

REAL ESTATE APPRAISAL BOARD

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATION

A public hearing will be conducted at 10:00 a.m. on Friday, June 17, 2022, at Jayhawk Tower, 700 SW Jackson, Ste. 804, Topeka, KS 66603, to consider the adoption of K.A.R. 117-4-1. In the event the hearing needs to be held remotely instead of in person, this information will be provided on the Board's website.

This 60-day notice of public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed regulation. 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 via email to sally.pritchett@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 sally.pritchett@kreab.ks.gov.

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

117-4-1. Residential classification; education requirements. This regulation is being amended as a clean up of current regulation to comply with Appraisal Qualification Board's

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SECRETARY OF STATE**

minimum criteria in order for the KREAB to be in compliance, provide applicants with options for meeting the college level education, as well as allowing an alternative to the college level education for state licensees to upgrade.

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

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)

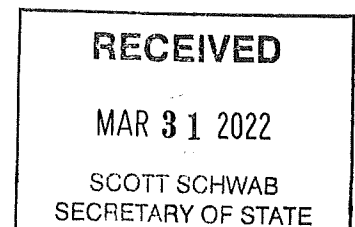
(785) 368-6443 (fax)

sally.pritchett@ks.gov (e-mail)

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

Sally Pritchett
Executive Director

March 31, 2022



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

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

(2) have an associate's degree in a field of study related to one of the following:

(A) Business administration;

(B) accounting;

(C) finance;

(D) economics; or

(E) real estate;

(3) successfully complete 30 semester hours of college-level courses in the following subjects, with the hours specified with at least three semester hours in each subject:

(A) English composition (three semester hours);

(B) microeconomics (three semester hours);

(C) macroeconomics (three semester hours);

(D) finance (three semester hours);

(E) algebra, geometry, or higher mathematics (three semester hours);

(F) statistics (three semester hours);

(G) ~~principles of management~~ computer science (three semester hours);

(H) business or real estate law (three semester hours); and

(I) two elective courses in any of the following subjects:

(i) Accounting (three semester hours);

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- (ii) geography (three semester hours);
- (iii) agricultural economics (three semester hours);
- (iv) business management (three semester hours); or
- (v) real estate (three semester hours);
- (4) successfully complete at least 30 semester hours of college-level examination program (CLEP)

examinations in the following subjects:

- (A) English composition College algebra (three semester hours);
- (B) microeconomics college composition (six semester hours);
- (C) macroeconomics college composition modular (three semester hours);
- (D) finance college mathematics (six semester hours);
- (E) algebra, geometry, or higher mathematics principles of macroeconomics (three semester hours);
- (F) statistics principles of microeconomics (three semester hours);
- (G) computer science introductory business law (three semester hours); and
- (H) principles of management information systems (three semester hours); and or
- ~~(I) any two of the following:~~
 - ~~(i) Accounting;~~
 - ~~(ii) geography;~~
 - ~~(iii) agricultural economics;~~
 - ~~(iv) business management; or~~
 - ~~(v) real estate; or~~

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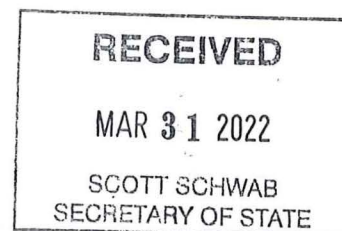
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(5) successfully complete any combination of paragraphs (a)(3) and (4) that ensures coverage of all topics includes all of the subjects and the associated hours listed in those paragraphs.

(b) Each applicant shall meet the following requirements:

(1) 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 paragraph (b)(1); and

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

(A) Successful completion of courses approved by the board as specified in paragraph (b)(1); or

(B) successful completion of courses not approved by the board, with evidence that the education covered all of the requirements specified in paragraph (b)(1).

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(c) Credit toward the education requirements specified in paragraph (b)(1) 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).

(d) 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.

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

(1)(A) Satisfying the college-level educational requirements as specified in subsection (a); or

(B) having a state license for at least five years immediately preceding the date of application if there has been no ~~final adjudicated disciplinary action affecting the~~ record of any adverse, final, and non-appealable disciplinary action affecting the state licensed appraiser's legal eligibility to engage in appraisal practice within the five years immediately preceding the date of application for a certified residential credential; and

(2) completing an additional 50 hours of classroom or distance education, or both, in the following subjects:

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

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

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(C) 20 hours of appraisal subject matter electives.

(f) The 200 classroom hours specified in paragraph (b)(1) may include a portion of the 150 classroom hours required for the licensed classification as required by K.A.R. 117-2-1.

(g) A distance education course may be deemed to meet the classroom hour requirement specified in paragraph (b)(1) if all of the following conditions are met:

(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 The appraiser qualifications board ~~board-approved organization~~;

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

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

(h) 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.

(i) 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 completed. The national uniform standards of professional appraisal practice (USPAP) course taken in different years shall not be considered repetitive. (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 June 17, 2016; amended Nov. 30, 2018; amended P- _____.)

