

REAL ESTATE APPRAISAL BOARD

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be conducted at 10:00 a.m. on Tuesday, May 10, 2016, at Jayhawk Tower, 700 SW Jackson, Ste. 804, Topeka, KS 66603, to consider the adoption of K.A.R. 117-1-1, 117-2-2, 117-2-4, 117-3-2, 117-3-4, 117-4-1, 117-4-2, and 117-4-4.

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. 804, Topeka, KS 66603 or cheryl.magathan@kreab.ks.gov. 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.

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:

117-1-1. Definitions. This regulation is being amended to add the definition of "course objectives."

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

117-2-2. Licensed classification; appraisal experience requirement. This regulation is being amended to reference the “course objectives” definition in 117-1-1 and to increase the allowed maximum for mass appraisal experience from 25% to 50%.

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

117-2-4. Licensed classification; scope of practice. This regulation is being amended to correct the reference to the uniform standards of professional appraisal practice, from K.A.R. 117-8-1 (revoked) to K.S.A. 58-4121.

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 reference the “course objectives” definition in 117-1-1 and to increase the allowed maximum for mass appraisal experience from 25% to 50%.

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

117-3-4. General classification; scope of practice. This regulation is being amended to correct the reference to the uniform standards of professional appraisal practice, from K.A.R. 117-8-1 (revoked) to K.S.A. 58-4121.

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

117-4-1. Residential classification; education requirements. This regulation is being amended to correct the reference to a four-year college or university.

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 reference the “course objectives” definition in 117-1-1 and to increase the allowed maximum for mass appraisal experience from 25% to 50%.

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

117-4-4. Residential classification; scope of practice. This regulation is being amended to correct the reference to the uniform standards of professional appraisal practice, from K.A.R. 117-8-1 (revoked) to K.S.A. 58-4121.

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 (e-mail)

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

Sally Pritchett
Executive Director

February 25, 2016

117-1-1. Definitions. (a) "Act" means the state certified and licensed real property appraisers act.

(b) "Appraisal foundation" means the appraisal foundation established on November 30, 1987 as a not-for-profit corporation under the laws of Illinois.

(c) "Appraiser" means a state licensed or certified appraiser.

(d) "Board" means the real estate appraisal board.

(e) "Classroom hour" means 50 minutes within a 60-minute segment. This definition reflects the traditional educational practice of having 50 minutes of instruction and 10 minutes of break time for each scheduled hour of instruction. The prescribed number of classroom hours shall include time devoted to examinations, which are considered to be part of the course.

(f) "Course" means any educational offering.

(g) "Course objectives" means the board's document titled "supervisory appraiser/trainee appraiser course objectives and outline," dated September 3, 2014, which is hereby adopted by reference.

(h) "Distance education" means any type of education during which the student and instructor are geographically separated.

(h) (i) "General classification" means the certified general real property appraiser classification.

(h) (j) "Good standing" shall ~~mean~~ means that both of the following conditions are met:

(1) The appraiser is not currently subject to a consent agreement or other comparable document by an appraisal regulatory agency in this or any other jurisdiction.

(2) The appraiser is not currently subject to a summary order or final order by an appraisal regulatory agency in this or any other jurisdiction.

(j) (k) "Licensed classification" means the state licensed real property appraiser classification.

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~~(k)~~ (l) "National uniform standards of professional appraisal practice course" means the uniform standards of professional appraisal practice course developed by the appraisal foundation.

~~(j)~~ (m) "Provisional classification" means the state provisional licensed real property appraiser classification.

~~(m)~~ (n) "Residential classification" means the certified residential real property appraiser classification.

~~(n)~~ (o) "Sponsor" means any of the following entities, which may request course approval from the board or offer a course approved by the board for credit toward any education requirement of the act:

- (1) Colleges or universities;
- (2) community or junior colleges;
- (3) real estate appraisal or real estate-related organizations;
- (4) state or federal agencies or commissions;
- (5) proprietary schools;
- (6) other providers approved by the board; and
- (7) the appraisal foundation or its board. (Authorized by and implementing K.S.A. 2008 2015

Supp. 58-4105; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended May 24, 1993; amended Aug. 15, 1994; amended May 3, 1996; amended May 23, 2003; amended Jan. 1, 2008; amended April 17, 2009; amended P-_____.)

