

KANSAS OFFICE of  
**REVISOR of STATUTES**

LEGISLATURE of THE STATE of KANSAS  
*Legislative Attorneys transforming ideas into legislation.*

300 SW TENTH AVENUE ■ SUITE 24-E ■ TOPEKA, KS 66612 ■ (785) 296-2321

**MEMORANDUM**

To: Chairman Barker  
Members of the House Committee on Federal and State Affairs

From: Jason B. Long, Senior Assistant Revisor

Date: February 8, 2018

Subject: HB 2414 – Real estate appraisal practice standards.

House Bill No. 2414 (HB 2414) amends K.S.A. 58-4121 regarding the standards of practice real estate appraisers must follow in conducting appraisals. The bill would separate appraisals into three types: (1) Real estate-related financial transactions; (2) real estate-related financial transactions regulated by a federal financial institutions regulatory agency; and (3) all other appraisals. HB 2414 establishes standards of practice for each type of appraisal.

Under HB 2414, for real estate-related financial transactions, which are defined in K.S.A. 58-4102, appraisers must comply with the 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice adopted under federal law, or any later version that is adopted in the rules and regulations by the Real Estate Appraisal Board (Board).

For real estate-related financial transactions regulated by a federal financial institutions regulatory agency, the appraiser must comply with the interagency appraisal and evaluation guidelines adopted by the regulating agency. The federal regulating agencies are the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), and the Board of Governors of the Federal Reserve System (FRB).

For all other appraisals, the appraiser must comply with either the 2014-2015 edition of the Uniform Standards of Professional Appraisal Practice adopted under federal law, or the 2016 edition of the Standards of Valuation Practice and Valuers' Code of Professional Ethics adopted by the Appraisal Institute, or any later version of either set of standards that is adopted in rules and regulations by the Board. However, HB 2414 further provides that no appraiser may accept a fee for an appraisal that is contingent on reporting a predetermined estimate, analysis, or

KANSAS OFFICE *of*  
**REVISOR *of* STATUTES**  
LEGISLATURE *of* THE STATE *of* KANSAS

---

opinion, or that is contingent on the conclusion of the appraisal or any consequences resulting from such appraisal.

If the Committee intends to work HB 2414, then technical amendments need to be adopted to update statutory references.

If enacted, HB 2414 would become effective on July 1, 2018.