

Dear Senators ANDREASON, McKague, Stennett, and
Representatives BLACK, Henderson, Elaine Smith:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of the Bureau of Occupational Licenses - Real Estate Appraiser Board:
IDAPA 24.18.01 - Rules of the Real Estate Appraiser Board (Docket No. 24-1801-1101) (Fee Rule).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research and Legislation no later than fourteen (14) days after receipt of the rules analysis from Legislative Services. The final date to call a meeting on the enclosed rules is no later than 10/19/2011. If a meeting is called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules analysis from Legislative Services. The final date to hold a meeting on the enclosed rules is 11/16/2011.

The germane joint subcommittee may request a statement of economic impact with respect to a proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement, and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has been held.

To notify Research and Legislation, call 334-4845, or send a written request to the address or FAX number indicated on the memorandum enclosed.



Jeff Youtz
Director

Legislative Services Office

Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Business Committee

FROM: Principal Legislative Research Analyst - Brooke Murdoch

DATE: September 29, 2011

SUBJECT: Bureau of Occupational Licenses - Real Estate Appraiser Board

IDAPA 24.18.01 - Rules of the Real Estate Appraiser Board (Docket No. 24-1801-1101) (Fee Rule)

The Bureau of Occupational Licenses submits notice of proposed rulemaking at IDAPA 24.18.01 - Rules of the Real Estate Appraiser Board. The proposed rule includes the following:

- (1) Updates the edition of the Uniform Standards of Professional Appraisal Practice;
- (2) Increases the original license and license renewal fees, increases the amount to be submitted to the federal government, decreases the original license via reciprocity fee and provides for a continuing education provider application fee;
- (3) Clarifies the acceptable work product for the experience requirement necessary for licensure in any real estate appraiser classification;
- (4) Provides a two-year cycle for continuing education requirements;
- (5) Clarifies examination requirements for Certified Residential Real Estate Appraisers and Certified General Real Estate Appraisers; and
- (6) Requires that applicants for a permit to temporarily practice be listed on the National Registry as current and in good standing.

Negotiated rulemaking was not conducted because the rule changes were discussed in a noticed open meeting with interested parties in attendance. The Bureau states that the continuing education provider application fee could increase the dedicated fund by approximately \$12,000.00 based on the number of provider applications received last year. The Bureau further states that the increased license fees will have no impact on the dedicated fund because the increase will pass through to the Appraisal Subcommittee.

The proposed fee changes are consistent with the provisions of Section 54-4113, Idaho Code, and the proposed rule is within the authority granted to the Real Estate Appraiser Board in Section 54-4106, Idaho Code.

Mike Nugent Manager
Research & Legislation

Cathy Holland-Smith, Manager
Budget & Policy Analysis

Don H. Berg, Manager
Legislative Audits

Glenn Harris, Manager
Information Technology

cc: Bureau of Occupational Licenses - Real Estate Appraiser Board
Tana Cory
Cherie Simpson

IDAPA 24 - BUREAU OF OCCUPATIONAL LICENSES

24.18.01 - RULES OF THE REAL ESTATE APPRAISER BOARD

DOCKET NO. 24-1801-1101 (FEE RULE)

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 54-4106, Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 19, 2011.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

The Board of Real Estate Appraisers is amending its rules to comply with Federal Law and to provide clarification. The edition of the Uniform Standards of Professional Appraisal Practice (USPAP) is being updated; clarifying definitions; establishing the CE provider fee; increasing the license fees to be in compliance with the Appraisal Qualifications Board (AQB); updating the application section; clarifying the qualifications for license; clarifying and amending the registered trainee section and allowing continuing education in a two year cycle; clarifying requirements for certified residential appraisers; clarifying the qualifications for certified general appraisers; amending the continuing education section to allow CE in a two year cycle; and finally amending the temporary practice to require applicants to be listed on the National Registry as proof of licensure.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased:

The fees for licenses are being increased to equal the annual registry fee required by the Appraisal Subcommittee. This fee increase will have no impact on the dedicated fund since it is passed through to the Appraisal Qualifications Board. The fee rule is also being amended to set a fee for provider applications as allowed by passage of HB-82 in the 2011 session.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking:

The fees for licenses are being increased to equal the annual registry fee required by the Appraisal Subcommittee. This fee increase will have no impact on the dedicated fund since it is passed through to the Appraisal Qualifications Board. The fee rule is also being amended to set a fee for provider applications as allowed by passage of HB-82 in the 2011 session. The fee for provider application could increase the dedicated fund by approximately \$12,000 based on the number of provider applications received last year.

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted because the rule changes were discussed in a noticed open meeting with interested parties in attendance.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: N/A

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Cherie Simpson at (208) 334-3233.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 26, 2011.

