

New Jersey Division of Consumer Affairs  
State Real Estate Appraiser Board Laws

**45:14F-1. Short title**

This act shall be known and may be cited as the "Real Estate Appraisers Act."

L.1991, c. 68, s. 1.

**45:14F-2. Definitions**

2. As used in this act:

"Another state or other state" means any other state, the District of Columbia, the Commonwealth of Puerto Rico and any other possession or territory of the United States.

"Appraisal" or "real estate appraisal" means an unbiased analysis, opinion or conclusion relating to the nature, quality, value or utility of specified interests in, or aspects of, real estate. An appraisal may be classified by subject matter into either a valuation or an analysis. A "valuation" means an estimate of the value of real estate or real property and an "analysis" means a study of real estate or real property other than a valuation.

"Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased appraisal.

"Appraisal Foundation" means the Appraisal Foundation incorporated in the State of Illinois as a nonprofit corporation on November 30, 1987, as denominated in Title XI of Pub.L.101-73 (12 U.S.C. s.3331 et seq.).

"Appraisal report" means any written communication of an appraisal.

"Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, as created by section 1102 of Title XI of Pub.L.101-73 (12 U.S.C. s.3310).

"Approved education provider" means a provider of real estate appraisal education courses who is approved by the board.

"Board" means the State Real Estate Appraiser Board established pursuant to section 3 of this act.

"Certified appraisal" or "certified appraisal report" means an appraisal or appraisal report given or signed by a State certified general or residential real estate appraiser.

"Director" means the Director of the Division of Consumer Affairs in the Department of Law and Public Safety or his designee.

"Federally related transaction" shall have the meaning ascribed to that term in section 1121 of Title XI of Pub.L.101-73 (12 U.S.C. s.3350).

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"Licensed appraisal" or "licensed appraisal report" means an appraisal or appraisal report given or signed by a State licensed real estate appraiser.

"Real estate" means an identified parcel or tract of land, including improvements thereon, if any.

"Real property" means one or more defined interests, benefits or rights inherent in real estate.

"State certified real estate appraiser" or "State certified general or residential real estate appraiser" means an individual who holds a current, valid certificate for real estate appraisal pursuant to the provisions of this act and is recognized as being more knowledgeable of and experienced in real estate appraisals than a State licensed real estate appraiser.

"State licensed real estate appraiser" means an individual who holds a current, valid license for real estate appraisal pursuant to the provisions of this act.

L.1991, c. 68, s. 2; amended 1991, c. 408, s. 1.

### **45:14F-3. State Real Estate Appraiser Board created**

There is created within the Division of Consumer Affairs in the Department of Law and Public Safety a State Real Estate Appraiser Board. The board shall consist of nine members who are residents of the State, two of whom shall be public members and one of whom shall be a State executive department member appointed pursuant to the provisions of section 2 of P.L.1971, c.60 (C.45:1-2.2). Of the remaining six members, three shall be, except for those first appointed, State licensed real estate appraisers and three shall be, except for those first appointed, State certified real estate appraisers. The initial real estate appraiser members of the board may hold a real estate appraisal designation from an organization recognized by the Appraisal Foundation, but these appointments shall not be granted or denied on the basis of organizational membership alone.

The Governor shall appoint the public members and the real estate appraiser members to the board with the advice and consent of the Senate. The Governor shall appoint each member for a term of three years, except that with regard to the real estate appraiser members first appointed, two shall serve for terms of three years, two shall serve for terms of two years, and two shall serve for terms of one year. Each member shall serve until his successor has been qualified. Any vacancy in the membership of the board shall be filled for the unexpired term in the manner provided by the original appointment. No member of the board shall serve more than two successive terms in addition to any unexpired term to which he has been appointed. The Governor may remove a member of the board for cause.

L.1991, c. 68, s. 3.

