

Proposed

A REAL ESTATE APPRAISAL BOARD

NOTICE OF HEARING ON PROPOSED ADMINISTRATIVE REGULATIONS

A public hearing will be conducted at 10:00 a.m. on Tuesday, March 21, 2017, 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, 117-2-2a, 117-3-2, 117-3-2a, 117-4-2, 117-4-2a, and 117-5-2a.

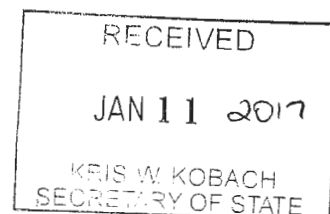
This 60-day notice of public hearing shall constitute a public comment period for the purpose of receiving written public comments on the proposed regulations. All interested parties may submit written comments prior to the hearing to the Kansas Real Estate Appraisal Board, Jayhawk Tower, 700 SW Jackson, Ste. 804, Topeka, KS 66603 or cheryl.magathan@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@ks.gov.

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 redefine "good standing" to match the Appraisal Subcommittee's (ASC) definition.

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 remove the requirement that all applicants must complete the supervisor/trainee course (as adopted by reference in K.A.R. 117-1-1), when not all applicants are licensed as trainees, therefore, do not fall under our jurisdiction.

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

117-2-2a. Licensed classification; experience supervision requirements. This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

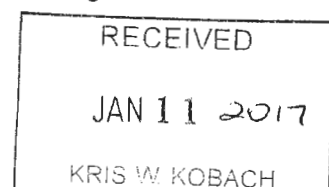
There would be a savings to unlicensed trainees with courses running from \$99.95 to \$135. There will be no economic impact to this agency, other governmental agencies or units.

117-3-2. General classification, appraisal experience requirement. This regulation is being amended to remove the requirement that all applicants must complete the supervisor/trainee course (as adopted by reference in K.A.R. 117-1-1), when not all applicants are licensed as trainees, therefore, do not fall under our jurisdiction.

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

117-3-2a. General classification; experience supervision requirements. This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

There would be a savings to unlicensed trainees with courses running from \$99.95 to \$135. There will be no economic impact to this agency, other governmental agencies or units.



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117-4-2. Residential classification; appraisal experience requirement. This regulation is being amended to remove the requirement that all applicants must complete the supervisor/trainee course (as adopted by reference in K.A.R. 117-1-1), when not all applicants are licensed as trainees, therefore, do not fall under our jurisdiction.

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

117-4-2a. Residential classification; experience supervision requirements. This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

There would be a savings to unlicensed trainees with courses running from \$99.95 to \$135. There will be no economic impact to this agency, other governmental agencies or units.

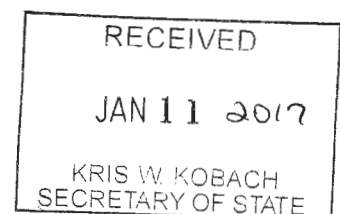
117-5-2a. Provisional classification; supervisor requirements. This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(2) is being amended to include the supervision of unlicensed trainees by a supervisory appraiser. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

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 by:

(785) 296-6736(phone)

(785) 368-6443 (fax)



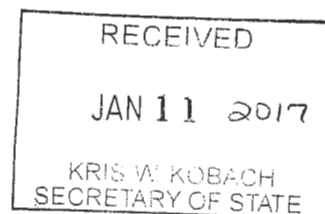
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cheryl.magathan@ks.gov (e-mail)

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

Sally Pritchett
Executive Director

January 9, 2017



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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 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.

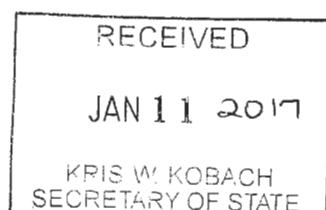
(h) "Distance education" means any type of education during which the student and instructor are geographically separated.

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

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

(1) The appraiser is not currently subject to a consent agreement or other comparable document that affects the appraiser's legal eligibility to engage in appraisal practice 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 that affects the appraiser's legal eligibility to engage in appraisal practice by an appraisal regulatory agency in this or any other jurisdiction.