DATED this 29th day of August, 2011.

Tana Cory
Bureau Chief
Bureau of Occupational Licenses
700 W State St.
Boise, ID 83720-0063
(208) 334-3233 Ph. (208) 334-3945, fax

THE FOLLOWING IS THE PROPOSED TEXT OF FEE DOCKET NO. 24-1801-1101

004. INCORPORATION BY REFERENCE (RULE 4).

The document titled "Uniform Standards of Professional Appraisal Practice (USPAP)," 2010~~2~~-2014~~3~~ Edition published by the Appraisal Foundation and effective ~~April~~ January 31, 2009~~12~~ as referenced in Subsection 700, is herein incorporated by reference and is available for review at the Board's office and may be purchased from the Appraisal Foundation, Distribution Center, P. O. Box 381, Annapolis Junction, MD 20701-0381. ~~(3-29-10)()~~

(BREAK IN CONTINUITY OF SECTIONS)

010. DEFINITIONS (RULE 10).

The definitions numbered one through sixteen (1-16), appearing at Section 54-4104, Idaho Code are incorporated herein by reference as if set forth in full. (3-29-10)

01. Advisory Committee. A committee of state certified or licensed real estate appraisers appointed by the board to provide technical assistance relating to real estate appraisal standards and real estate appraiser experience, education and examination requirements that are appropriate for each classification of state certified or licensed real estate appraiser. (7-1-93)

02. Appraisal Foundation. The Appraisal Foundation means the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois. (7-1-97)

03. Appraiser Qualifications Board. Appraiser Qualifications Board of the Appraisal Foundation establishes the qualifications criteria for licensing, certification and recertification of appraisers. (7-1-97)

04. Appraisal Standards Board. The Appraisal Standards Board of the Appraisal Foundation develops, publishes, interprets and amends the Uniform Standards of Professional Appraisal Practice (USPAP) on behalf of appraisers and users of appraisal services. (7-1-97)

05. Bureau. The Bureau means the Bureau of Occupational Licenses, as prescribed in Sections 54-4106(2)(a) and 67-2601, Idaho Code. (3-13-02)

06. Chief. The Bureau Chief of the Bureau of Occupational Licenses as established by Section 67-2602, Idaho Code. (7-1-93)

07. Classroom Hour. Fifty (50) minutes out of each sixty (60) minute hour in a setting that is ~~a face-to-face exchange of ideas and may include on-line virtual classrooms that allows real-time interaction between the instructor and students~~ set forth in these rules. ~~(3-29-10)()~~

08. Field Real Estate Appraisal Experience. Personal inspections of real property, assembly and analysis of relevant facts, and by the use of reason and the exercise of judgement, formation of objective opinions as

to the market or other value of such properties or interests therein and preparation of written appraisal reports or other memoranda showing data, reasoning, and conclusion. Professional responsibility for the valuation function is essential. (4-6-05)

09. FIRREA. Title XI, Financial Institutions Reform, Recovery and Enforcement Act of 1989 was designed to ensure that more reliable appraisals are rendered in connection with federally related transactions. (7-1-93)

10. Nationally Recognized Appraisal Organization. An appraisal organization which is a sponsor of The Appraisal Foundation. (4-2-08)

11. Real Estate. In addition to the previous definition in Section 54-4104(11), Idaho Code, will also mean an identified parcel or tract of land, including improvements, if any. (3-29-10)

12. Real Property. In addition to the previous definition in Section 54-4104(11), Idaho Code, will also mean one or more defined interests, benefits, or rights inherent in the ownership of real estate. (3-29-10)

13. Residential Unit. Real estate with a current highest and best use of a residential nature. A residential unit includes a kitchen and a bathroom. (3-29-10)

14. Specialized Appraisal Services. Services which include situations in which an appraiser is employed or retained to provide appraisal services that do not fall within the defined term "appraisal assignments." Specialized appraisal services relate to the employer's or client's individual needs or investment objectives and commonly include specialized marketing and financing studies as well as analysis, opinions, and conclusions rendered in connection with activities such as real estate brokerage, mortgage banking, and real estate counseling, including real estate tax counseling. (7-1-97)

15. Uniform Standards of Professional Appraisal Practice or USPAP. Those uniform standards adopted by the Appraisal Foundation's Appraisal Standards Board. These standards may be altered, amended, interpreted, supplemented, or repealed by the Appraisal Standards Board (ASB) from time to time. (3-13-02)

16. USPAP Course. For the purposes of licensure and license renewal, any reference to the approved USPAP course shall mean the National USPAP Course provided by Appraisal Qualifications Board Certified USPAP Instructors and Educational Providers. (4-6-05)

