

BEFORE THE BOARD OF REAL ESTATE APPRAISERS  
DEPARTMENT OF LABOR AND INDUSTRY  
STATE OF MONTANA

In the matter of the amendment of )  
ARM 24.207.401 and 24.207.502, the )  
adoption of NEW RULE I, and the )  
repeal of ARM 24.207.408 pertaining )  
to fees and the practical application of )  
real estate appraisal )

TO: All Concerned Persons

1. On August 30, 2023, at 9:00 a.m., a public hearing will be held via remote conferencing to consider the proposed changes to the above-stated rules. There will be no in-person hearing. Interested parties may access the remote conferencing platform in the following ways:

- a. Join Zoom Meeting, <https://mt-gov.zoom.us/j/84334074601>  
Meeting ID: 843 3407 4601, Passcode: 201865  
-OR-
- b. Dial by telephone, +1 406 444 9999 or +1 646 558 8656  
Meeting ID: 843 3407 4601, Passcode: 201865

2. The Department of Labor and Industry (department) will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact the department no later than 5:00 p.m., on August 23, 2023, to advise us of the nature of the accommodation that you need. Please contact the department at P.O. Box 1728, Helena, Montana 59624-1728; telephone (406) 444-5466; Montana Relay 711; or e-mail [laborlegal@mt.gov](mailto:laborlegal@mt.gov).

3. The rules as proposed to be amended provide as follows, new matter underlined, deleted matter interlined:

24.207.401 FEES (1) The following fees shall apply to all licensed and certified real estate appraisers, trainees, and applicants. Fees are not refundable or transferable. Fees are not prorated for portions of the year.

(a) original license application by examination	\$ <del>475</del> <u>238</u>
(b) temporary practice permits for out-of-state licensed or certified appraisers	<del>250</del> <u>125</u>
(c) course approval per course payable by course provider	<del>300</del> <u>150</u>
(d) course renewal approval per course	<del>300</del> <u>150</u>
(e) upgrade fee	<del>300</del> <u>150</u>
(f) remains the same.	
(g) inactive renewal license fee ( <del>50 percent of active renewal</del> )	<del>225</del> <u>125</u>
(h) reciprocal license application	<del>475</del> <u>238</u>
(i) license or certification renewal fee	<del>450</del> <u>225</u>

(j) original trainee license	400	<u>200</u>
(k) trainee renewal fee	<del>400</del>	<u>200</u>
(l) mentor endorsement application fee	<del>200</del>	<u>100</u>
(m) reactivation fee (inactive to active status)	<del>225</del>	<u>113</u>

(2) The following fees apply to registered appraisal management companies and applicants for registration. Fees are not refundable or transferable. Fees are not prorated for portions of the year.

(a) original application and license fee	2000	<u>1000</u>
(b) application for change of controlling person or contact person	<del>250</del>	<u>125</u>
(c) renewal fee for appraisal management company	<del>4000</del>	<u>500</u>
(d) remains the same.		
(e) application to change business structure with addition or substitution of an owner	<del>250</del>	<u>125</u>
(f) application to change business structure without addition or substitution of an owner	<del>45</del>	<u>23</u>
(g) through (3) remain the same.		

AUTH: 37-1-131, 37-1-134, 37-54-105, MCA

IMP: 37-1-131, 37-1-134, 37-1-141, 37-54-105, 37-54-112, 37-54-212, 37-54-302, 37-54-310, MCA

REASON: As part of the administrative services the department provides to boards, fiscal staff informed the board that its cash balance is exceeding two times its appropriation, as prohibited by 17-2-302, MCA. The board requested the department conduct a fee structure analysis and provide fee reduction proposals for it to consider eliminating the excess cash. The board has determined it is reasonably necessary to amend this rule and reduce fees to reduce its cash balance and meet statutory requirements while ensuring adequate revenue to support board activities through the next biennium.

