

Mississippi Establishes Statute of Limitations for Civil Actions Against Real Estate Appraisers, Real Estate Brokers and Agents

On June 25, 2020, Governor Tate Reeves approved Senate Bill 2430 to establish a statute of limitations for civil actions asserted against real estate appraisers, brokers and salespersons. Below is the full text of the newly passed bill, which will become effective on July 1, 2020.

15-1-83. Limitations applicable to actions founded on real estate appraisal.

- (1) An action based on a real estate appraisal by a person who is or was licensed, certified or registered under Title 73, Chapter 34, Mississippi Code of 1972, on the date of the appraisal must be commenced against the licensed real estate appraiser, certified residential appraiser, certified general real estate appraiser or appraiser trainee who performed the appraisal, or the appraiser's or appraiser trainee's employer, or a firm with which the appraiser or appraiser's trainee is affiliated, or the lender or appraisal management firm that ordered the appraisal, within five (5) years after the date the appraisal was relied upon or utilized by an intended user or within the time prescribed in Section 15-1-49, whichever is earlier.
- (2) This section is inapplicable to any action arising from a real estate appraisal where the licensed real estate appraiser, certified residential appraiser, certified general real estate appraiser, appraiser trainee, the appraiser's or appraiser trainee's employer, a firm with which the appraiser or appraiser's trainee is affiliated, or the lender or appraisal management firm that ordered the appraisal fraudulently inflated the value of the property or colluded with others to fraudulently inflate the value of the property.

SECTION 2. The following shall be codified as Section 15-1-85, Mississippi Code of 1972:

15-1-85. Limitations applicable to actions founded upon licensed real estate activities.

- (1) An action based on actions or omissions to act by a person who is or was licensed as a broker or salesperson under the Real Estate Brokers License Law of 1954, Title 15, Chapter 1, Mississippi Code of 1972, must be commenced against the licensed or formerly licensed person, or a firm with which said person is affiliated, within five (5) years after the date of the consummation of the transaction out of which the action arose or, if not consummated, the date on which the agency relationship out of which the action arose ceased to exist, or within

the time prescribed in Section 15-1-49, whichever is earlier, or the date a broker price opinion was relied upon by an intended user.

- (2) This section is inapplicable to any action arising from actions or omissions to act by a person who is or was licensed as a broker or salesperson, or a firm with which said person is or was affiliated, where that person or firm fraudulently inflated the value of the property or colluded with others to fraudulently inflate the value of the property.

SECTION 3. This act shall take effect and be in force from and after July 1, 2020.

Matthew M. Williams, Director

Licensed in Mississippi and Alabama

mwilliams@gallowaylawfirm.com

Doris T. Bobadilla, Managing Director (Gulfport, MS)

Licensed in Mississippi, Louisiana, Mississippi, Texas and Florida

dbobadilla@gallowaylawfirm.com