(BREAK IN CONTINUITY OF SECTIONS)

150. FEES (RULE 150). Fees are established in accord with Section 54-4113, Idaho Code as follows: (7-1-93)

01. Application. Application fee for License - two hundred fifty dollars (\$250). (4-11-06)

02. Original License. Original License - one hundred ~~twenty-five~~ **forty** dollars (\$~~250~~**40***). ~~(4-11-06)~~()

03. License Renewal. License renewal - three hundred ~~fifty~~ **sixty-five** dollars (\$~~350~~**65***). ~~(3-29-10)~~()

04. Reinstatement. Reinstatement fees are as provided in Section 67-2614, Idaho Code - twenty-five dollars (\$25). (7-1-93)

05. Application for Reciprocity. Application for reciprocity - two hundred fifty dollars (\$250*). (3-30-01)

06. Original License Via Reciprocity. Original License via reciprocity - one hundred ~~twenty-five~~ twenty-five dollars (\$~~2500~~*). (4-11-06)()

07. Temporary Permit. Temporary permit - one hundred dollars (\$100). (7-1-93)

08. Trainee Registration Fee. Trainee registration fee - fifty dollars (\$50). (3-13-02)

09. Examination and Reexamination Fees. Examination and Reexamination fees will be calculated based on the actual cost of the examination. Successful applicants will be notified of the fees at the time they are scheduled for examination. (7-1-97)

10. Continuing Education Provider Application Fee. Continuing Education Provider Application fee - one hundred dollars (\$100). ()

101. Fees are Non-Refundable. Fees are non-refundable. (7-1-93)

112. Fees Followed By Asterisk (*) Means. Proposed fees for these categories marked with an asterisk (*) include ~~twenty-five~~ forty dollars (\$~~2540~~) to be submitted by the state to the federal government. Title XI, Section 1109 of the FIRREA as amended requires each state to submit a roster listing of state licensed appraisers to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council "no less than annually." The state is also required to collect from such individuals who perform appraisals in federally related transactions an annual registry fee of "not more than ~~twenty-five~~ eighty-five dollars (\$~~285~~)," such fees to be transmitted by the state to the federal government on an annual basis. This fee is subject to change by the Appraisal Subcommittee. (4-11-06)()

151. -- 199. (RESERVED)

200. APPLICATION (RULE 200).

01. Filing Application with Supporting Documents and Fees. Any person desiring to apply for licensure must submit a completed application with required supporting documents and appropriate fees to the Bureau at its official address. After the qualifications have been reviewed, verified and approved by the Board, the applicant will receive the pre-approved examination application card and must submit the appropriate fees to the examining entity. (4-11-06)()

02. Application Deadline Date. Completed applications must be received by the Bureau at least thirty (30) days prior to the next scheduled board meeting in order to be reviewed by the Board. Applications received less than thirty (30) days in advance will be held until a subsequent meeting. (3-13-02)

03. Eligibility for Examination. The qualified applicant will be assigned to the first available sent notification on how to register for the examination subsequent to the determination of eligibility based on documentation that the applicant has met the required education and experience requirements. (4-11-06)()

04. Trainee Registration Application. Any person desiring registration as a trainee must submit a completed application with required supporting documents and appropriate fees to the Bureau at its official address. Completed applications must be received by the Bureau at least thirty (30) days prior to the next scheduled Board meeting in order to be reviewed by the Board. (3-13-02)

05. Lack of Activity. If an applicant fails to respond to a Board request or an application has lacked activity for twelve (12) consecutive months, the application on file with the Board will be deemed denied and will be terminated upon thirty (30) days written notice, unless good cause is established to the Board. (3-29-10)

201. -- 249. (RESERVED)

250. REQUIREMENTS FOR LICENSURE (RULE 250).

All applicants for licensure in any real estate appraiser classification must comply with the following education, experience and examination requirements in addition to meeting those requirements set forth in Sections 275, 300,

350, and 400 below. (4-11-06)

01. Education. If an individual has completed the education requirements on or before December 31, 2007, the individual must submit a complete application to the board before January 1, 2011. If an individual has not completed their educational requirement on or before December 31, 2007, or submits an application on January 1, 2011 or later, the individual must complete the educational requirements which became effective January 1, 2008 and any subsequent requirements adopted prior to the individual's application date. Hours will be credited only for courses with content that follows the Required Core Curriculum as outlined by the Appraisal Qualification Board.