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**KS Real Estate Appraisal Board
700 SW Jackson, Ste. 804
Topeka, Ks 66603**

**Sally Pritchett
785-368-6417 sally.pritchett@ks.gov**

**Kansas Administrative Regulations
Economic Impact Statement
For the Kansas Division of the Budget**

K.A.R. Number(s) 117-4-1

Submit a hard copy of the proposed rule(s) and regulation(s) and any external documents that the proposed rule(s) and regulation(s) would adopt along with the following to the Division of the Budget.

I. Brief description of the proposed rule(s) and regulation(s).

117-4-1. Residential classification; education requirements. This regulation is being amended to provide applicants with options for meeting the college level education, as well as allowing an alternative to the college level education for state licenses to upgrade. The changes are being made at the direction of our Policy Manager with the Appraisal Subcommittee (ASC).

II. Statement by the agency if the rule(s) and regulation(s) is mandated by the federal government and a statement if approach chosen to address the policy issue is different from that utilized by agencies of contiguous states or the federal government. (If the approach is different, then include a statement of why the Kansas rule and regulation proposed is different)

The federal government has oversight over all state appraiser regulatory boards, setting the minimum criteria for each license level. While a state's board may elect to make the criteria more than the minimum, they may not go below the minimum and still be in compliance with the ASC.

III. Agency analysis specifically addressing following:

A. The extent to which the rule(s) and regulation(s) will enhance or restrict business activities and growth;

We do not believe that any one of the changes to the above regulation will restrict business activities, but we do hope that it will encourage more of the public to enter the profession. The different options for the college level education now offered in 117-4-1 (Certified Residential classification) will vary based on the option that is utilized. A Bachelor's Degree is estimated to cost \$34,496.60, as opposed to an Associates Degree at \$17,224.80, a savings of \$17,224.80. The 30 semester hours in specific subject matter and/or the CLEP program would save approximately the same as the Associates Degree.

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- B. The economic effect, including a detailed quantification of implementation and compliance costs, on the specific businesses, sectors, public utility ratepayers, individuals, and local governments that would be affected by the proposed rule and regulation and on the state economy as a whole;

There would be no implementation and compliance costs to specific businesses, sectors, public utility ratepayers, individuals, or local governments.

- C. Businesses that would be directly affected by the proposed rule and regulation;

Appraisal businesses. Indirectly, banks, savings & loans, etc. may, if the impact on new appraisers entering the field is as expected. They may find that securing an appraisaol in rural Kansas is easier and the cost of bringing in a appraiser from a distance would be alleviated.

- D. Benefits of the proposed rule(s) and regulation(s) compared to the costs;

This classification would have other options to getting a bachelors degree. This has hampered new applicants and existing appraisers from getting a certification. There would be no additional costs associated with any of the changes made.

- E. Measures taken by the agency to minimize the cost and impact of the proposed rule(s) and regulation(s) on business and economic development within the State of Kansas, local government, and individuals;

There would be no cost or impact on business and economic development with the State of Kansas, local government, and individuals.

- F. An estimate, expressed as a total dollar figure, of the total annual implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

\$-0- There are no annual implementation and compliance costs to be passed along o business, loc al governments, or members of the public associated with these regulation changes.

An estimate, expressed as a total dollar figure, of the total implementation and compliance costs that are reasonably expected to be incurred by or passed along to business, local governments, or members of the public.

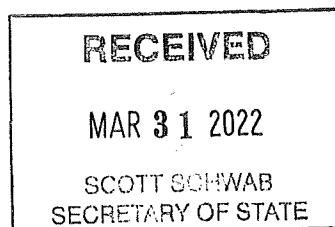
\$-0- There are no annual implementation and compliance costs to be passed along o business, loc al governments, or members of the public associated with these regulation changes.

Do the above total implementation and compliance costs exceed \$3.0 million over any two-year period?

YES ☐ NO ☒

Give a detailed statement of the data and methodology used in estimating the above cost estimate.

N/A



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Prior to the submission or resubmission of the proposed rule(s) and regulation(s), did the agency hold a public hearing if the total implementation and compliance costs exceed \$3.0 million over any two-year period to find that the estimated costs have been accurately determined and are necessary for achieving legislative intent? If applicable, document when the public hearing was held, those in attendance, and any pertinent information from the hearing.

YES ☐ NO ☒

- G. If the proposed rule(s) and regulation(s) increases or decreases revenues of cities, counties or school districts, or imposes functions or responsibilities on cities, counties or school districts that will increase expenditures or fiscal liability, describe how the state agency consulted with the League of Kansas Municipalities, Kansas Association of Counties, and/or the Kansas Association of School Boards.

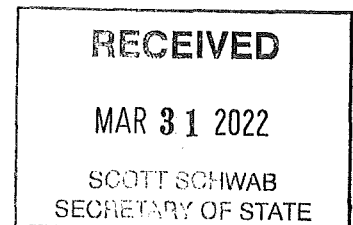
N/A

- H. Describe how the agency consulted and solicited information from businesses, associations, local governments, state agencies, or institutions and members of the public that may be affected by the proposed rule(s) and regulation(s).

Shared information with appraisers, trainees, and lending institutions, etc.

- I. For environmental rule(s) and regulation(s) describe the costs that would likely accrue if the proposed rule(s) and regulation(s) are not adopted, as well as the persons would bear the costs and would be affected by the failure to adopt the rule(s) and regulation(s).

N/A



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