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

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

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

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

(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;

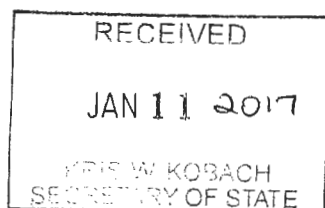
(3) real estate appraisal or real estate-related organizations;

(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. ~~2015~~ 2016 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 June 17, 2016; 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 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 1,000 hours of real property appraisal experience.

(4) Acceptable appraisal experience may include 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;

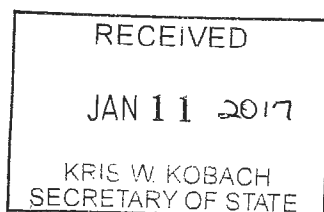
(ii) review appraisal;

(iii) highest and best use analysis; and

(iv) feasibility analysis study.

(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



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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:

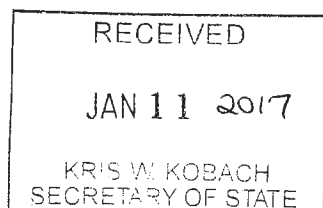
- (A) Requiring the student to produce credible appraisals that utilize an actual subject property;
- (B) performing market research containing sales analysis; and
- (C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

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 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:



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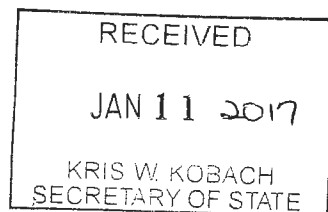
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- (1) Analyzing factors that affect value;
- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and
- (5) arriving at an opinion and correctly reporting the opinion in compliance with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



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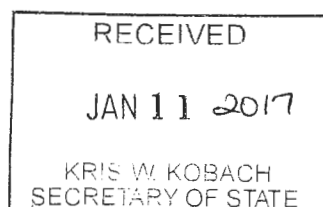
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Each page of each supervised experience log shall include the certification number and the signature of the applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed in accordance with standard rule 3 by the board or the board's designee for competency, within the scope of practice of the appraisal work authorized for the licensed classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standards 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015; amended June 17, 2016; amended P-_____.)



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117-2-2a. Licensed classification; experience supervision requirements. (a) In order for an applicant's experience to be approved by the board when the applicant is applying for the licensed classification, the experience shall have been supervised by an appraiser according to all of the following conditions:

(1) The supervising appraiser was a certified appraiser in good standing in the jurisdiction in which the applicant practices for the three years immediately preceding supervision and during the period of supervision.

(2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.

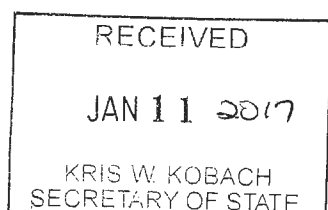
(3) The supervising appraiser maintained responsibility for supervision of the applicant by meeting both of the following requirements:

(A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.

(B) The supervising appraiser met the following requirements:

(i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and

(ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervising appraiser was satisfied that the applicant was competent to appraise the property type, in



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accordance with the competency provision of the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto.

(4) Before beginning supervision, the supervising appraiser ~~has completed the a~~ course required in ~~K.A.R. 117-2-2(a)(1)~~ that, at a minimum, meets the course objectives adopted by reference in K.A.R. 117-1-1. The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.

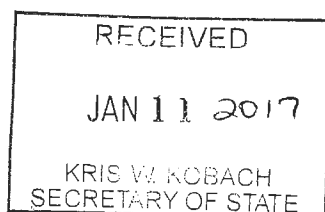
(b) Each applicant shall be permitted to have more than one supervising appraiser.

(c) The supervising appraiser shall supervise the work of an applicant on appraisal reports performed on properties only if both of the following conditions are met:

(1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.

(2) The supervising appraiser is competent to appraise the properties.

~~This regulation shall be effective on and after January 1, 2015.~~ (Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; 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 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 1,500 experience hours of real property appraisal experience.

(5) Acceptable appraisal experience may include either of the following:

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

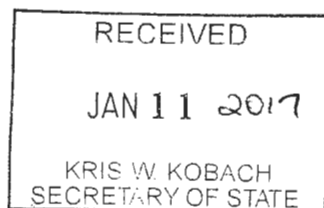
(B) an aggregate maximum of 750 experience hours in the following appraisal categories:

(i) Real estate consulting;

(ii) review appraisal;

(iii) highest and best use analysis; and

(iv) feasibility analysis study.



