

TRANSMITTAL SHEET FOR
NOTICE OF INTENDED ACTION

Control 780 Department or Agency Alabama Real Estate Appraisers Board
Rule No. 780-X-6-05
Rule Title: Qualifying Experience-Certified General Real Property Appraiser
New Amend Repeal Adopt by Reference

Would the absence of the proposed rule significantly harm or endanger the public health, welfare, or safety? Yes

Is there a reasonable relationship between the state's police power and the protection of the public health, safety, or welfare? Yes

Is there another, less restrictive method of regulation available that could adequately protect the public? No

Does the proposed rule have the effect of directly or indirectly increasing the costs of any goods or services involved and, if so, to what degree? No

Is the increase in cost, if any, more harmful to the public than the harm that might result from the absence of the proposed rule? N/A

Are all facets of the rulemaking process designed solely for the purpose of, and so they have, as their primary effect, the protection of the public? Yes

Does the proposed action relate to or affect in any manner any litigation which the agency is a party to concerning the subject matter of the proposed rule? No

Does the proposed rule have an economic impact? No

If the proposed rule has an economic impact, the proposed rule is required to be accompanied by a fiscal note prepared in accordance with subsection (f) of Section 41-22-23, Code of Alabama 1975.

Certification of Authorized Official

I certify that the attached proposed rule has been proposed in full compliance with the requirements of Chapter 22, Title 41, Code of Alabama 1975, and that it conforms to all applicable filing requirements of the Administrative Procedure Division of the Legislative Services Agency.

Signature of certifying officer *J. Lisa Quaker*

Date May 31, 2018

(DATE FILED)
(STAMP)

ALABAMA REAL ESTATE APPRAISERS BOARD
100 N. Union Street, Suite 370
Montgomery, Alabama 36104

May 31, 2018

Notice of Intended Action

Rule No. & Title: 780-X-6-.05 Qualifying Experience - Certified General Real Property Appraiser

Intended Action: Amendment

Substance of Amendment: To change the experience qualification for real property appraiser based on amendments by AQB pursuant to FIRREA.

TIME, PLACE, MANNER OF PRESENTING VIEWS: Interested persons may submit their views regarding the proposed amended rule orally or in writing to the Alabama Real Estate Appraisers Board, P.O. Box 304355, Montgomery, Alabama 36130-4355; 334-242-8747 no later than 10:00 A.M. on August 6, 2018. A public hearing will be held on July 19, 2018 at 9:30 A.M., 100 N. Union St., Third Floor conference room, RSA Union Building, Montgomery, Alabama, 36104.

FINAL DATE FOR COMMENT AND COMPLETION OF NOTICE: Written or oral comments concerning this change must be received by the Alabama Real Estate Appraisers Board no later than August 6, 2018 at 10:00 A.M., P.O. Box 304355, Montgomery, Alabama, 36130-4355 or 100 North Union Street, Suite 370, Montgomery, AL 36104 or 334-242-8747.

CONTACT PERSON AT AGENCY: Neva C. Conway
Assistant Attorney General


Lisa Brooks

780-X-6-.05 Qualifying Experience -Certified General Real Property Appraiser. As of the date the application is filed with the Board, the equivalent of three thousand (3000) hours of appraisal experience ~~or 300 points~~ is necessary for approval of a license for the Certified General Real Property classification. Experience shall be recorded on the log contained in the application. The log must contain all appraisals the applicant has signed or is entitled to claim for experience credit, beginning with the most recent appraisals (up to and including the date the application is filed with the Board) and going back, up to 5 years, until the required number of experience ~~points~~ hours is documented. Applicants may claim the full experience credit allowed for an appraisal, regardless of the number of signing appraisers, ~~for all appraisals signed on or after January 1, 2014.~~ In evaluation of experience credit offered as qualifying experience under Code of Ala. 1975, §34-27A-11, the Board will take into consideration the following:

(a) ~~Points or~~ Hours Required. A total of ~~300 points~~ ~~or~~ 3000 hours is required for general certification.

(b) Residential Experience Limited. ~~No more than one hundred fifty points or 1500 hours shall be applied for credit toward a general certification.~~ Experience for a dwelling (residential appraisal) will be awarded only if there is an interior and exterior inspection.