(4-2-08)

a. Credit toward the classroom hour requirement may only be granted where the length of the educational offering is at least fifteen (15) hours, and the individual successfully completes a closed-book examination pertinent to the educational offering. (4-11-06)

b. Credit for the classroom hour requirement may be obtained from the following: (7-1-97)

i. Colleges or Universities. (7-1-97)

ii. Community or Junior Colleges. (7-1-97)

iii. Courses approved by the Appraisal Qualifications Board. (4-2-08)

iv. State or Federal Agencies or Commissions. (7-1-97)

v. Other providers approved by the Board. (7-1-97)

c. Only those courses completed preceding the date of application will be accepted for meeting educational requirements. (3-18-99)

d. Course credits that are obtained from the course provider by challenge examination without attending the course will not be accepted. (4-11-06)

e. Prior to January 1, 2008, various appraisal courses may be credited toward the classroom hour education requirement. Applicants must demonstrate that their education involved coverage of those topics listed in Subsection 250.01.e. that are required for the license classification for which application is being made. Licensed Residential and Certified Residential must include emphasis in one (1) to four (4) unit residential properties; Certified General must include emphasis in nonresidential properties. (3-29-10)

i. Basic appraisal principles. (4-11-06)

ii. Basic appraisal procedures. (4-11-06)

iii. The fifteen (15) hour national USPAP course. (4-11-06)

iv. Market analysis and highest and best use. (4-11-06)

v. Appraiser site valuation and cost approach. (4-11-06)

vi. Sales comparison approach. (4-11-06)

vii. Sales income approach. (4-11-06)

viii. Report writing and case studies. (4-11-06)

ix. Statistics, modeling and finance. (4-11-06)

x. Advanced applications and case studies. (4-11-06)

- xi. Appraisal subject matter electives. (4-11-06)
- f. Advanced courses will be those courses for which an introductory or basic course is required as a prerequisite. Typically classes titled "Introductory," "Basic," or "Principles" will not be accepted for advanced requirements. (4-11-06)
- 02. Experience.** (7-1-97)
- a. The work product claimed for experience credit must be in conformity with ~~the USPAP or shall be in compliance with generally accepted standards which were in effect at the time those appraisals were prepared.~~ (3-13-02)()
- b. All appraisal experience must be obtained as a registered trainee or as a licensed appraiser. (4-11-06)
- c. Only experience gained during the five (5) years immediately preceding application will be considered for evaluation. (4-11-06)
- d. Acceptable non field appraisal experience includes, but is not limited to the following: Fee and Staff appraisal analysis, ad valorem tax appraisal, condemnation appraisal, technical review appraisal, appraisal analysis, review appraisal, real estate counseling, highest and best use analysis, and feasibility analysis/study. (4-11-06)
- e. Each applicant applying for licensure must verify completion of the required experience via affidavit, under oath subject to penalty of perjury, and notarized on a form provided by the Board. (4-11-06)
- i. The Board requires submission of a log that details hours claimed for experience credit. The log must include the following: (3-29-10)
- (1) Type of property; (3-29-10)
 - (2) Address of the property; (3-29-10)
 - (3) Report date; (3-29-10)
 - (4) Description of work performed; (3-29-10)
 - (5) Number of work hours; (3-29-10)
 - (6) Complexity; (3-29-10)
 - (7) Approaches to value; (3-29-10)
 - (8) Appraised value; (3-29-10)
 - (9) Scope of supervising appraiser's review; and (3-29-10)
 - (10) Supervision. (3-29-10)
- ii. The Board reserves the right to contact an employer for confirmation of length and extent of experience claimed. This may require an employer to submit appraisal reports and/or an affidavit. (7-1-97)
- iii. The Board may request submission of written reports or file memoranda that substantiate an applicant's claim for experience credit. (4-11-06)
- f. Ad valorem tax appraisers must demonstrate the use of techniques to value properties similar to

those used by appraisers and effectively use the process as defined in Subsection 010.08, Field Real Estate Appraisal Experience in order to receive experience credit. (3-29-10)

03. Examination. Successful completion of an examination appropriate to the license classification being applied for and approved by the Board pursuant to the guidelines of the Appraisal Qualifications Board. (4-11-06)

251. -- 274. (RESERVED)

275. REGISTERED TRAINEE REAL ESTATE APPRAISER (RULE 275).

01. Qualification. Each applicant for registration as an appraiser trainee must meet the following requirements: (4-11-06)

a. Education. Beginning July 1, 2006, all applicants for registration as a trainee must document completion of at least seventy-five (75) classroom hours of courses in subjects related to real estate appraisal as follows: (4-11-06)

i. Basic Appraisal Principles - not less than thirty (30) hours specifically including Real Property Concepts and Characteristics, Legal Considerations, Influences on Real Estate Values, Types of Value, Economic Principles, Overview of Real Estate Markets and Analysis, and Ethics and How They Apply in Appraisal Theory and Practice; and (4-11-06)