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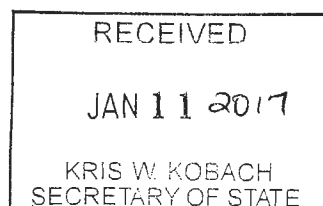
(6) Experience hours may be granted for appraisals performed without a traditional client. However, appraisal experience gained from work without a traditional client shall not exceed 50% of the total appraisal experience requirement. Practicum courses that are approved by the appraiser qualifications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

- (A) Requiring the student to produce credible appraisals that utilize an actual subject property;
- (B) performing market research containing sales analysis; and
- (C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

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

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

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



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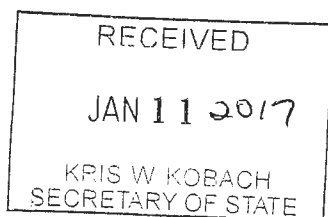
which the applicant demonstrates proficiency in the appraisal principles, methodology, procedures, and report conclusions.

(c) The real property appraisal experience requirement specified in paragraph (a)(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 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 document titled "experience hours table," which is adopted by reference in K.A.R. 117-2-2.



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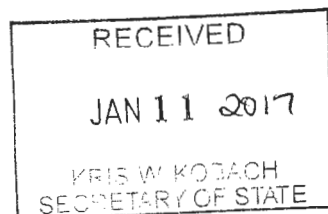
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(3) If an applicant has both supervised experience and unsupervised experience, the applicant shall maintain a separate log of appraisals for each type of experience.

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

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed by the board or the board's designee, in accordance with standard rule 3, for competency within the scope of practice of the appraisal work authorized for the general classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standard rules 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective Jan. 21, 1991; amended, T-117-6-10-91, June 10, 1991; amended Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended Jan. 9, 1998; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015; amended June 17, 2016; amended P-_____.)



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117-3-2a. General classification; experience supervision requirements. (a) In order for an applicant's experience to be approved by the board when the applicant is applying for the general classification, all experience attained by an unlicensed or uncertified individual or by a licensed or certified appraiser whose experience is outside that appraiser's scope of practice shall have been supervised by an appraiser according to the following conditions:

(1) The supervising appraiser was a certified appraiser in good standing ~~in the jurisdiction in which the applicant practices~~ for the three years immediately preceding supervision and during the period of supervision.

(2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.

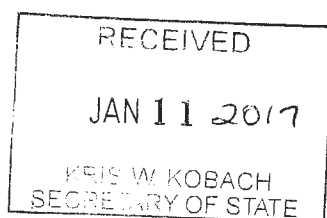
(3) The supervising appraiser maintained responsibility for supervision of the applicant by meeting both of the following requirements:

(A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.

(B) The supervising appraiser met the following requirements:

(i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and

(ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervisor was satisfied that the applicant was competent to appraise the property type, in accordance with the competency provision of the



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uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto.

(4) Before beginning supervision, the supervising appraiser has completed the a course required in K.A.R. 117-3-2(a)(1) that, at a minimum, meets the course objectives adopted by reference in K.A.R. 117-1-1. The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.

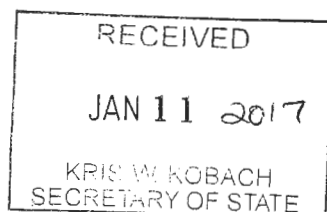
(b) Each applicant shall be permitted to have more than one supervising appraiser.

(c) The supervising appraiser shall supervise the work of an applicant on appraisal reports performed on properties only if both of the following conditions are met:

(1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.

(2) The supervising appraiser is competent to appraise the properties.

~~This regulation shall be effective on and after January 1, 2015.~~ (Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; 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 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 1,250 experience hours of real property appraisal experience.

(4) Acceptable appraisal experience may include 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;

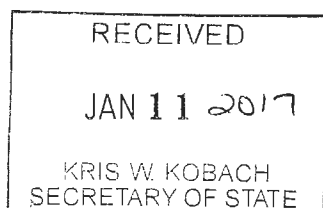
(ii) review appraisal;

(iii) highest and best use analysis; and

(iv) feasibility analysis study.