### **45:14F-4. Election of officers, compensation**

a. The board shall annually elect from among its members a President and Vice-President. The board shall meet at least twice each year and may hold additional meetings, as necessary to discharge its duties. In addition to such meetings, the board shall meet at the call of the President, the director or the Attorney General.

b. Members of the board shall be compensated and reimbursed for expenses and provided with office and meeting facilities pursuant to section 2 of P.L.1977, c.285 (C.45:1-2.5).

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L.1991,c. 68, s. 4.

**45:14F-5. Certifications required as State certified real estate appraiser**

5. No person shall assume or use the title or designation "State certified general real estate appraiser" or the abbreviation "SCGREA" or "State certified residential real estate appraiser" or the abbreviation "SCRREA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that such person is a State certified real estate appraiser, unless such person holds a current, valid certificate as a State certified general or residential real estate appraiser, as applicable, pursuant to the provisions of this act.

L.1991, c. 68, s. 5; amended 1991, c. 408, s. 2.

**45:14F-6. License required for State licensed real estate appraiser**

6. No person shall assume or use the title or designation "State licensed real estate appraiser" or the abbreviation "SLREA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that such person is a State licensed real estate appraiser, unless such person holds a current, valid license as a State licensed real estate appraiser pursuant to the provisions of this act.

L.1991, c. 68, s. 6; amended 1991, c. 408, s. 3.

**45:14F-7 Act not applicable to certain licensees or activities.**

7. The provisions of this act shall not apply to any person who is:

a. a real estate appraiser licensed or certified in another state in compliance with federal requirements while on temporary assignment appraising real property located in this State, however, such appraiser shall be subject to registration requirements promulgated by the board; or

b. a tax assessor or an assistant tax assessor holding a valid tax assessor certificate employed by a county or municipal government or any political subdivision thereof whose appraisal activities are limited to appraisals in the course of his employment; or

c. a State employee (1) whose appraisal activities are limited to appraisals of parcels of property to be acquired for a public purpose with a fair market value, including damages to the remainder, if any, of each parcel to be acquired of not more than \$25,000, notwithstanding the total value of the property in which the parcel is located that is owned by the prospective condemnee whose property is to be taken; and (2) whose appraisal activities are limited to appraisals in the course of his employment.

L.1991, c. 68, s. 7; amended 1997, c. 401, s. 1.

**45:14F-8. Powers, duties of the board**

8. The board shall, in addition to such other powers and duties as it may possess by law:

a. Administer and enforce the provisions of this act;

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- b. Examine and pass on the qualifications of all applicants for licensure or certification under this act;
- c. Issue and renew licenses and certificates of real estate appraisers;
- d. Prescribe examinations for certification under this act, which examinations shall meet the standards for certification examinations for real estate appraisers established by the Appraisal Foundation, and prescribe examinations for licensure under this act, which examinations shall meet the standards for licensing examinations for real estate appraisers acceptable to the Appraisal Subcommittee;
- e. Suspend, revoke or refuse to issue or renew a license or certificate and exercise investigative powers pursuant to the provisions of P.L.1978, c.73 (C.45:1-14 et seq.);
- f. Establish fees for applications for licensure and certification, examinations, initial licensure and certification, renewals, late renewals, temporary licenses, temporary certifications and for duplication of lost licenses or certificates, pursuant to section 2 of P.L.1974, c.46 (C.45:1-3.2);
- g. Establish a code of professional ethics for persons licensed or certified under this act which meets the standards established by the Uniform Standards of Professional Appraisal Practice promulgated by the Appraisal Standards Board of the Appraisal Foundation;
- h. Establish standards for the certification of real estate appraisers which meet the standards established by the Appraisal Foundation, and establish standards for the licensing of real estate appraisers which meet standards acceptable to the Appraisal Subcommittee;
- i. Conduct hearings pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.). In any hearing or investigative inquiry, the board shall have the right to administer oaths to witnesses, and shall have the power to issue subpoenas for the compulsory attendance of witnesses and the production of pertinent books, papers or records;
- j. Take such action as is necessary before any board, agency or court of competent jurisdiction for the enforcement of the provisions of this act;
- k. Maintain a registry of the names and business addresses of licensees and the names and business addresses of certified individuals and shall forward such materials to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;
- l. Approve providers of real estate appraiser education courses and establish and revise experience and education requirements for the licensure and certification of real estate appraisers in this State;
- m. Approve providers of real estate appraiser continuing education courses and establish and revise continuing education requirements for the renewal of licenses and certificates;
- n. Adopt and promulgate rules and regulations, pursuant to the "Administrative Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), to effectuate the purposes of this act, except that the initial rules and regulations shall be promulgated by the director;

