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2d Session

HOUSE OF REPRESENTATIVES

REPORT
118–565

ACCELERATING APPRAISALS AND CONSERVATION EFFORTS ACT

JUNE 27, 2024.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WESTERMAN, from the Committee on Natural Resources, submitted the following

R E P O R T

[To accompany H.R. 5443]

The Committee on Natural Resources, to whom was referred the bill (H.R. 5443) to establish a policy regarding appraisal and valuation services for real property for a transaction over which the Secretary of the Interior has jurisdiction, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Accelerating Appraisals and Conservation Efforts Act" or the "AACE Act".

SEC. 2. APPRAISAL AND VALUATION SERVICES FOR REAL PROPERTY.

(a) LICENSE, CERTIFICATION REQUIREMENT.—A covered appraiser needs to be licensed or certified in only 1 State to perform appraisal or valuation services for real property in any State for a transaction over which the Secretary has jurisdiction.

(b) USE OF NON-FEDERAL COVERED APPRAISERS.—If the Secretary uses a non-Federal covered appraiser to perform appraisal or valuation services for real property for a transaction described in subsection (a), the Secretary—

(1) shall, to the maximum extent practicable, use a non-Federal covered appraiser who is a certified general real property appraiser licensed in a State in which the real property that is the subject of the transaction is located; and

(2) may only use a non-Federal covered appraiser who is a certified general real property appraiser licensed in a State other than one in which the real property that is the subject of the transaction is located if a non-Federal covered appraiser described in paragraph (1) is, as determined by the Secretary—

(A) unavailable to complete an assignment within a reasonable period of time;

(B) not assignment qualified; or

(C) not cost competitive.

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(c) REPORT.—Not later than 1 year after the date of the enactment of this section, and annually thereafter for at least the following 4 years, the Secretary shall submit to Congress a report that includes the following:

(1) A comparison using quantitative data of—

(A) the number of requests for appraisal and valuation services received by the Department during the reporting period and the number of requests for such services received by the Department in each of the 5 years before the reporting period; and

(B) the amount of time required for the Department to complete a request for appraisal or valuation services before the date of the enactment of this section and after the date of the enactment of this section.

(2) A qualitative assessment of the impact of subsection (a) in providing flexibility to the Secretary when contracting with non-Federal covered appraisers.

(3) Recommendations, if any, for congressional action that could help the Department operate more efficiently or overcome challenges with respect to timely completion of requests for appraisal or valuation services while ensuring the independence, impartiality, and objectivity of such services.

(4) An overview of the workforce of the Department with regard to appraisal and valuation services provided by the Department, including hiring and staffing during the reporting period with respect to employees and contractors of the Department.

(5) A complete list of cases in which the authority granted under section 2 of this Act was used during the reporting period, describing for each case the specific criteria used to satisfy the conditions of this Act.

(d) STATUTORY CLARIFICATIONS.—

(1) APPLICABILITY OF RELEVANT LAWS AND REGULATIONS.—Except as provided in paragraph (3), nothing in this section shall be interpreted to affect the application of any Federal or State law or regulation to a non-Federal covered appraiser with regard to the performance by such non-Federal covered appraiser of appraisal and valuation services for real property.

(2) JURISDICTION REQUIREMENT.—Nothing in this section shall be interpreted to authorize a non-Federal covered appraiser to perform appraisal and valuation services for real property in a State in which such non-Federal covered appraiser is not licensed or certified to perform such services except to the extent that such services are performed for a transaction over which the Secretary has jurisdiction.

(3) NONAPPLICABILITY OF CERTAIN RELEVANT LAWS AND REGULATIONS.—Any provision of a Federal or State law or regulation enacted before the date of the enactment of this section that requires a covered appraiser to be licensed or certified in a specific State to perform appraisal or valuation services for real property in that State shall not apply to any transaction over which the Secretary has jurisdiction.

(e) PUBLIC AVAILABILITY.—Not later than 90 days after the enactment of this Act, the text of all policies (including any successor policies), including reference manuals, guidance documents, handbooks, standard operating procedures, and statements of policy specific to the scoping, contracting, and review of appraisals performed for the Department by Federal or non-Federal covered appraisers, shall be made publicly available online and provided upon request.

(f) DEFINITIONS.—In this section:

(1) COVERED APPRAISER.—The term "covered appraiser" means a State-licensed or -certified real property appraiser.

(2) DEPARTMENT.—The term "Department" means the Department of the Interior.

(3) REPORTING PERIOD.—The term "reporting period" means the 1-year period before the date on which a report is submitted under subsection (c).