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117-2-2. Licensed 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.

Before beginning supervised experience, each applicant shall have completed a course that, at a minimum, meets the ~~requirements contained in the board's document titled "supervisory appraiser/trainee appraiser course objectives and outline," dated September 3, 2014, which is hereby adopted by reference~~ course objectives adopted by reference in K.A.R. 117-1-1. The applicant shall submit proof of completion of the course to the board office before commencing supervised experience.

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

(3) Acceptable appraisal experience shall include at least ~~4,500~~ 1,000 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~~ either of the following:

(A) 1,000 experience hours in mass appraisal; or

(B) an aggregate maximum of 500 experience hours in the following appraisal categories:

(i) Real estate consulting;

(C) (ii) review appraisal;

(D) (iii) highest and best use analysis; and

(E) (iv) feasibility analysis study.

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(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 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 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

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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 in accordance with the board's

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document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference.

(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.

~~This regulation shall be effective on and after January 1, 2015.~~ (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 Aug. 22, 2014; amended Jan. 1, 2015; amended P-_____.)

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117-2-4. Licensed classification; scope of practice. (a)(1) The licensed classification shall apply to the appraisal of the following:

(A) Non-complex one- to four-family residential units having a transaction value of less than \$1,000,000; and

(B) complex one- to four-family residential units having a transaction value of \$250,000 or less.

(2) For the purposes for this regulation, the following definitions shall apply:

(A) A complex one- to four-family residential property appraisal shall mean an appraisal in which the property to be appraised, the form of ownership, or the market conditions are atypical.

(B) For non-federally related transaction appraisals, transaction value shall mean market value.

(b) The licensed classification shall include the appraisal of vacant or unimproved land that is utilized for one- to four-family purposes and where the highest and best use is for one- to four-family purposes. The licensed classification shall not include the appraisal of subdivisions in which a development analysis or appraisal is necessary and utilized.

(c) The licensed classification may also apply to the appraisal of any other property permitted by the regulations of the applicable federal financial institution's regulatory agency, other agency, or regulatory body.

(d) Each licensed appraiser shall comply with the competency rule of the uniform standards of professional appraisal practice (USPAP), as adopted in ~~K.A.R. 117-8-4~~ required by K.S.A. 58-4121 and amendments thereto.

(e) Each licensed appraiser shall perform and practice in compliance with the USPAP, as adopted in ~~K.A.R. 117-8-4~~ required by K.S.A. 58-4121 and amendments thereto.

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This regulation shall be effective on and after January 1, 2008. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended May 24, 1993; amended Jan. 1, 2008; amended P-_____.)

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117-3-2. General 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.

Before beginning supervised experience, each applicant shall have completed a course that, at a minimum, meets the requirements contained in the board's document titled "~~supervisory appraiser/trainee appraiser course objectives and outline,~~" dated September 3, 2014, which is hereby adopted by reference course objectives adopted by reference in K.A.R. 117-1-1. The applicant shall submit proof of completion of the course to the board office before commencing supervised experience.

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

(3) At least 1,500 hours of real property 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~~ 1,500 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 either of the following:

(A) 1,500 experience hours in mass appraisal; or

(B) an aggregate maximum of 750 experience hours in the following appraisal categories:

(i) Real estate consulting;

(ii) review appraisal;

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(C) (iii) highest and best use analysis; and

(D) (iv) feasibility analysis study.

(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.

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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 met, 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 in accordance with the board's

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document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference in K.A.R. 117-2-2.

(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.

~~This regulation shall be effective on and after January 1, 2015.~~ (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;

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amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014;
amended Jan. 1, 2015; amended P-_____.)

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A handwritten signature in black ink, appearing to be the initials 'AA' or similar, written over the printed text 'APPROVED BY'.

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117-3-4. General classification; scope of practice. (a) The general classification shall apply to the appraisal of all types of real property.

(b) Each certified general appraiser shall comply with the competency rule of the uniform standards of professional appraisal practice (USPAP), as adopted in ~~K.A.R. 117-8-1~~ required by K.S.A. 58-4121 and amendments thereto.

