

**DRAFT MINUTES OF THE  
ARIZONA BOARD OF APPRAISAL  
RULES COMMITTEE MEETING  
October 24<sup>th</sup>, 2013**

**Call to order and roll call**

The meeting was called to order by Frank Ugenti, at 2:00 p.m.

Those Committee members present at roll call:

Jeff Nolan

Joe Stroud

Frank Ugenti, Chairperson

All members appeared telephonically.

Staff Attendance:

Debra Rudd, Executive Director

**Approval of the Minutes from previous meeting**

Frank Ugenti asked for a motion to approve the September 11<sup>th</sup>, 2013 meeting minutes. Joe Stroud made a motion to adopt the minutes of the meeting as submitted. Jeff Nolan seconded the motion. All voted in favor of the motion.

**Agenda Item regarding proposed draft of changes to the Arizona Administrative Code R4-46-101 through R4-46-704**

The committee reviewed the latest draft of the proposed revisions to the Administrative Code and decided to start this meeting discussing Article 1, which dealt with definitions and fees. The members discussed definitions including Consent Agreement, Dismissal, Termination, Initial Review, Investigation, Appraisal assignment, Auditing or Auditor, Periodic Review, and AMC Review. They decided to ask Jeanne Hann why the definition of Auditing or Auditor was changed on page 45 of the draft, and asked that she provide a definition for Volunteer Education Course Auditor. They also wanted a definition on Periodic review, but tabled this until the OCC releases their rules regarding AMC's, which is expected to be later this year.

They wanted the Powers of Board to not restrict auditing to licensees only, and that this definition should match the definition of the Auditors described earlier in this meeting. They wanted Jeanne Hann to rework the definitions for Dismissal as used in the Letter of Concern section on Page 9 of the draft; they tabled the Periodic Review and AMC Review definitions until the OCC releases their rules; and had a question that they requested the Executive Director to check with the AQB regarding R4-46-107(B).

After discussing Article 1, the committee discussed the possibility of discussing Article 3 without Ms. Hann or the Board Counsel, Ms. Galvin in attendance. They decided to skip over Article 3 until the next meeting when one or both could attend to answer questions that the committee members may have. They then went through Article 5 regarding Course Approvals.

Discussion resulted in directing Debra Rudd to ask a question of Jeanne Hann about why the sentence #2 on page 36 was stricken. If the course provider wants to offer a class prior to its approval, the committee members wanted a sentence in rules that the provider shall advertise that the approval is pending not to mislead any potential students. They also asked that the items shown as C & E under this section be consolidated into one, instead of breaking it into two separate sections. When they reviewed the pages regarding instructor approval, Joe Stroud informed the committee that this was an item for the Education Committee to discuss at their next meeting. At the conclusion of this discussion, the members requested Debra Rudd to inform Jeanne Hann that they would like to see any new language to rules is highlighted to distinguish them from moved or consolidated verbiage. They would like the underlined words to reflect rules that may have been moved or consolidating previous verbiage, but are not necessarily a new idea or rule.

Under R4-46-508 regarding renewals, they discussed leaving course approval periods the same.

At approximately 4:30 p.m. Joe Stroud temporarily left the meeting, but returned less than two minutes later. No action had been taken while he was absent.

The committee then reviewed Article 6 regarding Property Tax Agents and made no changes to the draft.

In summary, Frank Ugenti recapped the meeting by reporting that Article 1 will be revisited at another meeting after answers could be given to the questions asked. He stated Articles 3 & 4 were tabled for this meeting and regarding Article 5 on page 36 Ms. Hann, is requested to look at page 41. B.3 and it will be discussed at the next committee meeting. He concluded Article 6 is finished.

