUBJECT PROPERTY OR A PROPOSED OR TARGET AMOUNT TO BE LOANED TO THE BORROWER, EXCEPT THAT A COPY OF THE SALES CONTRACT FOR PURCHASE TRANSACTIONS MAY BE PROVIDED; OR

11. PROVIDE TO AN APPRAISER, OR ANY ENTITY OR PERSON RELATED TO THE APPRAISER, STOCK OR ANY OTHER FINANCIAL OR NON-FINANCIAL BENEFITS.

NOTHING HEREIN SHALL BE CONSTRUED AS PROHIBITING THE APPRAISAL MANAGEMENT COMPANY FROM ASKING AN APPRAISER TO CONSIDER ADDITIONAL, APPROPRIATE PROPERTY INFORMATION, INCLUDING: ADDITIONAL COMPARABLE PROPERTIES TO MAKE OR SUPPORT AN APPRAISAL; PROVIDE FURTHER DETAIL, SUBSTANTIATION, OR EXPLANATION FOR THE APPRAISER'S VALUE CONCLUSION; OR CORRECT ERRORS IN THE APPRAISAL REPORT.

S 160-NNNN. MANDATORY REPORTING. AN APPRAISAL MANAGEMENT COMPANY THAT HAS A REASONABLE BASIS TO BELIEVE AN APPRAISER WITHIN THE APPRAISAL MANAGEMENT COMPANY'S APPRAISAL PANEL IS FAILING TO COMPLY WITH THE UNIFORM STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE, IS VIOLATING APPLICABLE LAWS, OR IS OTHERWISE ENGAGING IN UNETHICAL OR UNPROFESSIONAL CONDUCT SHALL IMMEDIATELY REFER THE MATTER TO THE DEPARTMENT.

S 160-0000. UNPROFESSIONAL CONDUCT. 1. APPRAISAL MANAGEMENT COMPANIES SHALL NOT ENGAGE IN UNPROFESSIONAL CONDUCT INCLUDING, BUT NOT LIMITED TO THE FOLLOWING:

(A) REQUIRING AN APPRAISER TO MODIFY ANY ASPECT OF AN APPRAISAL REPORT OR VALUATION SERVICE REPORT, UNLESS SUCH MODIFICATIONS ARE NECESSARY ACCORDING TO USPAP;

(B) REQUIRING AN APPRAISER TO PREPARE AN APPRAISAL REPORT OR VALUATION SERVICE REPORT IF THE APPRAISER, IN THE APPRAISER'S PROFESSIONAL JUDGEMENT, BELIEVES THE APPRAISER DOES NOT HAVE THE NECESSARY EXPERTISE FOR THE SPECIFIC GEOGRAPHIC AND/OR SPECIFIC TYPE AREA;

(C) REQUIRING AN APPRAISER TO PREPARE AN APPRAISAL REPORT OR VALUATION SERVICE UNDER A TIME FRAME THAT THE APPRAISER BELIEVES, IN THE APPRAISER'S PROFESSIONAL JUDGEMENT, DOES NOT AFFORD THE APPRAISER THE ABILITY TO MEET ALL THE RELEVANT LEGAL AND PROFESSIONAL OBLIGATIONS INCLUDING USPAP REQUIREMENTS;

(D) PROHIBITING OR INHIBITING COMMUNICATION BETWEEN THE APPRAISER AND THE LENDER, A REAL ESTATE LICENSEE, OR ANY OTHER PERSON FROM WHOM THE APPRAISER, IN THE APPRAISER'S PROFESSIONAL JUDGEMENT IS RELEVANT;

(E) REQUIRING THE APPRAISER TO DO ANYTHING THAT DOES NOT COMPLY WITH USPAP, OR ANY ASSIGNMENT CONDITIONS AND CERTIFICATIONS REQUIRED BY THE CLIENT;