(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



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

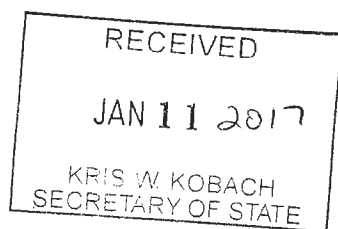
- (A) Requiring the student to produce credible appraisals that utilize an actual subject property;
- (B) performing market research containing sales analysis; and
- (C) applying and reporting the applicable appraisal approaches in conformity with the uniform standards of professional appraisal practice.

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

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

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

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



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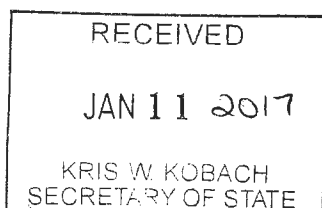
- (1) Analyzing factors that affect value;
- (2) defining the problem;
- (3) gathering and analyzing data;
- (4) applying the appropriate analysis and methodology; and
- (5) arriving at an opinion and correctly reporting the opinion in compliance with USPAP.

(d)(1) In order for the board to determine whether or not the experience requirements have been 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 document titled "experience hours table," which is 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



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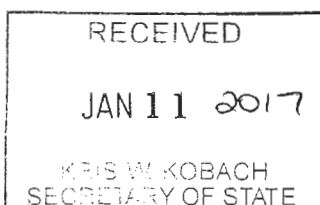
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log shall include the certification number and the signature of that applicant's supervising appraiser, which shall serve as verification of the accuracy of the information.

(e) Upon request of the board, each applicant shall submit at least three appraisal reports selected by the board from the applicant's log sheet and one appraisal report selected by the applicant from the log sheet. The selected appraisal reports shall be reviewed by the board or the board's designee, in accordance with standard rule 3 for competency within the scope of practice of the appraisal work authorized for the residential classification, by using the criteria specified in K.S.A. 58-4109(d) and amendments thereto and, in particular, standard rules 1 and 2 of the edition of USPAP in effect when the appraisal was performed. Approval of an applicant's experience hours shall be subject to board approval of the requisite number of experience hours and board approval of the selected appraisal reports. (Authorized by and implementing K.S.A. 58-4109; effective, T-117-6-10-91, June 10, 1991; effective Aug. 5, 1991; amended July 25, 1994; amended June 5, 1995; amended March 7, 1997; amended Jan. 9, 1998; amended March 26, 1999; amended Oct. 8, 2004; amended Sept. 1, 2006; amended Jan. 1, 2008; amended April 16, 2010; amended Aug. 24, 2012; amended Aug. 22, 2014; amended Jan. 1, 2015; amended June 17, 2016; amended P-_____.)



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117-4-2a. Residential classification; experience supervision requirements. (a) In order for an applicant's experience to be approved by the board when the applicant is applying for the residential classification, all experience attained by an unlicensed individual or by a licensed appraiser whose experience is outside that appraiser's scope of practice shall have been supervised by an appraiser according to all of the following conditions:

(1) The supervising appraiser was a certified appraiser in good standing in the jurisdiction in which the applicant practices for the three years immediately preceding supervision and during the period of supervision.

(2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.

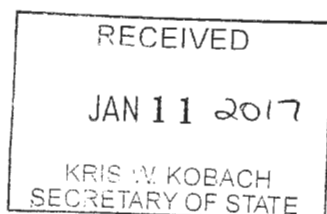
(3) The supervising appraiser maintained responsibility for supervision of the applicant by meeting both of the following requirements:

(A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.

(B) The supervising appraiser met the following requirements:

(i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and

(ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervising appraiser was satisfied that the applicant was competent to appraise the property type, in accordance with the competency



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provision of the uniform standards of professional appraisal practice (USPAP) as required by K.S.A. 58-4121 and amendments thereto.

(4) Before beginning supervision, the supervising appraiser has completed the a course required by K.A.R. 117-4-2(a)(1) that, at a minimum, meets the course objectives adopted by reference in K.A.R. 117-1-1. The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.

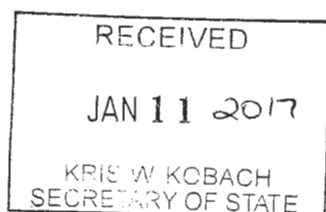
(b) Each applicant shall be permitted to have more than one supervising appraiser.

