

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

In the matter of the amendment of) NOTICE OF PUBLIC HEARING ON
ARM 24.207.508 pertaining to ad) PROPOSED AMENDMENT
valorem tax appraisal experience)

TO: All Concerned Persons

1. On May 21, 2019, at 9:00 a.m., a public hearing will be held in the Small Conference Room, 301 South Park Avenue, 4th Floor, Helena, Montana, to consider the proposed amendment of the above-stated rule.

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 Board of Real Estate Appraisers (board) no later than 5:00 p.m., on May 14, 2019, to advise us of the nature of the accommodation that you need. Please contact Sharon Peterson, Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513; telephone (406) 841-2375; Montana Relay 1 (800) 253-4091; TDD (406) 444-2978; facsimile (406) 841-2305; or dlibsarea@mt.gov (board's e-mail).

3. The rule proposed to be amended is as follows, stricken matter interlined, new matter underlined:

24.207.508 AD VALOREM TAX APPRAISAL EXPERIENCE (1) Experience credit may be awarded to a credentialed Montana Department of Revenue appraiser who can effectively demonstrate compliance with the USPAP. Applicants for licensure or certification may claim 100 percent of the required experience from conducting ad valorem appraisal assignments with the Montana Department of Revenue.

(2) In addition to the general requirements for application, applicants under this rule ~~The applicant shall provide proper documentation as follows:~~

(a) ~~The documentation shall include an experience log which is prescribed by the board, completed by the applicant, and each page attested to with the signature of by the applicant's credentialed Montana Department of Revenue supervisor that the appraisals claimed for experience have been performed in compliance with~~ USPAP Standards 5 and 6.

~~(b) The documentation shall be limited to appraisals which have been completed in compliance with the USPAP within the last five years.~~

(i) For licensure as a licensed real estate appraiser and licensure as a certified residential real estate appraiser, the appraisals must be for residential properties.

(ii) For licensure as a certified general real estate appraiser, the appraisals must be for nonresidential properties.

~~(3) (b) Applicants shall hold, at a minimum, the following certification(s) issued proof of successful completion of the International Association of Assessing Officers (IAAO) training and testing relevant to the license or certification category applied for and required by the Montana Department of Revenue, or equivalent from another state, as verified on supervisor's affidavit, or by separate documentation issued to applicant: as set forth at ARM 42.18.206 through 42.18.208; and~~

~~(c) a demonstration appraisal report performed in compliance with USPAP Standards 1 and 2.~~

~~(a) Applicants for licensure as a licensed real estate appraiser or licensure as a certified residential real estate appraiser shall hold a Montana Department of Revenue residential certification.~~

~~(b) Applicants for licensure as a certified general real estate appraiser shall hold a Montana Department of Revenue commercial, industrial, or agricultural certification.~~

~~(4) Experience credit accepted under other provisions of applicable statutes or rules such as ARM 24.207.503 is limited to include a maximum of 1,000 hours from the ad valorem experience set forth above. All other experience credit must be obtained as a licensed trainee with an approved mentor.~~

~~(5) All ad valorem appraisal experience claimed for credit toward licensure or certification must have been completed as a Montana Department of Revenue certified real estate appraiser as described in (3) and must have been performed in accordance with the USPAP.~~

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

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

REASON: In 2018, the board proposed to update education, experience, and examination rules in MAR Notice No. 24-207-42. These changes were necessary to align with 37-54-105 and 37-54-303, MCA, which require the rules be at least as stringent as the standards required by Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 and established by the Appraisal Foundation and its Appraisal Qualifications Board (AQB). Following receipt of public comments in that rulemaking, the board did not proceed with the proposed changes to this rule, but further considered the rule in light of comments and relevant suggestions.

To achieve consistency with the standards of the AQB, the board is amending (2) to eliminate the limitation that experience must be gained within the five years prior to application and (1) to allow 100 percent of appraisal experience gained doing mass appraisals to count toward licensure or certification. The board will continue to be stricter than AQB criteria and limit the type of qualifying mass appraisal experience to ad valorem tax experience. The board is adding (2)(c) to be stricter than the AQB criteria and require an applicant under this rule to submit a "demonstration" appraisal report to demonstrate the applicant's proficiency in applying USPAP standards 1 and 2.

The board is further amending this rule to eliminate redundancy and improve clarity, such as the addition in (2)(b) of the reference to the IAAO and Montana

Department of Revenue administrative rules that set forth certification requirements as a condition of employment as an appraiser.

4. Concerned persons may present their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to the Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513, by facsimile to (406) 841-2305, or e-mail to dlibsrea@mt.gov, and must be received no later than 5:00 p.m., May 24, 2019.

5. An electronic copy of this notice of public hearing is available at www.realestateappraiser.mt.gov (department and board's web site). Although the department strives to keep its web sites accessible at all times, concerned persons should be aware that web sites may be unavailable during some periods, due to system maintenance or technical problems, and that technical difficulties in accessing a web site do not excuse late submission of comments.

6. The board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this board. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies that the person wishes to receive notices regarding all board administrative rulemaking proceedings or other administrative proceedings. The request must indicate whether e-mail or standard mail is preferred. Such written request may be sent or delivered to the Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513; faxed to the office at (406) 841-2305; e-mailed to dlibsrea@mt.gov; or made by completing a request form at any rules hearing held by the agency.

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

8. Regarding the requirements of 2-4-111, MCA, the board has determined that the amendment of ARM 24.207.508 will not significantly and directly impact small businesses.

Documentation of the board's above-stated determination is available upon request to the Board of Real Estate Appraisers, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513; telephone (406) 841-2375; facsimile (406) 841-2305; or to dlibsrea@mt.gov.

9. Sharon Peterson, Executive Officer, has been designated to preside over and conduct this hearing.

BOARD OF REAL ESTATE APPRAISERS
THOMAS STEVENS, CERTIFIED
GENERAL APPRAISER
PRESIDING OFFICER

/s/ DARCEE L. MOE
Darcee L. Moe
Rule Reviewer

/s/ GALEN HOLLENBAUGH
Galen Hollenbaugh, Commissioner
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State April 16, 2019.