(F) MAKING ANY PORTION OF THE APPRAISER'S FEE OR THE APPRAISAL MANAGEMENT COMPANY'S FEE CONTINGENT UPON A FAVORABLE OUTCOME, INCLUDING, BUT NOT LIMITED TO, THE CLOSING OF A LOAN, REQUIRING A SPECIFIC DOLLAR AMOUNT BE ACHIEVED BY THE APPRAISER IN THE APPRAISAL REPORT, MAKING REQUESTS FOR THE PURPOSE OF FACILITATING A MORTGAGE LOAN TRANSACTION, SETTING A BROKER PRICE OPINION, OR SETTING ANY OTHER REAL PROPERTY PRICE OR VALUE ESTIMATION THAT DOES NOT QUALIFY AS AN APPRAISAL; OR

(G) EACH APPRAISAL MANAGEMENT COMPANY OPERATING IN THIS STATE SHALL MAKE PAYMENT TO AN APPRAISER FOR THE COMPLETION OF AN APPRAISAL OR VALU-

1 ATION ASSIGNMENT WITHIN FOURTEEN DAYS OF THE DATE ON WHICH THE APPRAISER
2 TRANSMITS OR OTHERWISE PROVIDES THE COMPLETED APPRAISAL OR VALUATION
3 SERVICES TO THE APPRAISAL MANAGEMENT COMPANY OR ITS ASSIGNEE.

4 2. IT SHALL BE UNLAWFUL FOR AN APPRAISAL MANAGEMENT COMPANY TO:

5 (A) KNOWINGLY FAIL TO COMPENSATE AN APPRAISER AT A RATE THAT IS
6 REASONABLE AND CUSTOMARY FOR APPRAISAL OR OTHER VALUATION SERVICES BEING
7 PERFORMED IN THE MARKET AREA OF THE PROPERTY BEING APPRAISED WITHOUT THE
8 SERVICES OF AN APPRAISAL MANAGEMENT COMPANY;

9 (B) KNOWINGLY INCLUDE ANY FEES FOR APPRAISAL MANAGEMENT SERVICES THAT
10 ARE PERFORMED BY THE APPRAISAL MANAGEMENT COMPANY FOR A LENDER, CLIENT,
11 OR OTHER PERSON IN THE AMOUNT THAT IT CHARGES THE LENDER, CLIENT, OR
12 OTHER PERSON FOR THE ACTUAL COMPLETION OF AN APPRAISAL OR VALUATION
13 SERVICE BY AN APPRAISER THAT IS PART OF THE APPRAISER PANEL OF THE
14 APPRAISAL MANAGEMENT COMPANY;

15 (C) KNOWINGLY FAIL TO SEPARATE ANY AND ALL FEES CHARGED TO A CLIENT BY
16 THE APPRAISAL MANAGEMENT COMPANY FOR THE ACTUAL COMPLETION OF AN
17 APPRAISAL BY AN APPRAISER FROM THE FEES CHARGED TO A LENDER, CLIENT, OR
18 ANY OTHER PERSON BY AN APPRAISAL MANAGEMENT COMPANY FOR APPRAISAL
19 MANAGEMENT SERVICES;

20 (D) KNOWINGLY PROHIBIT AN APPRAISER FROM RECORDING THE FEE THAT THE
21 APPRAISER WAS PAID BY THE APPRAISAL MANAGEMENT COMPANY FOR THE PERFORM-
22 ANCE OF THE APPRAISAL WITHIN THE APPRAISAL REPORT THAT IS SUBMITTED BY
23 THE APPRAISER TO THE APPRAISAL MANAGEMENT COMPANY;

24 (E) KNOWINGLY FAIL TO SEPARATELY STATE THE FEES PAID TO AN APPRAISER
25 FOR APPRAISAL SERVICES AND THE FEES CHARGED BY THE APPRAISAL MANAGEMENT
26 COMPANY FOR SERVICES ASSOCIATED WITH THE MANAGEMENT OF THE APPRAISAL
27 PROCESS TO THE CLIENT, BORROWER AND ANY OTHER PAYER. APPRAISAL MANAGE-
28 MENT COMPANIES SHALL PROVIDE A COPY OF THE APPRAISER'S INVOICE WITH A
29 COPY OF ANY APPRAISAL REPORT SUBMITTED TO A CLIENT OR A CLIENT'S REPRE-
30 SENTATIVE;