(c) The supervising appraiser shall supervise the work of an applicant on appraisal reports performed on properties only if both of the following conditions are met:

(1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.

(2) The supervising appraiser is competent to appraise the properties.

~~This regulation shall be effective on and after January 1, 2015.~~ (Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; amended P-_____.)



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117-5-2a. Provisional classification; supervisor requirements. (a) In order for a provisional licensed appraiser's experience to be approved by the board, that individual's experience shall have been supervised by an appraiser according to all of the following conditions:

(1) The supervising appraiser was a certified appraiser in good standing ~~in the jurisdiction in which the applicant practices~~ for the three years immediately preceding supervision and during the period of supervision.

(2) The supervising appraiser did not supervise more than three provisional licensed appraisers or unlicensed appraiser applicants at the same time.

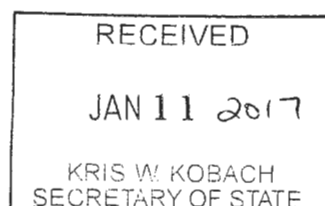
(3) The supervising appraiser maintained responsibility for supervision of the provisional licensed appraiser by meeting both of the following requirements:

(A) Before signing the certification section or addendum, the supervising appraiser reviewed each appraisal report that the applicant prepared or provided assistance in developing, preparing, or communicating.

(B) The supervising appraiser met the following requirements:

(i) Ensured that at least the first 25 properties for which the applicant provided assistance in developing, preparing, or communicating an appraisal report were personally inspected by a supervising appraiser; and

(ii) continued to personally inspect each property for which the applicant provided assistance in developing, preparing, or communicating an appraisal report until the supervising appraiser was satisfied that the applicant was competent to appraise the property type, in accordance with the competency provision of the uniform standards of professional appraisal practice (USPAP).



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(4) The supervising appraiser has completed the course required in K.A.R. 117-5-2(b).

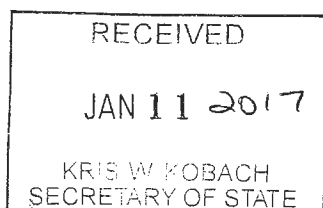
The supervising appraiser shall submit proof of completion of the course to the board office before beginning supervision.

(b) The supervising appraiser shall supervise the work of a provisional licensed appraiser on appraisal reports performed on properties only if both of the following conditions are met:

(1) The supervising appraiser is permitted by the supervising appraiser's current credential to appraise the properties.

(2) The supervising appraiser is competent to appraise the properties.

~~This regulation shall be effective on and after January 1, 2015.~~ (Authorized by and implementing K.S.A. 58-4109; effective July 1, 2007; amended Jan. 18, 2008; amended April 17, 2009; amended Aug. 24, 2012; amended Jan. 1, 2015; amended P-_____.)



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Proposed

January 9, 2017

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

117-1-1. DEFINITIONS

1. DESCRIPTION

This regulation is being amended to redefine “good standing” to match the Appraisal Subcommittee’s (ASC) definition.

2. FEDERAL MANDATE

While not mandated by the Appraisal Subcommittee (ASC), our existing definition is much more stringent than the federal level.

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 remove the requirement that all applicants must complete the supervisor/trainee course (as adopted by reference in K.A.R. 117-1-1), when not all applicants are licensed as trainees, therefore, do not fall under our jurisdiction.

2. FEDERAL MANDATE

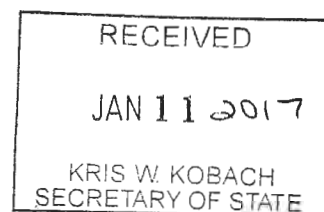
In a review of our regulations, the Appraisal Subcommittee pointed out that our regulations addressed individuals who do not fall under our jurisdiction and recommended that this text be removed from the regulation.

3. DESCRIPTION OF COSTS

There would be a savings to unlicensed trainees with courses running from \$99.95 to \$135. There will be no economic impact to this agency, other governmental agencies or units.

4. OTHER METHODS CONSIDERED

No other methods were considered.