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o. Perform any other functions and duties which may be necessary to carry out the provisions of this act; and

p. Adopt and promulgate rules and regulations by which market analyses by licensed real estate brokers, broker-salespersons and salespersons may be used as credit for experience toward licensure or certification under P.L.1991, c.68 (C.45:14F-1 et seq.).

L.1991, c. 68, s. 8; amended 1991, c. 408, s. 4; 1995, c. 349, s. 3.

**45:14F-9. Appointment of Executive Director**

The Executive Director of the board shall be appointed by the director and shall serve at the director's pleasure. The salary of the Executive Director shall be determined by the director within the limits of available funds. The director shall be empowered within the limits of available funds to hire any assistants as are necessary to administer this act.

L.1991, c. 68, s. 9.

**45:14F-10. Eligibility for licensure**

10. To be eligible for licensure as a real estate appraiser, an applicant shall fulfill the following requirements:

a. Be at least 18 years of age;

b. Be of good moral character;

c. Have a high school diploma or its equivalent;

d. Have real estate appraisal experience which experience shall meet standards for experience acceptable to the Appraisal Subcommittee;

e. Have successfully completed a course of study in real estate appraising prescribed by the board and conducted by an approved education provider, which course of study shall meet standards acceptable to the Appraisal Subcommittee; and

f. Successfully complete a real estate appraiser licensing examination administered by the board.

L.1991, c. 68, s. 10; amended 1991, c. 408, s. 5.

**45:14F-10.1 Ineligibility, revocation of licensure, certification due to criminal record; rehabilitation.**

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3. a. An applicant for licensure or certification under P.L.1991, c.68 (C.45:14F-1 et seq.) shall not be eligible for licensure or certification, as the case may be, and any holder of a license or certification under P.L.1991, c.68 (C.45:14F-1 et seq.) shall have his license or certification revoked if the State Real Estate Appraiser Board determines, consistent with the requirements and standards of this section and section 4 of P.L.1997, c.401 (C.45:14F-10.2), that criminal history record information exists on file in the Federal Bureau of Investigation, Identification Division, or in the State Bureau of Identification in the Division of State Police, which would disqualify that individual from being licensed or certified. An applicant or a holder of a license or certification shall be disqualified from licensure or certification if that individual's criminal history record check reveals a record of conviction of any of the following crimes and offenses:

(1) In New Jersey, any crime or disorderly persons offense:

(a) Involving danger to the person, meaning those crimes and disorderly persons offenses set forth in N.J.S.2C:11-1 et seq., N.J.S.2C:12-1 et seq., N.J.S.2C:13-1 et seq., N.J.S.2C:14-1 et seq., or N.J.S.2C:15-1 et seq.; or

(b) Involving theft as set forth in chapter 20 of Title 2C of the New Jersey Statutes; or

(c) Involving any controlled dangerous substances or controlled substance analog as set forth in chapter 35 of Title 2C of the New Jersey Statutes except as set forth in paragraph (4) of subsection a. of N.J.S.2C:35-10.