31 (F) ALLOW THE REMOVAL OR TAKING OUT OF ROTATION AN APPRAISER FROM AN
32 APPRAISER PANEL, WITHOUT PRIOR WRITTEN NOTICE TO SUCH APPRAISER WITH
33 JUST CAUSE; OR

34 (G) OBTAIN, USE, OR PAY FOR A SECOND OR SUBSEQUENT APPRAISAL OR ORDER-
35 ING AN AUTOMATED VALUATION MODEL OR ANY OTHER VALUATION SERVICE IN
36 CONNECTION WITH A MORTGAGE FINANCING TRANSACTION UNLESS THERE IS A
37 REASONABLE BASIS TO BELIEVE THAT THE INITIAL APPRAISAL WAS FLAWED OR
38 TAINTED AND SUCH BASIS IS CLEARLY AND APPROPRIATELY NOTED IN THE LOAN
39 FILE, OR UNLESS SUCH APPRAISAL OR AUTOMATED VALUATION MODEL IS DONE
40 PURSUANT TO A BONA FIDE PRE OR POST-FUNDING APPRAISAL REVIEW OR QUALITY
41 CONTROL PROCESS.

42 S 160-PPPP. ALTERATION OF APPRAISAL REPORTS. AN APPRAISAL MANAGEMENT
43 COMPANY SHALL NOT ALTER, MODIFY, OR OTHERWISE CHANGE A COMPLETED
44 APPRAISAL OR VALUATION SERVICE REPORT SUBMITTED BY AN APPRAISER BY
45 REMOVING THE APPRAISER'S SIGNATURE OR SEAL OR BY ADDING INFORMATION TO,
46 OR REMOVING INFORMATION FROM, THE REPORT WITH AN INTENT TO CHANGE THE
47 VALUATION CONCLUSION. AN APPRAISAL MANAGEMENT COMPANY SHALL NOT REQUIRE
48 AN APPRAISER TO PROVIDE THE APPRAISAL MANAGEMENT COMPANY WITH THE
49 APPRAISER'S DIGITAL SIGNATURE OR SEAL.

50 S 160-QQQQ. ENFORCEMENT. THE DEPARTMENT MAY REVOKE OR SUSPEND THE
51 LICENSE OF AN APPRAISAL MANAGEMENT COMPANY, OR IN LIEU THEREOF MAY
52 IMPOSE A FINE, PER VIOLATION, NOT TO EXCEED TWENTY-FIVE THOUSAND DOLLARS
53 IF THE DEPARTMENT FINDS THAT THE LICENSEE HAS VIOLATED ANY PROVISION OF
54 THIS ARTICLE, OR FOR A MATERIAL MISSTATEMENT IN THE APPLICATION FOR SUCH
55 LICENSE, OR IF SUCH LICENSEE HAS BEEN GUILTY OF FRAUD OR FRAUDULENT
56 PRACTICES, OR FOR DISHONEST OR MISLEADING ADVERTISING, OR HAS DEMON-

1 STRATED UNTRUSTWORTHINESS OR INCOMPETENCY TO ACT AS AN APPRAISAL MANAGE-
2 MENT COMPANY, OR HAS VIOLATED ANY PROVISION OF THIS ARTICLE OR A REGU-
3 LATION PROMULGATED THEREUNDER. THE DEPARTMENT SHALL REPORT ANY SUCH
4 VIOLATIONS BY APPRAISAL MANAGEMENT COMPANIES TO THE APPRAISAL SUBCOMMIT-
5 TEE.

6 S 160-RRRR. DISCIPLINARY HEARINGS. THE DEPARTMENT SHALL, BEFORE REVOK-
7 ING OR SUSPENDING ANY LICENSE OR IMPOSING ANY FINE OR REPRIMAND ON THE
8 HOLDER THEREOF, AND AT LEAST TEN DAYS PRIOR TO THE DATE SET FOR THE
9 HEARING, NOTIFY, IN WRITING, THE HOLDER OF SUCH LICENSE OF ANY CHARGES
10 MADE AND SHALL AFFORD SUCH LICENSEE AN OPPORTUNITY TO BE HEARD IN PERSON
11 OR BY COUNSEL IN REFERENCE THERETO. SUCH WRITTEN NOTICE MAY BE SERVED BY
12 PERSONAL DELIVERY TO THE LICENSEE, OR BY CERTIFIED MAIL TO THE LAST
13 KNOWN BUSINESS ADDRESS OF SUCH LICENSEE OR UNLICENSED PERSON, OR BY ANY
14 METHOD AUTHORIZED BY THE CIVIL PRACTICE LAWS AND RULES. THE HEARING ON
15 SUCH CHARGES SHALL BE AT SUCH TIME AND PLACE AS THE DEPARTMENT SHALL
16 PRESCRIBE.

