

AN ACT concerning regulation.

**Be it enacted by the People of the State of Illinois,
represented in the General Assembly:**

Section 5. The Real Estate Appraiser Licensing Act of 2002 is amended by changing Section 5-5 as follows:

(225 ILCS 458/5-5)

(Section scheduled to be repealed on January 1, 2022)

Sec. 5-5. Necessity of license; use of title; exemptions.

(a) It is unlawful for a person to (i) act, offer services, or advertise services as a State certified general real estate appraiser, State certified residential real estate appraiser, or associate real estate trainee appraiser, (ii) develop a real estate appraisal, (iii) practice as a real estate appraiser, or (iv) advertise or hold himself or herself out to be a real estate appraiser without a license issued under this Act. A person who violates this subsection is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for any subsequent offense.

(a-5) It is unlawful for a person, unless registered as an appraisal management company, to solicit clients or enter into an appraisal engagement with clients without either a certified residential real estate appraiser license or a certified general real estate appraiser license issued under this Act. A

person who violates this subsection is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for any subsequent offense.

(b) It is unlawful for a person, other than a person who holds a valid license issued pursuant to this Act as a State certified general real estate appraiser, a State certified residential real estate appraiser, or an associate real estate trainee appraiser to use these titles or any other title, designation, or abbreviation likely to create the impression that the person is licensed as a real estate appraiser pursuant to this Act. A person who violates this subsection is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for any subsequent offense.

(c) The licensing requirements of this Act do not require a person who holds a valid license pursuant to the Real Estate License Act of 2000, to be licensed as a real estate appraiser under this Act, unless that person is providing or attempting to provide an appraisal report, as defined in Section 1-10 of this Act, in connection with a federally-related transaction. Nothing in this Act shall prohibit a person who holds a valid license under the Real Estate License Act of 2000 from performing a comparative market analysis or broker price opinion for compensation, provided that the person does not hold himself out as being a licensed real estate appraiser.

(d) Nothing in this Act shall preclude a State certified general real estate appraiser, a State certified residential

real estate appraiser, or an associate real estate trainee appraiser from rendering appraisals for or on behalf of a partnership, association, corporation, firm, or group. However, no State appraisal license or certification shall be issued under this Act to a partnership, association, corporation, firm, or group.

(e) This Act does not apply to a county assessor, township assessor, multi-township assessor, county supervisor of assessments, or any deputy or employee of any county assessor, township assessor, multi-township assessor, or county supervisor of assessments who is performing his or her respective duties in accordance with the provisions of the Property Tax Code.

(e-5) For the purposes of this Act, valuation waivers may be prepared by a licensed appraiser notwithstanding any other provision of this Act, and the following types of valuations are not appraisals and may not be represented to be appraisals, and a license is not required under this Act to perform such valuations if the valuations are performed by (1) an employee of the Illinois Department of Transportation who has completed a minimum of 45 hours of course work in real estate appraisal, including the principals of real estate appraisals, appraisal of partial acquisitions, easement valuation, reviewing appraisals in eminent domain, appraisal for federal aid highway programs, and appraisal review for federal aid highway programs and has at least 2 years' experience in a field closely related

to real estate; ~~or~~ (2) a county engineer who is a registered professional engineer under the Professional Engineering Practice Act of 1989; (3) an employee of a municipality who has (i) completed a minimum of 45 hours of coursework in real estate appraisal, including the principals of real estate appraisals, appraisal of partial acquisitions, easement valuation, reviewing appraisals in eminent domain, appraisal for federal aid highway programs, and appraisal review for federal aid highway programs and (ii) has either 2 years' experience in a field clearly related to real estate or has completed 20 hours of additional coursework that is sufficient for a person to complete waiver valuations as approved by the Federal Highway Administration; or (4) a municipal engineer who has completed coursework that is sufficient for his or her waiver valuations to be approved by the Federal Highway Administration and who is a registered professional engineer under the Professional Engineering Act of 1989, under the following circumstances:

(A) a valuation waiver in an amount not to exceed \$10,000 prepared pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, or prepared pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs regulations and which is performed by (1) an employee of the Illinois Department of Transportation and co-signed,

with a license number affixed, by another employee of the Illinois Department of Transportation who is a registered professional engineer under the Professional Engineering Practice Act of 1989 or (2) an employee of a municipality and co-signed with a license number affixed by a county or municipal engineer who is a registered professional engineer under the Professional Engineering Practice Act of 1989; and

(B) a valuation waiver in an amount not to exceed \$10,000 prepared pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, or prepared pursuant to the federal Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs regulations and which is performed by a county or municipal engineer who is employed by a county or municipality and is a registered professional engineer under the Professional Engineering Practice Act of 1989. In addition to his or her signature, the county or municipal engineer shall affix his or her license number to the valuation.

Nothing in this subsection (e-5) shall be construed to allow the State of Illinois, a political subdivision thereof, or any public body to acquire real estate by eminent domain in any manner other than provided for in the Eminent Domain Act.

(f) A State real estate appraisal certification or license is not required under this Act for any of the following:

(1) A person, partnership, association, or corporation that performs appraisals of property owned by that person, partnership, association, or corporation for the sole use of that person, partnership, association, or corporation.

(2) A court-appointed commissioner who conducts an appraisal pursuant to a judicially ordered evaluation of property.

However, any person who is certified or licensed under this Act and who performs any of the activities set forth in this subsection (f) must comply with the provisions of this Act. A person who violates this subsection (f) is guilty of a Class A misdemeanor for a first offense and a Class 4 felony for any subsequent offense.

(g) This Act does not apply to an employee, officer, director, or member of a credit or loan committee of a financial institution or any other person engaged by a financial institution when performing an evaluation of real property for the sole use of the financial institution in a transaction for which the financial institution would not be required to use the services of a State licensed or State certified appraiser pursuant to federal regulations adopted under Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989, nor does this Act apply to the procurement of an automated valuation model.

"Automated valuation model" means an automated system that is used to derive a property value through the use of publicly

Public Act 098-0933

HB5709 Enrolled

LRB098 18353 ZMM 55449 b

available property records and various analytic methodologies such as comparable sales prices, home characteristics, and historical home price appreciations.

(Source: P.A. 97-602, eff. 8-26-11; 98-444, eff. 8-16-13.)