(2) In any other state or jurisdiction, conduct which, if committed in New Jersey, would constitute any of the crimes or disorderly persons offenses described in paragraph (1) of this subsection.

b. Notwithstanding the provisions of subsection a. of this section, no individual shall be disqualified from licensure or certification on the basis of any conviction disclosed by a criminal history record check performed pursuant to this section if the individual has affirmatively demonstrated to the board clear and convincing evidence of his rehabilitation. In determining whether an individual has affirmatively demonstrated rehabilitation, the following factors shall be considered:

(1) The nature and responsibility of the position which the convicted individual would hold;

(2) The nature and seriousness of the offense;

(3) The circumstances under which the offense occurred;

(4) The date of the offense;

(5) The age of the individual when the offense was committed;

(6) Whether the offense was an isolated or repeated incident;

(7) Any social conditions which may have contributed to the offense; and

(8) Any evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling,

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successful participation in correctional work-release programs, or the recommendation of persons who have had the individual under their supervision.

L.1997, c. 401, s. 3.

**45:14F-10.2 Information submitted by applicant, holder of license; record check; costs.**

4. a. An applicant and holder of a license or certificate shall submit to the board his name, address and fingerprints taken on standard fingerprint cards by a State or municipal law enforcement agency. The board is authorized to exchange fingerprint data with and receive criminal history record information from the Federal Bureau of Investigation and the Division of State Police for use in making the determinations required by section 3 of P.L.1997, c.401 (C.45:14F-10.1).

b. Upon receipt of the criminal history record information for a person from the Federal Bureau of Investigation or the Division of State Police, the board shall notify the applicant, licensee or certified individual, as applicable, in writing, of the person's qualification or disqualification for licensure or certification under section 3 of P.L.1997, c.401 (C.45:14F-10.1). If the applicant, licensee or certified individual, as applicable, is disqualified, the conviction or convictions which constitute the basis for the disqualification shall be identified in the written notice.

c. The applicant, licensee or certified individual, as the case may be, shall have 30 days from the date of written notice of disqualification to petition the board for a hearing on the accuracy of the criminal history record information or to establish his rehabilitation under subsection b. of section 3 of P.L.1997, c.401 (C.45:14F-10.1). The board may refer any case arising hereunder to the Office of Administrative Law for administrative proceedings pursuant to P.L.1968, c.410 (C.52:14B-1 et seq.).

d. The board shall not maintain any individual's criminal history record information or evidence of rehabilitation submitted under this section for more than six months from the date of a final determination by the board as to the individual's qualification or disqualification to be licensed or certified pursuant to the provisions of this section and section 3 of this amendatory and supplementary act.

e. All costs associated with performing the criminal history check required by P.L.1997, c.401 (C.45:14F-10.1 et al.) shall be borne by the applicant for licensure or certification or the holder of any license or certification.

L.1997, c. 401, s. 4.

**45:14F-11. Eligibility for certification**

11. To be eligible for certification as a general or residential real estate appraiser, an applicant shall fulfill the following requirements:

- a. Be at least 18 years of age;
- b. Be of good moral character;

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c. Have a high school diploma or its equivalent;

d. Have real estate appraisal experience which experience shall meet the standards for experience prescribed by the Appraisal Foundation for the type of certificate sought;

e. Have successfully completed a course of study in real estate appraising prescribed by the board and conducted by an approved education provider, which course of study shall meet the standards for the course of study issued by the Appraisal Foundation for the type of certificate sought; and

f. Successfully complete a real estate appraiser certification examination administered by the board.

L.1991, c. 68, s. 11; amended 1991, c. 408, s. 6.

**45:14F-12. Application, fee, issuance of temporary license**

Upon payment to the board of the prescribed fee and the submission of a written application on forms prescribed by the board, the board shall issue a temporary real estate appraiser license to any person who meets the requirements of subsections a., b., c., d. and f. of section 10 of this act and who makes application to the board within 180 days of the effective date of this act.

If during the temporary license term, the temporary licensee completes the requirements of subsection e. of section 10 of this act, the board may issue a license as a State licensed real estate appraiser to the temporary licensee. A temporary license shall not be effective for more than 420 days and shall not be renewed.

L.1991, c. 68, s. 12.