(c) Each certified general appraiser shall perform and practice in compliance with the USPAP, as adopted in ~~K.A.R. 117-8-1~~ required by K.S.A. 58-4121 and amendments thereto.

~~This regulation shall be effective on and after January 1, 2008.~~ (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended Jan. 1, 2008; amended P-_____.)

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117-4-1. Residential classification; education requirements. (a) Each applicant shall meet the following requirements:

(1) Have a bachelor's degree or higher from an accredited four-year college, ~~junior college,~~ ~~community college,~~ or university;

(2) have received credit for 200 classroom hours in the following subjects, as specified:

(A) 30 classroom hours in basic appraisal principles;

(B) 30 classroom hours in basic appraisal procedures;

(C) 15 classroom hours in the national uniform standards of professional appraisal practice course or its equivalent;

(D) 15 classroom hours in residential market analysis and highest and best use;

(E) 15 classroom hours in the residential appraiser site valuation and cost approach;

(F) 30 classroom hours in residential sales comparison and income approaches;

(G) 15 classroom hours in residential report writing and case studies;

(H) 15 classroom hours in statistics, modeling, and finance;

(I) 15 classroom hours in advanced residential applications and case studies; and

(J) 20 classroom hours in appraisal subject matter electives, which may include hours over the minimum specified in paragraphs (a)(2)(A) through (I); and

(3) provide evidence, satisfactory to the board, of one of the following:

(A) Successful completion of courses approved by the board as specified in paragraph (a)(2); or

(B) successful completion of courses not approved by the board, with evidence that the education covered all of the requirements specified in paragraph (a)(2).

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(b) Credit toward the education requirements specified in paragraph (a)(2) may also be obtained by completing a degree in real estate from an accredited degree-granting college or university approved by the association to advance collegiate schools of business or a regional or national accreditation agency recognized by the U.S. secretary of education if the college or university has had its curriculum reviewed and approved by the appraiser qualifications board (AQB).

(c) Classroom hours may be obtained only if both of the following conditions are met:

(1) The length of the educational offering is at least 15 classroom hours.

(2) The applicant successfully completes an approved closed-book examination pertinent to that educational offering.

(d) Any appraiser holding a valid state license as a real property appraiser may meet the educational requirements for residential classification by performing the following:

(1) Satisfying the college-level educational requirements as specified in paragraph (a)(1);

and

(2) completing an additional 50 educational hours in the following subjects:

(A) 15 hours of statistics, modeling, and finance;

(B) 15 hours of advanced residential applications and case studies; and

(C) 20 hours of appraisal subject matter electives.

(e) The 200 classroom hours specified in paragraph (a)(2) may include a portion of the 150 classroom hours required for the licensed classification.

(f) A distance education course may be deemed to meet the classroom hour requirement specified in paragraph (a)(2) if all of the following conditions are met:

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(1) The course provides an environment in which the student has verbal or written communication with the instructor.

(2) The sponsor obtains course content approval from any of the following:

(A) The appraiser qualifications board;

(B) an appraiser licensing or certifying agency in this or any other state; or

(C) an accredited college, community college, or university that offers distance education programs and is approved or accredited by the commission on colleges, a regional or national accreditation association, or an accrediting agency that is recognized by the U.S. secretary of education. Each non-academic credit college course provided by a college shall be approved by the appraiser qualifications board or the appraiser licensing or certifying agency in this or any other state.

(3) The course design and delivery are approved by one of the following sources:

(A) An appraiser qualifications board-approved organization;

(B) a college that qualifies for course content approval as specified in paragraph (f)(2)(C) and awards academic credit for the distance education course; or

(C) a college that qualifies for course content approval as specified in paragraph (f)(2)(C) with a distance education delivery program that approves the course design and includes a delivery system incorporating interactivity.

(g) Each distance education course intended for use as qualifying education shall include a written examination proctored by an official approved by the college or university or by the sponsor.

(h) Any applicant who has completed two or more courses generally comparable in content, meaning topics covered, may receive credit only for the longest of the comparable courses

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completed. The national uniform standards of professional appraisal practice (USPAP) course (USPAP) taken in different years shall not be considered repetitive.

~~This regulation shall be effective on and after January 1, 2015.~~ (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 May 24, 1993; amended Jan. 1, 1994; amended Jan. 9, 1998; amended March 26, 1999; amended May 23, 2003; amended Jan. 1, 2008; amended July 10, 2009; amended April 16, 2010; amended Jan. 1, 2015; amended P-_____.)

