

## REAL ESTATE APPRAISAL BOARD

### NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be conducted at 10:00 a.m. on Tuesday, July 15, 2014, at Jayhawk Tower, 700 SW Jackson, Ste. 1102, Topeka, KS 66603, to consider the adoption of K.A.R. 117-2-2, 117-3-2, 117-4-2, and 117-5-2.

This 60-day notice of public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed regulations. All interested parties may submit written comments prior to the hearing to the Kansas Real Estate Appraisal Board, Jayhawk Tower, 700 SW Jackson, Ste. 1102, Topeka, KS 66603. All interested parties will be given a reasonable opportunity to present their views orally on the adoption of the proposed regulation during the hearing. In order to give all parties an opportunity to present their views, it may be necessary to request each participant to limit any oral presentation to five minutes.

Any individual with a disability may request accommodation in order to participate in the public hearing and may request the proposed regulation and economic impact statement in an accessible format. Requests for accommodation should be made at least five working days in advance of the hearing by contacting Sally Pritchett at (785) 296-6736 or [cheryl.magathan@kreab.state.ks.us](mailto:cheryl.magathan@kreab.state.ks.us).

The proposed regulation amendments are for adoption on a permanent basis. A summary of the proposed amendments to the regulation and the economic impact follows:

**117-2-2. Licensed classification; appraisal experience requirement.** This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

**117-3-2. General classification; appraisal experience requirement.** This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

**117-4-2. Residential classification; appraisal experience requirement.** This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

**117-5-2. Provisional classification; supervised experience requirement.** This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

Copies of this regulation and the economic impact statement may be obtained by contacting the Kansas Real Estate Appraisal Board at:

(785) 296-6736(phone)

(785) 368-6443 (fax)

[cheryl.magathan@kreab.state.ks.us](mailto:cheryl.magathan@kreab.state.ks.us) (e-mail)

<http://www.kansas.gov/kreab> (website)

Sally Pritchett  
Executive Director

May 6, 2014

**117-2-2. State licensed real property appraiser classification; appraisal experience**

**requirement.** (a)(1) Each applicant for the licensed classification shall have 2,000 hours of appraisal experience obtained in at least 12 months.

(2) At least six hours of real property appraisal experience shall be on an improved property.

(3) Acceptable appraisal experience shall include at least 1,500 hours of real property appraisal experience.

(4) Acceptable appraisal experience may include an aggregate maximum of 25% of the total number of experience hours in the following appraisal categories:

- (A) Mass appraisal;
- (B) real estate consulting;
- (C) review appraisal;
- (D) highest and best use analysis; and
- (E) feasibility analysis study;
- ~~(F) drive-by appraisals; and~~
- ~~(G) restricted appraisal reports.~~

(5) Experience hours may be granted for appraisals performed without a traditional client.

However, appraisal experience gained from work without a traditional client shall not exceed 50% of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications board's course-approval program or by a state appraiser regulatory agency may also be used to meet the requirement for non-traditional client experience. Each practicum

course shall include the generally applicable methods of appraisal practice for the state licensed classification. The course content shall include the following:

(A) Requiring the student to produce credible appraisals that utilize an actual subject property;

(B) performing market research containing sales analysis; and

(C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

Each assignment shall require problem-solving skills for a variety of property types for the state licensed classification. Experience credit shall be granted for the actual number of classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(6) For the purposes of this regulation, "traditional client" shall mean a client who hires an appraiser for a business purpose.

(b) All appraisal experience shall be in compliance with the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto. Each applicant's experience shall be appraisal work conforming to standards 1, 2, 3, 5, and 6, in which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and reporting conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(3) shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

(1) Analyzing factors that affect value;

- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and
- (5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been satisfied, each applicant shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application. Each appraisal report shall be signed by the applicant or the preparer of the report who supervised the applicant. If the applicant does not sign the appraisal report, the preparer shall indicate whether or not the applicant provided significant professional assistance in the appraisal process.

(2) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be based upon the following formulas: in accordance with the board's document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference.