K.A.R. 117-2-2A, LICENSED CLASSIFICATION; EXPERIENCE SUPERVISION REQUIREMENTS

1. DESCRIPTION

This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

2. FEDERAL MANDATE

This re-interpretation by the Appraisal Subcommittee (ASC) was announced in August, 2016. While leaving it in would not violate the minimum criteria established by the ASC as it is more stringent, it creates a limitation of appraiser's qualified to supervise.

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 remove the requirement that **all** applicants must complete the supervisor/trainee course (as adopted by reference in K.A.R. 117-1-1), when not all applicants are licensed as trainees, therefore, do not fall under our jurisdiction.

2. FEDERAL MANDATE

In a review of our regulations, the Appraisal Subcommittee pointed out that our regulations addressed individuals who do not fall under our jurisdiction and recommended that this text be removed from the regulation.

3. DESCRIPTION OF COSTS

While there would be a savings to unlicensed trainees with courses running from \$99.95 to \$135. There will be no economic impact to this agency, other governmental agencies or units.

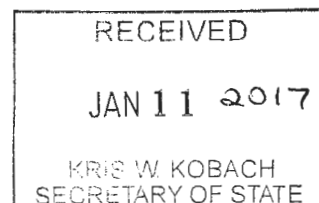
4. OTHER METHODS CONSIDERED

No other methods were considered.

K.A.R. 117-3-2A, GENERAL CLASSIFICATION; EXPERIENCE SUPERVISION REQUIREMENTS

1. DESCRIPTION

This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.



Proposed

2. FEDERAL MANDATE

This re-interpretation by the Appraisal Subcommittee (ASC) was announced in August, 2016. While leaving it in would not violate the minimum criteria established by the ASC as it is more stringent, it creates a limitation of appraiser's qualified to supervise.

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
K.A.R. 117-4-2, RESIDENTIAL CLASSIFICATION; APPRAISAL EXPERIENCE REQUIREMENT

1. DESCRIPTION

This regulation is being amended to remove the requirement that all applicants must complete the supervisor/trainee course (as adopted by reference in K.A.R. 117-1-1), when not all applicants are licensed as trainees, therefore, do not fall under our jurisdiction.

2. FEDERAL MANDATE

In a review of our regulations, the Appraisal Subcommittee pointed out that our regulations addressed individuals who do not fall under our jurisdiction and recommended that this text be removed from the regulation.

3. DESCRIPTION OF COSTS

While there would be a savings to unlicensed trainees with courses running from \$99.95 to \$135. There will be no economic impact to this agency, other governmental agencies or units.

4. OTHER METHODS CONSIDERED

No other methods were considered.

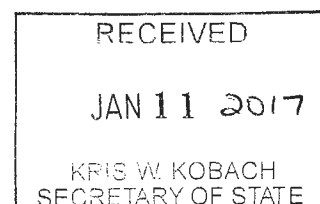
K.A.R. 117-4-2A, RESIDENTIAL CLASSIFICATION; EXPERIENCE SUPERVISION REQUIREMENTS

1. DESCRIPTION

This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

2. FEDERAL MANDATE

This re-interpretation by the Appraisal Subcommittee (ASC) was announced in August, 2016. While leaving it in would not violate the minimum criteria established by the ASC as it is more stringent, it creates a limitation of appraiser's qualified to supervise.



Proposed

3. DESCRIPTION OF COSTS

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

4. OTHER METHODS CONSIDERED

No other methods were considered.

ARTICLE 5 – QUALIFICATIONS CRITERIA – PROVISIONAL CLASSIFICATION

K.A.R. 117-5-2A, PROVISIONAL CLASSIFICATION; SUPERVISOR REQUIREMENTS

1. DESCRIPTION

This regulation is being amended to remove the requirement that a supervisor's experience be in the jurisdiction in which the applicant practices. Section (a)(2) is being amended to include the supervision of unlicensed trainees by a supervisory appraiser. Section (a)(4) is being amended to better reference the course required of all supervisory appraisers.

2. FEDERAL MANDATE

This re-interpretation by the Appraisal Subcommittee (ASC) was announced in August, 2016. While leaving it in would not violate the minimum criteria established by the ASC as it is more stringent, it creates a limitation of appraiser's qualified to supervise.

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.

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JAN 11 2017

KRIS W. KOBACH
SECRETARY OF STATE