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117-4-2. Residential 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.

Before beginning supervised experience, each applicant shall have completed a course that, at a minimum, meets the requirements contained in the board's document titled "~~supervisory appraiser/trainee appraiser course objectives and outline,~~" dated September 3, 2014, which is ~~hereby adopted by reference~~ course objectives adopted by reference in K.A.R. 117-1-1. The applicant shall submit proof of completion of the course to the board office before commencing supervised experience.

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

(3) Acceptable appraisal experience shall include at least ~~4,875~~ 1,250 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~~ either of the following:

(A) 1,250 experience hours in mass appraisal; or

(B) an aggregate maximum of 625 experience hours in the following appraisal categories:

(i) Real estate consulting;

(ii) review appraisal;

(C) (iii) highest and best use analysis; and

(D) (iv) feasibility analysis study.

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(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

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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 met, 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 in accordance with the board's

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document titled "experience hours table," dated April 25, 2014, which is hereby adopted by reference in K.A.R. 117-2-2.

(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.

~~This regulation shall be effective on and after January 1, 2015.~~ (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;

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amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015;

amended P-_____.)

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117-4-4. Residential classification; scope of practice. (a) The residential classification shall apply to the appraisal of residential units for one to four families without regard to transaction value or complexity.

(b) The residential classification shall include the appraisal of vacant or unimproved land that is utilized for one-family to four-family purposes and where the highest and best use is for one-family to four-family purposes. The residential classification shall not include the appraisal of subdivisions in which a development analysis or appraisal is necessary and utilized.

(c) The residential classification may also apply to the appraisal of any other property permitted by the regulations of the applicable federal financial institution's regulatory agency, other agency, or regulatory body.

(d) Each certified residential appraiser shall comply with the competency rule of the uniform standards of professional appraisal practice (USPAP), as ~~adopted in K.A.R. 117-8-1~~ required by K.S.A. 58-4121 and amendments thereto.

(e) Each certified residential appraiser shall perform and practice in compliance with the USPAP, as ~~adopted in K.A.R. 117-8-1~~ required by K.S.A. 58-4121 and amendments thereto.

~~This regulation shall be effective on and after January 1, 2008.~~ (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended May 24, 1993; amended Jan. 1, 2008; amended P-_____.)

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February 25, 2016

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 8 proposed amended permanent rules and regulations pertaining to real property appraisers.

ARTICLE 1.—DEFINITIONS

K.A.R. 117-1-1. DEFINITIONS

1. DESCRIPTION

This regulation is being amended to add the definition of “course objectives.”

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 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 reference the “course objectives” definition in 117-1-1 and to increase the allowed maximum for mass appraisal experience from 25% to 50%.

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.

117-2-4. LICENSED CLASSIFICATION; SCOPE OF PRACTICE.

1. DESCRIPTION

This regulation is being amended to correct the reference to the uniform standards of professional appraisal practice, from K.A.R. 117-8-1 (revoked) to K.S.A. 58-4121.

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 reference the “course objectives” definition in 117-1-1 and to increase the allowed maximum for mass appraisal experience from 25% to 50%.

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.

117-3-4. GENERAL CLASSIFICATION; SCOPE OF PRACTICE

1. DESCRIPTION

This regulation is being amended to correct the reference to the uniform standards of professional appraisal practice, from K.A.R. 117-8-1 (revoked) to K.S.A. 58-4121.

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**

117-4-1. RESIDENTIAL CLASSIFICATION; EDUCATION REQUIREMENTS.

1. DESCRIPTION

This regulation is being amended to correct the reference to a four-year college or university.

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.

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

1. DESCRIPTION

This regulation is being amended to reference the "course objectives" definition in 117-1-1 and to increase the allowed maximum for mass appraisal experience from 25% to 50%.

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.

117-4-4. RESIDENTIAL CLASSIFICATION; SCOPE OF PRACTICE

1. DESCRIPTION

This regulation is being amended to correct the reference to the uniform standards of professional appraisal practice, from K.A.R. 117-8-1 (revoked) to K.S.A. 58-4121.

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.