

SB422 --- Sponsor's Testimony (Sen. Joe Balyeat)

EXHIBIT NO. 2

DATE 2/19/05

BILL NO. SB 422

Madam Chair, members of the committee for the record I'm Sen. Joe Balyeat representing SD34. Today I'm presenting SB422 to relax some of the more onerous provisions of the Appraiser licensing rules.

This committee has already had a lengthy hearing with respect to Sen. Hansen's SB5; and I won't subject the committee to another lengthy presentation. This committee and the full Senate already passed Sen. Hansen's bill overwhelmingly so I'm sure you're all well aware that there is a problem. After the 2003 session, the Appraiser Board adopted new licensing rules so restrictive as to preclude anybody but "friends and family" from entering the field. They narrowed down the pool of potential trainers from 450 appraisers to only about 45 mentors. They enacted a 100 mile mileage restriction, so the only people you could train would of necessity soon be your own local competition. They limited the number of trainees to only 2; so that even the few appraisers who were willing to train people could only have a negligible impact on the market.

If you open your SB5 folder you'll remember that we have people who have spent thousands of dollars on education and testing, only to find that no appraiser in Montana is willing to help them fulfill their licensing requirements. We have MT citizens flying to New Jersey on a weekly basis to obtain their appraiser hours. Reviewing the maps provided by the Legislative Auditor's office; we have large portions of eastern MT where, under the current 100 mile rule; it is impossible to become an appraiser. And these communities are left with no local appraiser options.

You will recall from the questioning at Sen. Hansen's hearing, that there is no logical basis whatsoever for the 100 mile rule, other than to further restrict entrance into this field. The committee will recall my line of questioning, that if an appraiser is not qualified to train someone 100 miles away from his home office, why is he not also restricted to only doing appraisals within 100 miles of his home office?

So, Madam chair, committee members, my bill makes two simple revisions. 1) It removes the 100 mile restriction. 2) It allows mentors to have 4 trainees instead of 2. Personally, I don't think this bill even goes far enough. Even if this bill is passed, the Appraiser Board would still have in place the "mentor" permitting process - which restricts the pool of potential trainers down from 450 to a field roughly one tenth that size. The Board would also still have a 4 trainee limit for each mentor.

I submit to this committee, that even before the Board enacted these new restrictive licensing rules, it was already very difficult to become an appraiser in MT because you had to find an appraiser willing to train his potential future competitor; and the trainee had to put in thousands of hours within a limited time frame --- with no guarantee that the trainer wouldn't just lay you off shortly before you reached your hours requirement, the time frame would elapse, and you'd be right back to square one again.

Fellow legislators, you will recall that just last Saturday during floor session, we had former legislator Steve Vick in the balcony and we rose to welcome him back to MT for a visit. Why did he leave MT? I spoke with him afterwards. He revealed that he left MT precisely because he wanted to pursue a career as an appraiser and no one was willing to train him. He said he contacted 40 to 50 appraisers, without a single taker. A former representative and Appropriations Chairman. Here is a man with both high qualifications and high brow connections, and not even he could break into the "friends & family" inner circle. So he was forced to leave his lifelong home and state that he loves.

Now the question may arise whether or not it is necessary to pass SB 422 when we have already passed SB5. My answer is yes for three reasons. 1) SB 422 is not as dramatic or as comprehensive a solution as SB5. It is SB5 light. 2) SB 5 may not survive the House or the Governor. We need to keep SB422 moving along in case SB5 fails. 3) Even if SB5 becomes law, there are some potential appraisers who may not want to pursue that route towards licensure. They may prefer the traditional path with a trainer/mentor overseeing their work.

Before I sit, Madam Chair, I'd like to clarify the record on a matter of personal privilege. Sen. Hansen last Saturday read from an email letter which was going after him on his Appraiser bill. Sen. Hansen gave me a copy and, after review, we realized that this letter is really a hodge-podge effort against both our bills. The top of the letter addresses my SB422. But the writer is clearly confused because the middle part of his letter attacks the structure of SB5. And then at the bottom, his letter shifts back and takes a personal slap at me. It says we shouldn't pass new legislation just "because one legislator has a son who, it appears, no one wants to hire."

Madam Chair, I am solidly in favor of public testimony, but before I sit and listen to a trainload of ill-informed opponents making false accusations, I need to be clear. As revealed during Sen. Hansen's hearing -- 1 1/2 years ago, both my sons contemplated becoming appraisers. One actually spent about \$1000 taking preliminary real estate courses and testing. But when the Board enacted these new restrictive rules, both sons voluntarily decided to abandon their career tracts and both are now pursuing new careers. Neither son was turned down by

any employer, both sons have plenty of people who want to hire them in their current fields; and I am deeply troubled that some organization or individual is putting out false information disparaging me and my sons in some sort of frenzied, ill-conceived effort to protect their own little kingdom. I do not bring this bill on behalf of my sons, they now have no interest in appraising careers and no interest in this bill. I bring this bill on behalf of our constituents, the good people of MT, who have clearly demonstrated that the Appraisal Board has gone beyond consumer protection and become obstructionist.

So, Madam Chair, to save the committee time, I sought no proponents for this bill. If any came of their own volition I ask that they keep their testimony very brief and I ask that you, Madam Chair, in turn be certain that opponents' testimony be short, accurate, and to the bill rather than permitting any comments aimed at personal vilification. Thank you, Madam Chair.