**45:14F-13. Temporary certification**

13. Upon payment to the board of the prescribed fee and the submission of a written application on forms prescribed by the board, the board shall issue the appropriate type of temporary real estate appraiser certification to any person who meets the requirements of subsections a., b., c., d. and f. of section 11 of this act and who makes application to the board within 180 days of the effective date of this act.

If during the temporary certification term, the person holding the temporary certification completes the requirements of subsection e. of section 11 of this act, the board may issue a certification as a State certified general or residential real estate appraiser. A temporary certification shall not be effective for more than 420 days and shall not be renewed.

L.1991, c. 68, s. 13; amended 1991, c. 408, s. 7.

**45:14F-14. Waiving of requirement for certification, licensure**

In the event that the Appraisal Subcommittee of the Federal Financial Institution Examination Council grants a waiver pursuant to subsection (b) of section 1119 of Title XI of Pub. L. 101-73 (12 U.S.C. s.3348(b)), the

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board may waive any requirement for certification or licensure to the extent of the waiver granted by the Appraisal Subcommittee.

L.1991, c. 68, s. 14.

**45:14F-15. Issuance of license, certificate to out-of-State license, certificate holder**

Upon payment to the board of the prescribed fee and the submission of a written application on forms prescribed by it, the board may issue a license or certificate to any person who holds a valid license or certificate as a real estate appraiser issued by another state which has educational, experience and examination requirements substantially similar to this State.

L.1991, c. 68, s. 15.

**45:14F-16. Payment of application fee**

All applicants for licensure or certification as a real estate appraiser shall, at the time of making application, pay a non-refundable application fee the amount of which shall be prescribed by the board by rule.

L.1991, c. 68, s. 16.

**45:14F-17. License, certificate, effective period, renewal**

Licenses and certificates shall be effective for a period not to exceed two years and may be renewed biennially.

L.1991, c. 68, s. 17.

**45:14F-18. Renewals of licenses, certificates**

18. a. No license shall be renewed unless the renewal applicant submits satisfactory evidence to the board that the renewal applicant has successfully completed the continuing education requirements prescribed pursuant to this act. The board shall not require less than the number of hours acceptable to the Appraisal Subcommittee for the continuing education of licensed real estate appraisers.

b. No certificate shall be renewed unless the renewal applicant submits satisfactory evidence to the board that the renewal applicant has successfully completed the continuing education requirements prescribed pursuant to this act for the type of certificate for which renewal is sought. The board shall not require less than the number of hours of continuing education prescribed by the Appraisal Foundation as a national standard for the continuing education of certified real estate appraisers.

c. Continuing education may include classroom instruction in courses, seminars or other activities as approved by the board.

L.1991, c. 68, s. 18; amended 1991, c. 408, s. 8.

**45:14F-19. Examinations for licensure, certification**

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The examinations for licensure or certification under the provisions of this act shall demonstrate that the applicant possesses the following:

- a. An appropriate knowledge of technical terms commonly used in or related to real estate appraisal, appraisal report writing, and economic concepts applicable to real estate law;
- b. A basic understanding of real estate law;
- c. An understanding of the principles of land economics, the real estate appraisal process and problems likely to be encountered in the gathering and processing of data in carrying out appraisal disciplines;
- d. An understanding of the standards for the development and communication of real estate appraisal reports established by the board pursuant to this act;
- e. An understanding of the grounds for which the board may initiate disciplinary proceedings against a State licensed or certified real estate appraiser, as the case may be;
- f. Knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal which relate to the classification for which the applicant is applying; and
- g. Knowledge of other real estate appraisal principles and procedures which may relate to the classification for which the applicant is applying.

L.1991, c. 68, s. 19.

### **45:14F-20. Renewal of license, certificate after expiration**

If a State licensed or certified real estate appraiser fails to renew his license or certificate prior to its expiration, the appraiser may obtain a license or certificate by satisfying all of the renewal requirements and paying the renewal and late renewal fees, provided that application for the issuance of a new license or certificate is made within one year of the expiration date of the last license or certificate held by the appraiser.