For the renewal cycle beginning August 31, 2023, all renewal fees will be abated by 100%. Moving forward, the board is reducing renewal fees by 50%, starting in 2024. Additionally, the board is reducing application fees for each license type and other administrative fees by 50%. The board estimates the decrease in renewal fees will affect approximately 602 licensees:

- Appraisal Management Companies: 84 Active
- Licensed Appraisers: 48 Active, 2 Inactive
- Certified Residential Appraisers: 195 Active, 3 Inactive
- Certified General Appraisers: 231 Active, 1 Inactive
- Trainee Appraiser: 38 Active

These changes will reduce annual revenue by approximately \$310,663 by June 30, 2024. Beginning in fiscal year 2025, the reduced renewal and application fees will further decrease the board's overall cash balance by approximately \$351,754 over five years, leaving the board with \$798,810 in ending cash for fiscal year 2030. When weighed against expected expenses, this reduction will place the board in a more stable position to consistently maintain one year's worth of cash on hand. The department will continue to monitor the board's cash reserves in a fiscally prudent manner while maintaining the current level of operations.

24.207.502 APPLICATION REQUIREMENTS (1) through (2)(b) remain the same.

(c) proof of experience by:

(i) an experience log on a form provided by the department; or

(ii) proof of completion of the Practical Applications of Real Estate Appraisal (PAREA) program at the experience credit levels approved by the AQB in each AQB-approved program.

(3) through (9) remain the same.

AUTH: 37-1-131, 37-54-105, MCA

IMP: 37-1-131, 37-54-105, 37-54-202, MCA

REASON: Reasonable necessity exists to amend (2) to provide for an alternative path to licensure utilizing the PAREA program, which has been recognized by AQB. The board believes this additional path to licensure will benefit Montanans by allowing more qualified licensees to practice in the state.

4. The proposed new rule is as follows:

NEW RULE I ADMINISTRATIVE SUSPENSION (1) The board authorizes the department to:

(a) administratively suspend licenses for deficiencies set forth in 37-1-321(1)(a) through (e), MCA; or

(b) file a complaint pertaining to the deficiencies in (1) that are based on repeated or egregious conduct, or that have co-occurring misconduct allegations that directly implicate public safety and may warrant formal disciplinary action.

(2) An administrative suspension is not a negative, adverse, or disciplinary action under Title 37, MCA, and is not reportable under the department's licensee lookup and license verification databank.

AUTH: 37-1-131, MCA

IMP: 37-1-321, MCA

REASON: Section 37-1-321, MCA, permits the board to authorize the department to take certain non-disciplinary actions regarding licensees who are out of compliance with administrative licensure requirements such as not meeting continuing education requirements, failing to respond to continuing education audits, not paying required fees, not meeting initial licensing requirements, and noncompliance with board final orders. The board authorized the department to take these actions previously by motion. Reasonable necessity exists to adopt this rule to formally, publicly, and accessibly reiterate that authorization, so the public and licensees are aware of the authorization.

5. The rule proposed to be repealed is as follows:

24.207.408 MILITARY TRAINING OR EXPERIENCE

AUTH: 37-1-145, MCA  
IMP: 37-1-145, MCA

**REASON:** Reasonable necessity exists to repeal this rule, effective October 1, 2023, at the earliest, due to House Bill 583 (2023). That legislation amends 37-1-145, MCA, and eliminates the requirement for adoption by the board of a specific military training rule, setting forth specific obligations for the board to accept military experience for granting licensure. As such, the need for this rule is obsolete.

6. Concerned persons may present their data, views, or arguments at the hearing. Written data, views, or arguments may also be submitted at [dli.mt.gov/rules](http://dli.mt.gov/rules) or P.O. Box 1728; Helena, Montana 59624. Comments must be received no later than 5:00 p.m., September 1, 2023.

7. An electronic copy of this notice of public hearing is available at [dli.mt.gov/rules](http://dli.mt.gov/rules) and at [sosmt.gov/ARM/register](http://sosmt.gov/ARM/register).

8. The agency maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by the agency. Persons wishing to have their name added to the list may sign up at [dli.mt.gov/rules](http://dli.mt.gov/rules) or by sending a letter to P.O. Box 1728; Helena, Montana 59624 and indicating the program or programs about which they wish to receive notices.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. Pursuant to 2-4-111, MCA, the agency has determined that the rule changes proposed in this notice will not have a significant and direct impact upon small businesses.

11. Department staff has been designated to preside over and conduct this hearing.

BOARD OF REAL ESTATE APPRAISERS  
GREGORY THORNQUIST, CERTIFIED  
GENERAL APPRAISER, PRESIDING  
OFFICER

/s/ QUINLAN L. O'CONNOR  
Quinlan L. O'Connor  
Rule Reviewer

/s/ JOHN ELIZANDRO  
John Elizandro, Acting Commissioner  
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State July 25, 2023.