~~(A) Residential appraisal. To estimate the number of hours for each residential appraisal, the following calculation shall be used:~~

- ~~(i) Multiply the number of approaches taken by two; and~~

~~(ii) to the figure computed in paragraph (d)(2)(A)(i), add one of the following numbers according to the type of appraisal report generated: six for self-contained, four for summary, or zero for restricted use.~~

~~(B) Commercial or agricultural appraisal. To estimate the number of hours for each commercial or agricultural appraisal, the following calculation shall be used:~~

~~(i) Multiply the number of approaches taken by eight; and~~

~~(ii) to the figure computed in paragraph (d)(2)(B)(i), add one of the following numbers according to the type of appraisal report generated: 16 for self-contained, eight for summary, or zero for restricted use.~~

(3) Each applicant shall maintain a separate log of appraisals completed with each supervising appraiser.

Each page of each supervised experience log shall include the certification number and the signature of the applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed in accordance with standard rule 3 by the board or the board's designee for competency, within the scope of practice of the appraisal work authorized for the licensed classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standards 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval

of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended P-\_\_\_\_\_.)

**117-3-2. Certified general real property appraiser classification; appraisal experience**

**requirement.** (a)(1) Each applicant for the general classification shall have 3,000 hours of appraisal experience obtained over a period of at least 30 months.

(2) At least six hours of real property appraisal experience shall be on an improved property.

(3) At least 1,500 hours of appraisal experience shall have been nonresidential appraisal work. For purposes of this regulation, "residential" shall be defined as residential units for one to four families.

(4) Acceptable appraisal experience shall include at least 2,250 experience hours of real property appraisal experience.

(5) Acceptable appraisal experience may include an aggregate maximum of 25% of the total number of experience hours in the following appraisal categories:

- (A) Mass appraisal;
- (B) review appraisal;
- (C) highest and best use analysis; and
- (D) feasibility analysis study;
- ~~(E) drive-by appraisals; and~~
- ~~(F) restricted appraisal reports.~~

(6) Experience hours may be granted for appraisals performed without a traditional client. However, appraisal experience gained from work without a traditional client shall not exceed 50% of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications board's course-approval program or by a state appraiser regulatory agency

may also be used to meet the requirement for non-traditional client experience. Each practicum course shall include the generally applicable methods of appraisal practice for the general classification. The course content shall include the following:

(A) Requiring the student to produce credible appraisals that utilize an actual subject property;

(B) performing market research containing sales analysis; and

(C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

Each practicum course assignment shall require problem-solving skills for a variety of property types for the general classification. Experience credit shall be granted for the actual number of classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(7) For the purposes of this regulation, "traditional client" shall mean a client who hires an appraiser for a business purpose.

(b) All appraisal experience shall be in compliance with the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto. Each applicant's experience shall be appraisal work conforming to standards 1, 2, 3, 5, and 6, in which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and report conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(4) shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

- (1) Analyzing factors that affect value;
- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and
- (5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been satisfied, each applicant shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application. Each appraisal report shall be signed by the applicant or the preparer of the report who supervised the applicant. If the applicant does not sign the appraisal report, the preparer shall indicate whether or not the applicant provided significant professional assistance in the appraisal process.

(2) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be ~~based upon the following formulas:~~ in accordance with the board's document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference.

~~(A) Residential appraisal. To estimate the number of hours for each residential appraisal, the following calculation shall be used:~~

- ~~(i) Multiply the number of approaches taken by two; and~~

~~(ii) to the figure computed in paragraph (d)(2)(A)(i), add one of the following numbers according to the type of appraisal report generated: six for self-contained, four for summary, or zero for restricted use.~~

~~(B) Commercial or agricultural appraisal. To estimate the number of hours for each commercial or agricultural appraisal, the following calculation shall be used:~~

~~(i) Multiply the number of approaches taken by eight; and~~

~~(ii) to the figure computed in paragraph (d)(2)(B)(i), add one of the following numbers according to the type of appraisal report generated: 16 for self-contained, eight for summary, or zero for restricted use.~~

(3) If an applicant has both supervised experience and unsupervised experience, the applicant shall maintain a separate log of appraisals for each type of experience.

When logging supervised experience, the applicant shall maintain a separate log of appraisals completed with each supervising appraiser. Each page of each supervised experience log shall include the certification number and the signature of that applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed by the board or the board's designee, in accordance with standard rule 3, for competency within the scope of practice of the appraisal work authorized for the general classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standard rules 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience

hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended Jan. 9, 1998; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended P-\_\_\_\_\_.)

**117-4-2. Certified residential real property appraiser classification; appraisal experience requirement.** (a)(1) Each applicant for the residential classification shall have 2,500 hours of appraisal experience obtained over a period of at least 24 months.