ii. Basic Appraisal Procedures - not less than thirty (30) hours specifically including Overview of Approaches to Value, Valuation Procedures, Property Description, and Residential Applications; and (4-11-06)

iii. National USPAP Course - not less than fifteen (15) hours. (4-11-06)

b. Experience. All applicants for registration as a trainee must retain and identify at least one (1) licensed real estate appraiser who agrees to provide the supervision required by law and rule. The supervising appraiser shall: (4-11-06)

i. Hold a current and unrestricted Idaho license as a Certified Residential Appraiser or a Certified General Appraiser; and (4-11-06)

ii. Submit evidence of completion of an approved four-hour continuing education course regarding the role of a supervising appraiser. (3-29-10)

iii. Not have been disciplined by the Board within the previous four (4) years ~~from acting as a supervisor~~; and (4-11-06) ()

iv. Not be registered to provide supervision responsibilities to more than three (3) appraiser trainees at any one (1) time; and (4-11-06)

v. Be responsible for the training and direct supervision of the appraiser trainee; and (4-11-06)

vi. Accept responsibility for all appraisal reports by signing and certifying that the report is in compliance with USPAP; and (4-11-06)

vii. Review all appraiser trainee appraisal report(s); and (4-11-06)

viii. Personally inspect each appraised property with the appraiser trainee until the supervising appraiser determines the appraiser trainee is competent in accordance with the Competency Provision of USPAP for the property type. (4-11-06)

c. Examination. Each trainee applicant shall document successful passage of examinations in each of the prerequisite courses required for registration as a trainee. (4-11-06)

02. Scope and Practice. An Appraiser Trainee shall not be involved in the appraisal of any property that exceeds the lawful scope of practice of the supervising appraiser. The appraiser trainee shall be subject to USPAP. (4-11-06)

a. Each appraiser trainee is permitted to have more than one (1) supervising appraiser provided a supervising appraiser is not registered to more than three (3) trainees at any one (1) time. (4-11-06)

b. An appraisal log shall be maintained for each supervising appraiser by the appraiser trainee and shall include no less than the following for each appraisal: (4-11-06)

i. Type of property. (4-11-06)

ii. Date of report. (4-11-06)

iii. Address of subject property. (4-11-06)

iv. Description of work performed by the trainee and the scope of review and supervision of the supervisor. (4-11-06)

v. Number of work hours. (4-11-06)

vi. Signature and license number of the supervising appraiser. (4-11-06)

c. An appraiser trainee shall be entitled to obtain copies of all appraisal reports prepared by the trainee. (4-11-06)

03. Continuing Education. Prior to the second renewal and for each renewal continuing education cycle thereafter as provided in Section 275 of this rule, an appraiser trainee shall be required to obtain: ~~(3-29-10)~~()

a. The equivalent of ~~fifteen~~ thirty (~~15~~30) classroom hours of instruction in approved courses or seminars during the ~~twelve~~ twenty-four (~~12~~24) month period preceding the renewal. Once every twenty-four (24) months, registered appraiser trainees will be required to attend an approved seven-hour USPAP update course or the equivalent. The course must cover the most recent USPAP edition. ~~(3-29-10)~~()

b. All continuing education shall be in compliance with Subsections 401.01 through 401.05. (3-29-10)

c. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities that are determined to be equivalent to obtaining continuing education. (4-11-06)

d. The purpose of continuing education is to ensure that the appraiser trainee participates in a program that maintains and increases skill, knowledge and competence in real estate appraising. (4-11-06)

(BREAK IN CONTINUITY OF SECTIONS)

350. CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER CLASSIFICATION APPRAISER QUALIFICATION CRITERIA (RULE 350).

The State Certified Residential Real Estate Appraiser classification applies to the appraisal of residential properties of four (4) or less units without regard to transaction value or complexity. Applicants must meet the following education, experience and examination requirements in addition to complying with Section 250. Subsequent to being

certified every licensee must annually meet the continuing education requirement. (4-11-06)

01. Education. Prior to January 1, 2008, as a prerequisite to taking the examination for licensure as an Idaho Certified Residential Real Estate Appraiser, each applicant shall present evidence satisfactory to the board of having successfully completed not less than one hundred twenty (120) classroom hours of courses in subjects related specifically to real estate appraisal that have been approved by the board. Each applicant must have successfully completed not less than ninety (90) classroom hours of study related to those topics outlined under Subsection 250.01.e., the basic principles of real estate appraising and thirty (30) classroom hours of advanced residential or non-residential specialized courses relating to the topics specified at Subsection 250.01.e. Not less than fifteen (15) and no more than twenty (20) classroom hours of studies within the last five (5) years specifically relating to the USPAP, and Code of Ethics; will be credited to the classroom hour requirement. Beginning on January 1, 2008, as a prerequisite to taking the examination for licensure as an Idaho Certified Residential Real Estate Appraiser, each applicant shall: (3-30-07)