17 S 160-SSSS. POWER TO SUSPEND A LICENSE. IN CASES WHERE THE HEALTH,
18 SAFETY, OR WELFARE OF THE PUBLIC IS ENDANGERED, THE DEPARTMENT SHALL
19 HAVE THE AUTHORITY TO IMMEDIATELY SUSPEND A LICENSE PENDING A HEARING
20 BEFORE AN ADMINISTRATIVE LAW JUDGE.

21 S 160-TTTT. INVESTIGATION. 1. THE DEPARTMENT SHALL HAVE THE POWER TO
22 ENFORCE THE PROVISIONS OF THIS ARTICLE AND UPON COMPLAINT OF ANY PERSON,
23 OR ON ITS OWN INITIATIVE, TO INVESTIGATE ANY VIOLATION THEREOF OR TO
24 INVESTIGATE THE BUSINESS, BUSINESS PRACTICES AND BUSINESS METHODS OF AN
25 APPRAISAL MANAGEMENT COMPANY, IF IN THE OPINION OF THE DEPARTMENT SUCH
26 INVESTIGATION IS WARRANTED. EACH SUCH APPLICANT OR LICENSEE SHALL BE
27 OBLIGED, ON REQUEST OF THE DEPARTMENT, TO SUPPLY SUCH INFORMATION AS MAY
28 BE REQUIRED CONCERNING HIS OR ITS BUSINESS, BUSINESS PRACTICES OR BUSI-
29 NESS METHODS, OR PROPOSED BUSINESS PRACTICES OR METHODS.

30 2. FOR THE PURPOSE OF ENFORCING THE PROVISIONS OF THIS ARTICLE, AND IN
31 MAKING INVESTIGATIONS RELATING TO ANY VIOLATION THEREOF, AND FOR THE
32 PURPOSE OF INVESTIGATING THE CHARACTER, COMPETENCY AND INTEGRITY OF THE
33 APPLICANTS OR LICENSEES HEREUNDER, AND FOR THE PURPOSE OF INVESTIGATING
34 THE BUSINESS, BUSINESS PRACTICES AND BUSINESS METHODS OF ANY APPLICANT
35 OR LICENSEE, OR OF THE OFFICERS OR AGENTS THEREOF, THE DEPARTMENT OF
36 STATE, ACTING BY SUCH OFFICER OR PERSON IN THE DEPARTMENT AS THE SECRE-
37 TARY OF STATE MAY DESIGNATE, SHALL HAVE THE POWER TO SUBPOENA AND BRING
38 BEFORE THE OFFICER OR PERSON SO DESIGNATED ANY PERSON IN THIS STATE AND
39 REQUIRE THE PRODUCTION OF ANY BOOKS, RECORDS OR PAPERS WHICH HE DEEMS
40 RELEVANT TO THE INQUIRY AND ADMINISTER AN OATH TO AND TAKE TESTIMONY OF
41 ANY PERSON OR CAUSE HIS OR HER DEPOSITION TO BE TAKEN, EXCEPT THAT ANY
42 APPLICANT OR LICENSEE OR OFFICER OR AGENT THEREOF SHALL NOT BE ENTITLED
43 TO FEES AND/OR MILEAGE. A SUBPOENA ISSUED UNDER THIS SECTION SHALL BE
44 REGULATED BY THE CIVIL PRACTICE LAW AND RULES. ANY PERSON, DULY SUBPOE-
45 NAED, WHO FAILS TO OBEY SUCH SUBPOENA WITHOUT REASONABLE CAUSE OR WITH-
46 OUT SUCH CAUSE REFUSES TO BE EXAMINED OR TO ANSWER ANY LEGAL OR PERTI-
47 NENT QUESTION AS TO THE CHARACTER OR QUALIFICATION OF SUCH APPLICANT OR
48 LICENSEE OR SUCH APPLICANT'S OR LICENSEE'S BUSINESS, BUSINESS PRACTICES
49 AND METHODS OR SUCH VIOLATIONS, SHALL BE GUILTY OF A MISDEMEANOR. THE
50 TESTIMONY OF WITNESSES IN ANY INVESTIGATIVE PROCEEDING SHALL BE UNDER
51 OATH, WHICH THE SECRETARY OF STATE OR ONE OF HIS OR HER DEPUTIES, OR A
52 SUBORDINATE OF THE DEPARTMENT DESIGNATED BY THE SECRETARY OF STATE, MAY
53 ADMINISTER. WILLFUL FALSE SWEARING IN ANY SUCH PROCEEDING SHALL BE
54 PERJURY.