(2) At least six hours of real property appraisal experience shall be on an improved property.

(3) Acceptable appraisal experience shall include at least 1,875 experience hours of real property appraisal experience.

(4) Acceptable appraisal experience may include an aggregate maximum of 25% of the total number of experience hours in the following appraisal categories:

- (A) Mass appraisal;
- (B) review appraisal;
- (C) highest and best use analysis; and
- (D) feasibility analysis study;
- ~~(E) drive-by appraisals; and~~
- ~~(F) restricted appraisal reports.~~

(5) Experience hours may be granted for appraisals performed without a traditional client. However, appraisal experience gained from work without a traditional client shall not exceed 50% of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications board's course-approval program or by a state appraiser regulatory agency may also be used to meet the requirement for non-traditional client experience. Each practicum course shall include the generally applicable methods of appraisal practice for the residential classification. The course content shall include the following:

(A) Requiring the student to produce credible appraisals that utilize an actual subject property;

(B) performing market research containing sales analysis; and

(C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

Each assignment shall require problem-solving skills for a variety of property types for the residential classification. Experience credit shall be granted for the actual classroom hours of instruction and hours of documented research and analysis as awarded from the practicum course approval process.

(6) For the purposes of this regulation, "traditional client" shall mean a client who hires an appraiser for a business purpose.

(b) All appraisal experience shall be in compliance with the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto. Each applicant's experience shall be appraisal work conforming to standards 1, 2, 3, 5, and 6, in which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and report conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(3) shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

(1) Analyzing factors that affect value;

(2) defining the problem;

(3) gathering and analyzing data;

(4) applying the appropriate analysis and methodology; and

(5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been satisfied, each applicant shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application. Each appraisal report shall be signed by the applicant or the preparer of the report who supervised the applicant. If the applicant does not sign the appraisal report, the preparer shall indicate whether or not the applicant provided significant professional assistance in the appraisal process.

(2) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be ~~based upon the following formulas:~~ in accordance with the board's document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference.

~~(A) Residential appraisal. To estimate the number of hours for each residential appraisal, the following calculation shall be used:~~

~~(i) Multiply the number of approaches taken by two; and~~

~~(ii) to the figure computed in paragraph (d)(2)(A)(i), add one of the following numbers according to the type of appraisal report generated: six for self-contained, four for summary, or zero for restricted use.~~

~~(B) Commercial or agricultural appraisal. To estimate the number of hours for each commercial or agricultural appraisal, the following calculation shall be used:~~

- ~~(i) Multiply the number of approaches taken by eight; and~~
- ~~(ii) to the figure computed in paragraph (d)(2)(B)(i), add one of the following numbers according to the type of appraisal report generated: 16 for self-contained, eight for summary, or zero for restricted use.~~

(3) Each applicant shall maintain a separate log of appraisals for supervised experience and for unsupervised experience.

When logging supervised experience, the applicant shall maintain a separate log of appraisals completed with each supervising appraiser. Each page of each supervised experience log shall include the certification number and the signature of that applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed by the board or the board's designee, in accordance with standard rule 3 for competency within the scope of practice of the appraisal work authorized for the residential classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standard rules 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended July 25, 1994; amended

June 5, 1995; amended March 7, 1997; amended Jan. 9, 1998; amended March 26, 1999;  
amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010;  
amended Aug. 24, 2012; amended P-\_\_\_\_\_.)

**117-5-2. State provisional licensed real property appraiser classification; supervised experience**

**requirements.** (a) Each provisional licensed appraiser's work in developing, preparing, or communicating an appraisal report shall be directly supervised by a supervising appraiser as specified in K.A.R. 117-5-2a.

(b) Each appraisal report shall be signed by the provisional licensed appraiser or by the preparer of the report who supervised the provisional licensed appraiser, certifying that the report is in compliance with the uniform standards of professional appraisal practice of the appraisal foundation in effect at the time of the appraisal.

(c) If the provisional licensed appraiser does not sign the appraisal report, the preparer of the report who supervised the provisional licensed appraiser shall describe, in the certification section or in the dated and signed addendum to the certification page of the appraisal report, the extent to which the provisional licensed appraiser provided assistance in developing, preparing, or communicating the appraisal through generally accepted appraisal methods and techniques.

(d) Each provisional licensed appraiser shall be permitted to have more than one supervising appraiser.