a. Hold an Associate Degree or higher from an accredited college or university or document successful completion of no less than twenty-one (21) college semester credit hours in English Composition, Principles of Economics (micro or macro), Finance, Algebra, Geometry or higher mathematics, Statistics, Computer Science, and Business or Real Estate Law; and (4-2-08)

b. Document registration as an Appraiser Trainee and completion of the education required for licensure as a Licensed Residential Real Estate Appraiser or hold a current license as a Licensed Residential Real Estate Appraiser; and (4-11-06)

c. Document the successful completion of not less than fifty (50) classroom hours of courses in subjects related to real estate appraisal as follows: (4-11-06)

i. Statistics, Modeling and Finance - not less than fifteen (15) hours specifically including Statistics; Valuation Models (AVM's and Mass Appraisal); and Real Estate Finance; and (4-11-06)

ii. Advanced Residential Applications and Case Studies - not less than fifteen (15) hours specifically including Complex Property, Ownership and Market Conditions; Deriving and Supporting Adjustments; Residential Market Analysis; and Advanced Case Studies; and (4-11-06)

iii. Appraisal Subject Matter Electives - not less than twenty (20) hours and may include hours over the minimum shown in Subsection 350.01.c. (4-11-06)

02. Experience. Experience is a prerequisite to sit for the licensure examination: (4-11-06)

a. Document two thousand five hundred (2,500) hours of appraisal experience in no less than twenty-four (24) months (see Subsection 250.02). Experience documentation in the form of reports or file memoranda should be available to support the claim for experience. (4-11-06)

b. Two thousand (2,000) hours of the experience shall be from residential field appraisal experience. The balance of five hundred (500) hours may include non field experience, refer to Subsection 250.02.d. (4-11-06)

c. Examination. Successful completion of the Certified Residential Appraiser examination approved by the Board pursuant to the guidelines of the Appraisal Qualifications Board. ()

351. -- 399. (RESERVED)

400. CERTIFIED GENERAL REAL ESTATE APPRAISER CLASSIFICATION APPRAISER QUALIFICATION CRITERIA (RULE 400).

The State Certified General Real Estate Appraiser classification applies to the appraisal of all types of real property. Applicants must meet the following examination, education, and experience requirements in addition to complying with Section 250. Subsequent to being certified, an individual must meet the continuing education requirement. (4-2-08)

01. Education. Prior to January 1, 2008, as a prerequisite to taking the examination for licensure as an Idaho State Certified General Real Estate Appraiser, each applicant shall present evidence satisfactory to the board of having successfully completed not less than one hundred eighty (180) classroom hours of courses in subjects related specifically to real estate appraisal approved by the board. Each applicant must have successfully completed not less than one hundred sixty (160) classroom hours of study related to those topics outlined under Subsection 250.01.e. Not less than fifteen (15) and no more than twenty (20) classroom hours of studies within the last five (5) years specifically relating to the USPAP, and Code of Ethics; and one hundred (100) classroom hours of advanced non residential specialized courses relating to the topics specified at Subsection 250.01.e. Beginning on January 1, 2008, as a prerequisite to taking the examination for licensure as an Idaho Certified General Real Estate Appraiser, each applicant shall: (3-30-07)

a. Hold a Bachelors Degree or higher from an accredited college or university or document successful completion of no less than thirty (30) college semester credit hours in English Composition, Micro Economics, Macro Economics, Finance, Algebra, Geometry or higher mathematics, Statistics, Computer Science, and Business or Real Estate Law, and two (2) elective courses in accounting, geography, ag economics, business management, or real estate; and (4-2-08)

b. Document registration as an Appraiser Trainee and document the successful completion of not less than two hundred twenty-five (225) classroom hours of courses in subjects related to real estate appraisal as follows: (3-29-10)

i. Statistics, Modeling and Finance: not less than fifteen (15) hours specifically including Statistics; Valuation Models (AVM's and Mass Appraisal); and Real Estate Finance; (3-29-10)

ii. General Appraiser Market Analysis and Highest and Best Use: not less than thirty (30) hours; (3-29-10)

iii. General Appraiser Sales Comparison Approach: not less than thirty (30) hours specifically including Value Principles, Procedures, Identification and Measurement of Adjustments, Reconciliation, and Case Studies; (3-29-10)

iv. General Appraiser Site Valuation and Cost Approach: not less than thirty (30) hours; (3-29-10)