(c) At least ~~thirty~~ thirty eight months experience. ~~Three hundred points or~~ ~~Three thousand~~ hours obtained within at least ~~thirty~~ thirty eight months shall be required for a general certification, of which at least ~~one hundred fifty points or~~ 1500 hours shall be on non-residential property. The quantitative experience requirements must be satisfied by time spent on the appraisal process. The appraisal process consists of: analyzing factors that affect value; defining the problem; gathering and analyzing data; applying the appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with USPAP. Experience will not be allowed for appraisals that do not demonstrate that the candidate participated in all elements of the appraisal, including the inspection process. Experience credit will be given for appraisals completed within the last five years.

(d) USPAP Compliance. Appraisals must comply with USPAP for ~~points~~ hours to be awarded for experience credit. The Board will select a representative sample of appraisals from the

logs submitted by the applicant. The applicant will submit the selected sample for the Board to examine for compliance with USPAP. If the sample complies with USPAP the Board will consider that all of the experience submitted by applicant complies with USPAP. A determination by the Board that the sample does not comply with USPAP shall be presumptive that all of the appraisals submitted for experience credit do not comply with USPAP. The applicant then has the burden and shall have the opportunity to demonstrate that the experience claimed is USPAP compliant at a reconsideration hearing held pursuant to Rule 780-X-3-.05.

(e) General Appraisal Points. General maximum appraisal ~~points or~~ hours shall be awarded as follows:

- | | | |
|----|---|---------------------------------|
| 1. | Apartments | |
| | 5-20 units | 4 points or 40 hours |
| | 21-100 units | 8 points or 80 hours |
| | over 100 units | 10 points or 100 |
| | hours | |
| 2. | Hotels/Motels | |
| | 50 or fewer units | 6 points or 60 hours |
| | 51-150 units | 8 points or 80 hours |
| | over 150 units | 10 points or 100 |
| | hours | |
| 3. | Meeting, conference or auditorium | |
| | 20,000 square feet or less | 4 points or 50 hours |
| | over 20,000 square feet | 6 points or 60 hours |
| 4. | Industrial or warehouse building | |
| | 20,000 square feet or less | 4 points or 40 hours |
| | over 20,000 square feet | 8 points or 80 hours |
| | over 100,000 square feet and | 10 points or 100 |
| | hours | |
| | multiple tenant | |
| 5. | Office Buildings | |
| | 10,000 square feet or less | 6 points or 60 hours |
| | 10,001 square feet or less | 8 points or 80 hours |
| | 10,001 square feet or more and | |
| | multiple tenants | 10 points or 100 |
| | hours | |
| 6. | Condominium residences with income
Approach to value | |
| | 5 to 30 units | 6 points or 60 hours |

7. Retail Buildings
- | | |
|--|---------------------------------|
| 10,000 square feet or less | 6 points or 60 hours |
| over 10,000 square feet, single tenant | 8 points or 80 hours |
| over 50,000 square feet and hours | 10 points or 100 |
| multiple tenants | |
8. Acreage of non-residential land for Commercial or multiple family use
- | | |
|---|---------------------------------|
| Less than 10 acres | 3 points or 30 hours |
| 100 acres or more | 6 points or 60 hours |
| 100 acres or more with income approach to value | 8 points or 80 hours |
9. Timber or farm acreage
- | | |
|--|---------------------------------|
| 100 to 200 acres | 3 points or 30 hours |
| over 200 acres | 6 points or 60 hours |
| over 200 acres with income approach to value | 8 points or 80 hours |
10. All other unusual structures or committee which are much larger or more complete than the typical properties described herein described herein items (1)-(9)
- | | |
|--|---|
| | submitted to |
| | for determination |
| | 1-15 points or 50 to 150 hours |
11. Reviews of appraisals shall be worth 20% of the ~~points or~~ hours awarded to the appraisal.
12. Restricted appraisal reports shall not exceed 25% of required experience ~~points~~ hours.
13. No more than 40% of the cumulative ~~points or~~ hours may be earned from any one category items (1)-(10). The applicant may request the waiver of this requirement for unique depth experience in a single area.
14. Pasture or Grazing Enterprises
- | | |
|---------------------|---------------------------------|
| 25-50 acres | 1 point or 10 hours |
| 50-100 acres | 2 points or 20 hours |
| 100-500 acres | 3 points or 30 hours |
| 500-2,000 acres | 6 points or 60 hours |
| 2,000 acres or more | 8 points or 80 hours |