L.1991, c. 68, s. 20.

### **45:14F-21 Certification requirements for persons performing appraisal; exception.**

21. a. A person who is not certified pursuant to the provisions of this act shall not describe or refer to any appraisal or other evaluation which he performs on real estate located in this State as "a certified appraisal."

b. A person who is not licensed pursuant to the provisions of this act shall not describe or refer to any appraisal or other evaluation which he performs on real estate located in this State as "a licensed appraisal."

c. Except as otherwise provided in subsection f. of this section, no person other than a State licensed real estate appraiser, a State certified real estate appraiser or a person who assists in the preparation of an appraisal under the direct supervision of a State licensed or certified appraiser shall perform or offer to perform an appraisal assignment in regard to real estate located in this State including, but not limited to, any

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transaction involving a third party, person, government or quasi-governmental body, court, quasi-judicial body or financial institution.

Nothing in P.L.1991, c.68 (C.45:14F-1 et seq.) shall be construed to preclude a person not licensed or certified pursuant to this act from giving or offering to give, for a fee or otherwise, counsel and advice on pricing, listing, selling and use of real property, directly to a property owner or prospective purchaser if the intended use of the counsel or advice is solely for the individual knowledge of or use by the property owner or prospective purchaser.

d. Nothing in this act shall be construed to preclude a person not certified or licensed pursuant to this act from assisting in the preparation of an appraisal to the extent permitted under subsection (d) of section 1122 of Title XI of Pub. L.101-73 (12 U.S.C. s.3351(d)).

e. (Deleted by amendment, P.L.1997, c.401).

f. A State or federally chartered bank, savings bank or savings and loan association may obtain and use appraisals made by a person who is not certified or licensed pursuant to the provisions of P.L.1991, c.68 (C.45:14F-1 et seq.) in any circumstance where the underlying transaction is a federally related transaction for which federal law and regulation do not require that a certified or licensed appraiser be used. For the purposes of this subsection, "federal law" means Title XI of Pub. L.101-73 (12 U.S.C. s.3331 et seq.); and "federally related transaction" has the meaning as set forth in section 1121 of Title XI of Pub. L.101-73 (12 U.S.C. s.3350).

L.1991, c. 68, s. 21; amended 1995, c. 349, s. 2; 1997, c. 401, s. 2.

**45:14F-22. Licensed, certified appraiser to provide business address to board**

a. Each State licensed or certified real estate appraiser shall provide a designated business address to the board and shall notify the board in writing of any change in that address.

b. A State licensed or certified real estate appraiser shall conspicuously display his license or certificate at his place of business.

L.1991, c. 68, s. 22.

**45:14F-23. License, certificate returned to State; consent to service**

a. Any license or certificate issued by the board shall remain the property of the State and shall be immediately returned to the board upon its suspension or revocation pursuant to this act.

b. The issuance of a license or certificate to an applicant who is a nonresident of this State shall be deemed to be his irrevocable consent that service of process in any action or proceeding may be made upon him by service upon the board.

L.1991, c. 68, s. 23.

**45:14F-24. Criteria for approval of courses, schools, instructors, fees**

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The board may, by regulation, establish criteria for the approval of real estate appraisal education courses, schools and instructors and may collect reasonable fees as prescribed by the board from applicants for approval.

L.1991, c. 68, s. 24.

### **45:14F-25. Collection of federal fees**

In the event that the government of the United States enacts legislation or rules requiring states to collect fees from appraisers licensed or certified by those states and to remit the monies to a federal agency, the board is authorized to impose and collect these fees and may adopt rules requiring the payment of the fees by all appraisers licensed or certified pursuant to the provisions of this act.

L.1991, c. 68, s. 25.

### **45:14F-26. Board subject to law on expenses and accounts**

The board created by this act shall be subject to the provisions of R.S.45:1-3.

L.1991, c. 68, s. 26.