(4) SECRETARY.—The term "Secretary" means the Secretary of the Interior.

(5) STATE.—The term "State" means each of the several States, the District of Columbia, and each territory and possession of the United States.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 5443 is to establish a policy regarding appraisal and valuation services for real property for a transaction over which the Secretary of the Interior has jurisdiction, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

The Department of the Interior (DOI) manages more than 480 million acres of federal lands and 700 million acres of subsurface minerals, the vast majority of which is located out West. DOI conducts many land-related transactions—including acquisitions, disposals, and exchanges of federal land—that are either mandated by law or proposed administratively in order to address various land management challenges, such as checkerboarded land ownership patterns. These transactions must be appraised by qualified appraisers in accordance with applicable standards found in the Uniform Appraisal Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice to determine fair market value.

In fiscal year 2022, DOI completed more than 294 land valuation cases, representing approximately 214,000 acres. A nationwide appraiser shortage and rising demand for land-related transactions on millions of acres of land, however, have created an appraisal backlog that threatens DOI's ability to fulfill its appraisal responsibility in a timely and reasonable manner. This prevents DOI from quickly disposing of land to open up new economic development or recreational opportunities for local communities.

H.R. 5443, the "Accelerating Appraisals and Conservation Efforts Act," streamlines DOI's appraisal contracting authority by allowing non-federal appraisers who are appropriately credentialed in one state or territory to perform appraisal and valuation services on DOI's behalf in any state or territory. DOI already regularly relies on non-federal appraisers to meet the demand for appraisal activities, but these appraisers are required to be licensed or certified in each state in which they are contracted by DOI. Federal appraisers, by contrast, have since 1992 been allowed to be licensed or certified in only one state or territory to perform appraisal duties on behalf of the federal government. By standardizing the treatment of federal and non-federal appraisers, the bill gives DOI flexibility in circumstances when no assignment-qualified or cost-competitive local appraisers are available. This will reduce red tape and allow land to be managed more effectively and efficiently without compromising the standards by which fair market valuations are made.

COMMITTEE ACTION

H.R. 5443 was introduced on September 13, 2023, by Representative Susie Lee (D–NV). The bill was referred to the Committee on Natural Resources, and within the Committee to the Subcommittee on Federal Lands. On January 31, 2024, the Subcommittee on Federal Lands held a hearing on the bill. On March 12, 2024, the Committee on Natural Resources met to consider the bill. The Subcommittee on Federal Lands was discharged from further consideration of H.R. 5443 by unanimous consent. Representative Susie Lee (D–NV) offered an Amendment designated Lee #1. The amendment was agreed to by unanimous consent. The bill, as amended, was ordered favorably reported to the House of Representatives by unanimous consent.

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Federal Lands held on January 31, 2024.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 names the bill the "Accelerating Appraisals and Conservation Efforts Act" or the "AACE Act".

Section 2. Appraisal and valuation services for real property

Section 2 allows DOI to contract with private appraisers who are appropriately credentialed in one state or territory to perform appraisal and valuation services on DOI's behalf in any state. Section 2 also requires DOI to prioritize working with local appraisers by specifying limited circumstances where non-federal covered appraisers from out of state can be used to perform appraisal or valuation services. Section 2 directs DOI to submit a report to Congress one year after enactment of the bill and every four years on the implementation of the bill that also provides feedback on the effectiveness of the legislation. Section 2 also directs DOI to make public the text of all policies related to the scoping, contracting, and review of the appraisal process within 90 days after the enactment of the legislation.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* Pursuant to clause 3(c)(2) of House rule XIII and section 308(a) of the Congressional Budget Act of 1974, and pursuant to clause 3(c)(3) of House rule XIII and section 402 of the Congressional Budget Act of 1974, the Committee has requested but no received from the Director of the Congressional Budget Office a budgetary analysis and a cost estimate of this bill.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to establish a policy regarding appraisal and valuation services for real property for a transaction over which the Secretary of the Interior has jurisdiction, and for other purposes.

EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

UNFUNDED MANDATES REFORM ACT STATEMENT

An estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chair of the Committee shall cause such estimate to be printed in the Congressional Record upon its receipt by the Committee, if such estimate is not publicly available on the Congressional Budget Office website.

EXISTING PROGRAMS

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

PREEMPTION OF STATE, LOCAL OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

CHANGES IN EXISTING LAW

As ordered reported by the Committee on Natural Resources, H.R. 5443 makes no changes in existing law.

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