15. Row Crop Enterprises
- | | |
|------------------------------|---------------------------------|
| 25-50 acres | 2 points or 20 hours |
| 50-100 acres | 3 points or 30 hours |
| 100-500 acres | 4 points or 40 hours |
| 500-2,000 acres | 6 points or 60 hours |
| 2,000 acres or more
hours | 10 points or 100 |
16. Orchard, Vineyard, and Plant
Nursery Enterprises
- | | |
|-----------------|---------------------------------|
| 0-50 acres | 2 points or 20 hours |
| 50-100 acres | 4 points or 40 hours |
| 100-500 acres | 5 points or 50 hours |
| 500-2,000 acres | 8 points or 80 hours |
17. Aquaculture Enterprises
- | | |
|--------------------------|---------------------------------|
| 0-50 acres | 4 points or 20 hours |
| 50-100 acres | 6 points or 60 hours |
| 100-500 acres | 8 points or 80 hours |
| 500-2,000 acres
hours | 10 points or 100 |
18. Truck Farm Enterprises
- | | |
|-----------------|---------------------------------|
| 0-50 acres | 2 points or 20 hours |
| 50-100 acres | 4 points or 40 hours |
| 100-500 acres | 6 points or 60 hours |
| 500-2,000 acres | 8 points or 80 hours |
19. Dairy Enterprises
- | | |
|-------------------------------|---------------------------------|
| 0-50 cow milking herd | 4 points or 40 hours |
| 50-100 cow milking herd | 6 points or 60 hours |
| 100 and over cow milking herd | 8 points or 80 hours |
20. Diversified agricultural
operations of over 500 acres
involving two or more of the above
enterprises; assuming multiple
disciplines are exhibited in the
report.
hours
- ~~10 points or~~ 100
21. Specialized agricultural
committee
properties
- submitted to

for determination
22. Timber and Timber Land Appraisals
- | | |
|--------------------|---------------------------------|
| 40-100 acres | 2 points or 20 hours |
| 100-500 acres | 3 points or 30 hours |
| 500-2,000 acres | 5 points or 50 hours |
| 2,000-10,000 acres | 7 points or 70 hours |

Over 10,000 acres
committee

submitted to
for determination

23. No more than 40% of the cumulative ~~points or~~ hours may be earned from any one category (items 16-24). The applicant may request a waiver of this requirement for unique depth of experience in a single area.

~~(f)~~ Appraisal Affidavits

~~1. Proof of appraisal affidavit will be submitted by the applicant as a notarized affidavit to include subject property address (street, lot square, subdivision, county) date of appraisal report, property type (including units, lots, acres), gross building area, client (name, contact person, address and telephone number), purpose of report with a tally of the points or hours being required by the applicant description of work performed by the applicant and scope of the review and supervision of the supervising appraiser; number of actual work hours by the applicant on the assignment, signature and state certification number of the supervising appraiser if applicable and any other information deemed appropriate by the committee.~~

~~2. Verification of experience can include any or all of:~~

~~(a) Client verification of report at discretion of the committee;~~

~~(b) Submission of selected reports to the committee upon request as part of certification process where the report remains the property of the appraiser;~~

~~(c) Field inspection of all reports identified by the applicant at their offices during normal business hours.~~

Author: Alabama Real Estate Appraisers Board

Statutory Authority: Code of Ala. 1975, §34-27A-11.

History: Repealed and Replaced: Filed February 23, 1998; effective March 30, 1998. **Amended:** Filed June 18, 2003; effective July 23, 2003. **Amended:** Filed July 20, 2007; effective August 24, 2007. **Amended:** Filed November 25, 2008; effective December 30, 2008. **Amended:** Filed December 3, 2013; effective January 7, 2014. **Amended:** Filed March 25, 2014, effective April 29, 2013. **Amended:** Filed May 29, 2015; effective July 3, 2015.