Debra Rudd asked when the committee would like to meet again, and if they intended to meet regarding proposed legislation. Frank Ugenti questioned the legislative committee and rules committee being one and the same, stating it was his understanding that was the case. Joe Stroud stated that was his understanding as well, and pointed out that was the way it was shown on the website under committees. Debra Rudd gave an update to the committee that she had sent out messages to interested parties regarding both the rules and possible legislative issues for this next legislative period. She stated that her deadline to get a sponsor for proposed legislation per the e-mail she received from the Governor's Office was November 15<sup>th</sup>. The committee members then discussed setting the next meeting date for November 14<sup>th</sup> at 1:00 p.m. to 3:00p.m. Debra Rudd informed the committee that there was a Budget Committee meeting set for 2:00 p.m. on that same day, but she would try to work something out.

There being no further business, Jeff Nolan made a motion to adjourn the meeting. Joe Stroud seconded the motion. All voted in favor of the motion. The meeting was adjourned at 5:05 p.m.

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 46. BOARD OF APPRAISAL**

**ARTICLE 1. GENERAL PROVISIONS**

Section

- R4-46-101. Definitions
- R4-46-102. Powers of Board
- R4-46-103. Board Records; Public Access; Copying Fees
- R4-46-106. Fees
- ~~R4-46-203.~~ R4-46-107. Procedures for Processing Applications

**ARTICLE 2. ~~LICENSING~~ LICENSING REGISTRATION, LICENSURE, AND CERTIFICATION AS AN APPRAISER**

Section

- R4-46-201. Appraiser Qualification Criteria
- R4-46-201.01 Application for Designation as a Supervisory Appraiser; Supervision of a Registered Trainee Appraiser
- R4-46-202. ~~Application for License or Certificate~~ Original Registration, Licensure, or Certification
- R4-46-202.01 Application for Licensure or Certification by Reciprocity
- R4-46-203. ~~Procedures for Processing Applications~~ Application for Non-resident Temporary Licensure or Certification
- R4-46-204. ~~Appraiser~~ Licensure and Certification Examinations
- R4-46-205. Issuance of a Registration, License, or Certificate
- R4-46-206. ~~Hearing on Denial of a License or Certificate~~ Renumbered
- R4-46-207. Renewal of a Registration, License, or Certificate, Changing Classification
- R4-46-209. Replacement of a Registration, License, or Certificate; Name Change

**ARTICLE 3. HEARINGS AND DISCIPLINARY PROCEEDINGS**

Section

- R4-46-301. Complaints; Investigations; Informal Proceedings; Summary Suspensions; Refusal to Appear
- R4-46-302. Formal Hearing Procedures
- R4-46-303. Rehearing or Review of the Board's Decisions

- R4-46-304. Conviction and ~~Judgement~~ Judgment Disclosure
- R4-46-305. Terms and Conditions of Reapplication ~~After~~ after Revocation
- R4-46-306. Complaint Information Availability
- R4-46-307. ~~R4-46-206.~~ Hearing on Denial of a Registration, License, or Certificate, Designation, or Course Approval

**ARTICLE 4. STANDARDS OF PRACTICE APPRAISAL MANAGEMENT COMPANIES**

Section

- R4-46-401. ~~Standards of Appraisal Practice~~ Application for Initial Registration
- R4-46-402. Bond Required
- R4-46-403. Change in Controlling Person or Agent for Service of Process
- R4-46-404. Application for Renewal Registration
- R4-46-405. Annual Certifications
- R4-46-406. Appeal for Waiver
- R4-46-407. Training Required

**ARTICLE 5. COURSE APPROVAL**

Section

- R4-46-501. Course Approval Required
- R4-46-502. ~~Expired~~ Course Providers
- R4-46-503. ~~Hearing on Denial of Course Approval~~ Application for Course Approval
- R4-46-504. Course Approval without Application
- R4-46-505. Minimum Standards for Course Approval
- R4-46-506. Compliance Audit of Approved Courses
- R4-46-507. Changes to an Approved Course
- R4-46-508. Renewal of Course Approval

**ARTICLE 6. PROPERTY TAX AGENTS**

Section

- R4-46-601. Standards of Practice
- R4-46-602. ~~Disciplinary Proceedings; Board Action; Notice Requirements~~ Repealed