v. General Appraiser Income Approach: not less than sixty (60) hours specifically including Overview, Compound Interest, Lease Analysis, Income Analysis, Vacancy and Collection Law, Estimating Operating Expenses and Reserves, Reconstructed Income and Expense Statement, Stabilized Net Operating Income Estimate, Direct Capitalization, Discounted Cash Flow, Yield Capitalization, Partial Interest, and Case Studies; (3-29-10)

vi. General Appraiser Report Writing and Case Studies: not less than thirty (30) hours specifically including Writing and Reasoning Skills, Common Writing Problems, Report Options and USPAP Compliance, and Case Studies; and (3-29-10)

vii. Appraisal Subject Matter Electives: not less than thirty (30) hours and may include hours over the minimum shown in Subsection 400.01.b.; or (3-29-10)

c. Document licensure as a Licensed Residential Real Estate Appraiser and the successful completion of not less than one hundred fifty (150) classroom hours of courses in subjects related to real estate appraisal as follows: (3-29-10)

i. Statistics, Modeling and Finance: not less than fifteen (15) hours specifically including Statistics; Valuation Models (AVM's and Mass Appraisal); and Real Estate Finance; and (4-11-06)

ii. General Appraiser Market Analysis and Highest and Best Use: not less than fifteen (15) hours; and (3-29-10)

iii. General Appraiser Sales Comparison Approach: not less than fifteen (15) hours specifically including Value Principles, Procedures, Identification and Measurement of Adjustments, Reconciliation, and Case

Studies; and (3-29-10)

iv. General Appraiser Site Valuation and Cost Approach: not less than fifteen (15) hours; and (3-29-10)

v. General Appraiser Income Approach: not less than forty-five (45) hours specifically including Overview, Compound Interest, Lease Analysis, Income Analysis, Vacancy and Collection Law, Estimating Operating Expenses and Reserves, Reconstructed Income and Expense Statement, Stabilized Net Operating Income Estimate, Direct Capitalization, Discounted Cash Flow, Yield Capitalization, Partial Interest, and Case Studies; and (3-29-10)

vi. General Appraiser Report Writing and Case Studies: not less than fifteen (15) hours specifically including Writing and Reasoning Skills, Common Writing Problems, Report Options and USPAP Compliance, and Case Studies; and (3-29-10)

vii. Appraisal Subject Matter Electives: not less than thirty (30) hours and may include hours over the minimum shown in Subsection 400.01.c.; or (3-29-10)

d. Document licensure as a Certified Residential Real Estate Appraiser and the successful completion of not less than one hundred five (105) classroom hours of courses in subjects related to real estate appraisal as follows: (3-29-10)

i. General Appraiser Market Analysis and Highest and Best Use: not less than fifteen (15) hours; and (3-29-10)

ii. General Appraiser Sales Comparison Approach: not less than fifteen (15) hours specifically including Value Principles, Procedures, Identification and Measurement of Adjustments, Reconciliation, and Case Studies; and (3-29-10)

iii. General Appraiser Site Valuation and Cost Approach: not less than fifteen (15) hours; and (3-29-10)

iv. General Appraiser Income Approach: not less than forty-five (45) hours specifically including Overview, Compound Interest, Lease Analysis, Income Analysis, Vacancy and Collection Law, Estimating Operating Expenses and Reserves, Reconstructed Income and Expense Statement, Stabilized Net Operating Income Estimate, Direct Capitalization, Discounted Cash Flow, Yield Capitalization, Partial Interest, and Case Studies; and (3-29-10)

v. General Appraiser Report Writing and Case Studies: not less than fifteen (15) hours specifically including Writing and Reasoning Skills, Common Writing Problems, Report Options and USPAP Compliance, and Case Studies. (3-29-10)

02. Experience. Experience is a prerequisite to sit for the licensure examination: (4-11-06)

a. Document three thousand (3,000) hours of appraisal experience in no less than thirty (30) months (See Subsection 250.02). Experience documentation in the form of reports or file memoranda should be available to support the claim for experience. (4-11-06)

b. One thousand five hundred (1,500) hours of the experience must be nonresidential appraisal experience. The balance of one thousand five hundred (1,500) hours may be solely residential experience or can include up to five hundred (500) hours of nonfield experience as outlined in Subsection 250.02.d. (4-11-06)

c. Examination. Successful completion of the Certified General Appraiser examination approved by the Board pursuant to the guidelines of the Appraisal Qualifications Board. ()

401. CONTINUING EDUCATION (RULE 401).

All certified/licensed appraisers must comply with the following continuing education requirements: (7-1-97)

01. Purpose of Continuing Education. The purpose of continuing education is to ensure that the

appraiser participates in a program that maintains and increases his skill, knowledge and competency in real estate appraising. (7-1-97)