55 S 160-UUUU. RULEMAKING AUTHORITY. THE DEPARTMENT MAY ADOPT RULES NOT
56 INCONSISTENT WITH THE PROVISIONS OF THIS CHAPTER WHICH MAY BE REASONABLY

1 NECESSARY TO IMPLEMENT, ADMINISTER, AND ENFORCE THE PROVISIONS OF THIS
2 ARTICLE.

3 S 160-VVVV. VIOLATIONS. 1. ANY PERSON OR COMPANY WHO FAILS TO OBTAIN A
4 CERTIFICATE OF REGISTRATION REQUIRED BY THIS ARTICLE SHALL BE GUILTY OF
5 A MISDEMEANOR.

6 2. CRIMINAL ACTIONS FOR FAILURE TO OBTAIN A CERTIFICATE OF REGISTRA-
7 TION SHALL BE PROSECUTED BY THE ATTORNEY GENERAL, OR HIS OR HER DEPUTY,
8 IN THE NAME OF THE PEOPLE OF THE STATE, AND IN ANY SUCH PROSECUTION THE
9 ATTORNEY GENERAL, OR HIS OR HER DEPUTY, SHALL EXERCISE ALL THE POWERS
10 AND PERFORM ALL THE DUTIES WHICH THE DISTRICT ATTORNEY WOULD OTHERWISE
11 BE AUTHORIZED TO EXERCISE OR TO PERFORM THEREIN.

12 S 160-WWWW. SEVERABILITY. SHOULD THE COURTS OF THIS STATE DECLARE ANY
13 PROVISION OF THIS ARTICLE UNCONSTITUTIONAL, OR UNAUTHORIZED, OR IN
14 CONFLICT WITH ANY OTHER SECTION OR PROVISION OF THIS ARTICLE, SUCH DECI-
15 SION SHALL AFFECT ONLY THE SECTION OR PROVISION SO DECLARED TO BE UNCON-
16 STITUTIONAL OR UNAUTHORIZED AND SHALL NOT AFFECT ANY OTHER SECTION OR
17 PART OF THIS ARTICLE.

18 S 160-XXXX. JUDICIAL REVIEW. THE ACTIONS OF THE DEPARTMENT IN GRANTING
19 OR REFUSING TO GRANT OR TO RENEW A LICENSE UNDER THIS ARTICLE OR IN
20 REVOKING OR SUSPENDING SUCH A LICENSE OR IMPOSING ANY FINE OR REPRIMAND
21 ON THE HOLDER THEREOF OR REFUSING TO REVOKE OR SUSPEND SUCH A LICENSE OR
22 IMPOSE ANY FINE OR REPRIMAND SHALL BE SUBJECT TO REVIEW BY A PROCEEDING
23 BROUGHT UNDER AND PURSUANT TO ARTICLE SEVENTY-EIGHT OF THE CIVIL PRAC-
24 TICE LAW AND RULES AT THE INSTANCE OF THE APPLICANT FOR SUCH LICENSE,
25 THE HOLDER OF A LICENSE IS SO REVOKED, SUSPENDED, FINED, OR REPRIMANDED
26 OR THE PERSON AGGRIEVED.

27 S 2. This act shall take effect on the one hundred twentieth day after
28 it shall have become a law.