(e) In order to be licensed as a real property appraiser, certified as a general real property appraiser, or certified as a residential real property appraiser, the provisional licensed appraiser shall complete the experience requirements in K.A.R. 117-2-2, K.A.R. 117-3-2, or K.A.R. 117-4-2.

(f) The requirements for real property appraisal experience specified in K.A.R. 117-2-2, K.A.R. 117-3-2, and K.A.R. 117-4-2 shall be met by time involved in the appraisal process. The appraisal process shall consist of the following:

- (1) Analyzing factors that affect value;
- (2) defining the problem;

(3) gathering and analyzing data;

(4) applying the appropriate analysis and methodology; and

(5) arriving at an opinion and correctly reporting the opinion in compliance with the national uniform standards of professional appraisal practice.

(g)(1) In order for the board to determine whether or not the experience requirements have been satisfied, each provisional licensed appraiser shall submit appraisal experience log sheets, in a format prescribed by the board, listing the appraisal reports completed by the applicant within the five-year period preceding the date of application.

(2) Each page of the log shall include the certification number and the signature of the supervising appraiser, which shall serve as verification of the accuracy of the information.

(3) Each applicant shall maintain a record of the actual number of hours involved in completing an appraisal. Unless the board approves a greater number of experience hours for a particular appraisal based upon the unusually difficult or complex nature of the appraisal, the maximum number of experience hours for each appraisal shall be ~~based upon the formulas in K.A.R. 117-2-2, K.A.R. 117-3-2, or K.A.R. 117-4-2~~ in accordance with the board's document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference.

(h) Each provisional licensed appraiser shall maintain a separate log of appraisals completed with each supervising appraiser. (Authorized by and implementing K.S.A. 58-4109; effective April 24, 1998; amended Dec. 5, 2003; amended April 17, 2009; amended Aug. 24, 2012; amended P-\_\_\_\_\_.)

May 6, 2014

**ECONOMIC IMPACT STATEMENT**

Pursuant to the requirement for K.S.A. 2011 Supp. 77-416(b), the Kansas Real Estate Appraisal Board submits the following Economic Impact Statement relating to the adoption of 4 proposed amended permanent rules and regulations pertaining to real property appraisers.

**ARTICLE 2.—QUALIFICATIONS CRITERIA—RESIDENTIAL REAL  
ESTATE APPRAISER CLASSIFICATION**

**K.A.R. 117-2-2. LICENSED CLASSIFICATION; APPRAISAL EXPERIENCE REQUIREMENT**

1. DESCRIPTION

This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

2. FEDERAL MANDATE

N/A

3. DESCRIPTION OF COSTS

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

4. OTHER METHODS CONSIDERED

No other methods were considered.

**ARTICLE 3.—QUALIFICATIONS CRITERIA—GENERAL REAL ESTATE  
APPRAISER CLASSIFICATION**

**K.A.R. 117-3-2. GENERAL CLASSIFICATION; APPRAISAL EXPERIENCE REQUIREMENT**

1. DESCRIPTION

This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

2. FEDERAL MANDATE

N/A

3. DESCRIPTION OF COSTS

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

**4. OTHER METHODS CONSIDERED**

No other methods were considered.

**ARTICLE 4.—QUALIFICATIONS CRITERIA—CERTIFIED RESIDENTIAL  
REAL PROPERTY APPRAISER CLASSIFICATION**

**117-4-2. RESIDENTIAL CLASSIFICATION; APPRAISAL EXPERIENCE REQUIREMENT.**

**1. DESCRIPTION**

This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

**2. FEDERAL MANDATE**

N/A

**3. DESCRIPTION OF COSTS**

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

**4. OTHER METHODS CONSIDERED**

No other methods were considered.

**ARTICLE 5.—QUALIFICATIONS CRITERIA—PROVISIONAL CLASSIFICATION**

**117-5-2. PROVISIONAL CLASSIFICATION; SUPERVISED EXPERIENCE REQUIREMENTS.**

**1. DESCRIPTION**

This regulation is being amended to correct the title to more accurately reflect the classification as stated in statute and to adopt by reference a new table for determining experience hours.

**2. FEDERAL MANDATE**

N/A

**3. DESCRIPTION OF COSTS**

There will be no economic impact to this agency, other governmental agencies or units, appraisers, or to the public.

**4. OTHER METHODS CONSIDERED**

No other methods were considered.