02. Hours Required. The equivalent of ~~fifteen~~ thirty (~~15~~30) classroom hours of instruction in courses or seminars during ~~each year~~ the twenty-four (24) months prior to renewal is required. If the licensee completes two (2) or more courses having substantially the same content during any one (1) ~~renewal period~~ continuing education cycle, the licensee only will receive continuing education credit for one (1) of the courses. (~~3-29-10~~)()

a. A classroom hour is defined as fifty (50) minutes out of each sixty (60) minute segment. (7-1-93)

b. Credit toward the classroom hour requirement may be granted only where the length of the educational offering is at least two (2) hours. (7-1-97)

c. Credit for the classroom hour requirement may be obtained by accredited courses which have been approved by the Appraisal Qualification Board and by courses approved by Real Estate Appraiser Boards of states with reciprocity with Idaho. All other courses must have approval of the Board, which shall require documentation including the instructors and their qualifications, course content, length of course, and its location. Courses shall be approved for a period of four (4) years. (4-6-05)

d. Once every twenty-four (24) months, Idaho State Certified/Licensed Real Estate Appraisers and registered trainees will be required to attend an approved seven (7) hour USPAP update course or the equivalent. The course must cover the most recent USPAP edition. (~~3-29-10~~)()

03. Credit for Appraisal Educational Processes and Programs. Continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined to be equivalent to obtaining continuing education. Credit for educational processes and programs continuing education shall not exceed one-half (1/2) of the total continuing education credits required for a renewal period. (4-2-08)

04. Credit for Attending the Licensure Board Meetings. Continuing education credit may be granted for a maximum of two (2) hours each ~~renewal period~~ continuing education cycle for time spent attending one (1) Board meeting. Members of the board shall not be entitled to continuing education credit for board service. (~~4-2-08~~)()

05. Requirement When a Certificate/License Is Cancelled. For each year (less than five (5)) in which a license is lapsed, canceled, or otherwise non-renewed, fifteen (15) hours of continuing education must be documented, including a seven (7) hour USPAP update course, prior to reinstatement. The course must cover the most recent USPAP edition. (~~3-30-07~~)()

06. Special Exemption. The Board shall have authority to make exceptions for reasons of individual hardship, including health, when certified by a medical doctor, or other good cause. The appraiser must provide any information requested by the Board to assist in substantiating hardship cases. This exemption is granted at the sole discretion of the Board. (3-29-10)

(BREAK IN CONTINUITY OF SECTIONS)

500. TEMPORARY PRACTICE (RULE 500).

01. Requirements for Issuance. A permit to temporarily practice may be issued to individuals coming to Idaho who are certified/licensed in another state and are either transferring to Idaho or have a temporary assignment in Idaho. (7-1-93)

02. Provide Proof of Current Certification or Licensure. The applicant ~~must~~ provide proof of

~~current certification or licensure in good standing in another state or meet the requirements as set forth in these rules,~~
be listed on the National Registry, maintained by the Appraisal Subcommittee, as current and in good standing and
comply with Section 54-4115(3), Idaho Code, regarding irrevocable consent. (7-1-93)()

03. Assignments and Length of Time Permit Will Be Issued. Permit to temporarily practice will be issued on a per appraisal assignment basis for a period not to exceed six (6) months. A temporary permit may be extended one (1) time only. (3-18-99)

COST/BENEFIT ANALYSIS FORM
Idaho Bureau of Occupational Licenses

Docket Number: 24-1801-1101

Agency Contact: Tana Cory
Phone: (208) 334-3233

Date Analysis Completed: 8/30/11

IDAPA Chapter Number and Title: IDAPA 24.18.01, "Rules of the Real Estate Appraiser Board"

Fee Rule Status: Proposed

Instructions:

Section 67-5223(3), Idaho Code, adopted by the 2010 Legislature, requires that all proposed rules in which a fee or charge is imposed or increased must include a cost/benefit analysis of the rule change at the time the rule text is submitted for publication. This analysis needs to include an estimated cost to the agency to implement the rule and an estimated cost to be borne by citizens, or the private sector, or both. This statute change is effective July 1, 2010, and must be completed for fee rules published in the Idaho Administrative Bulletin after that date.

Cost/Benefit Analysis For This Rule Change:

Increase in Fees

Section 54-4113 Idaho Code allows for the setting of application and licensure fees. Rules 150.02, 03, 06, and 12 are being amended to increase the annual registry fee required by the Appraisal Subcommittee. This fee increase will have no impact on the dedicated fund since it is passed through to the Appraisal Qualifications Board. Rule 150.10 is being amended to set a fee for provider applications as allowed by passage of HB-82 in the 2011 session. This fee could increase the dedicated fund by approximately \$12,000 based on the number of provider applications received last year.