**ARTICLE 7. ~~GENERAL PROVISIONS~~ FEEES REPEALED**

Section

R4-46-701. ~~Reserved~~ Repealed

R4-46-702. ~~Reserved~~ Repealed

R4-46-703. ~~Reserved~~ Repealed

R4-46-704. ~~Fee~~ Repealed

DRAFT

## ARTICLE 1. GENERAL PROVISIONS

### R4-46-101. Definitions

The definitions in A.R.S. §§ 32-3601, 32-3651, and 32-3661 apply to this Chapter. ~~In these rules~~  
Additionally, unless the context otherwise requires, in this Chapter:

~~“Arizona or State Certified General Appraiser” means a person classified by the Board as a State Certified General Real Estate Appraiser in accordance with A.R.S. § 32-3612(A)(1).~~

~~“Arizona or State Certified Residential Appraiser” means a person classified by the Board as a State Certified Residential Real Estate Appraiser in accordance with A.R.S. § 32-3612(A)(2).~~

~~“Arizona or State Licensed Appraiser” means a person classified by the Board as a State Licensed Real Estate Appraiser in accordance with A.R.S. § 32-3612(A)(3).~~

~~“Appraisal Foundation” means the educational organization, defined in A.R.S. § 32-3601(3), which is the parent organization of the Appraiser Qualifications Board and the Appraisal Standards Board.~~

“AMC” means appraisal management company as defined at A.R.S. § 32-3661.

“Appraiser” means a person an individual, other than a property tax agent as defined at A.R.S. § 32-3651, registered, licensed, or certified by the Board to complete real estate appraisals or appraisal consulting assignments in accordance with A.R.S. § 32-3612(A)(1), (2), and (3) regarding real estate.

“AOB” means the Appraisal Qualifications Board as defined at A.R.S. § 32-3601.

~~“Board” means the Arizona Board of Appraisal established by A.R.S. § 32-3604.~~

~~“Board counsel” means the assistant attorney general who provides legal advice to the Board.~~

~~“Board staff” means the executive director and the executive director’s designees.~~

~~“Complaint” means a written communication to or by the Board that meets the minimum criteria established in R4-46-301(A)(1) and alleges violations a violation of A.R.S. Title 32, Chapter 36 or this Chapter.~~

~~“Consent agreement” means a written agreement between the Board and a respondent that concerns disciplinary or remedial action.~~

~~“Consulting assignment” means a real estate appraisal advisory engagement, the purpose of which is to develop, without advocacy, an analysis, recommendation, or opinion where at least one opinion of value is a component of the analysis leading to the assignment results.~~

“Conviction” means a judgment by any state or federal court of competent jurisdiction in a criminal case, regardless of whether an appeal is pending or could be taken, and includes any judgment or order based ~~upon~~ on a plea of no contest.

“Course provider” means any organization or individual that offers qualifying or continuing education courses approved by the Board.

“Direct supervision” means that a ~~supervising~~ designated supervisory appraiser of a registered trainee appraiser is directing and overseeing the production of each appraisal assignment and is personally and physically present during the entire inspection of each appraised property.

“Disciplinary action” means any regulatory sanction imposed by the Board, including a letter of due diligence, a ~~consent~~ settlement agreement, probation, suspension, revocation, or an acceptance of surrender of a license or certificate.

“Dismissal” means termination of a complaint ~~without further hearing~~ when the Board finds there is no unprofessional conduct.

“Distance education” means any educational process ~~based on the geographical separation of learner and instructor (for example, CD ROM, on line learning, correspondence courses, video conferencing).~~ in which the learner and instructor are geographically separated. ~~For qualifying education, distance education must provide interaction between learner and instructor and include testing.~~

“Due diligence” means the diligence reasonably expected from, and ordinarily exercised by, a person regulated by the Board, in accordance with A.R.S. Title 32, Chapter 36 and this Chapter.

“Formal complaint” means a notice of allegations issued by the Board under R4-46-302.

“Formal hearing” means an adjudication of a disputed matter, conducted by the Office of Administrative Hearings (OAH) or the Board, under R4-46-302.

“Informal hearing” means a voluntary hearing before the Board in which a respondent is asked to respond to a complaint under R4-46-301(D).

“Informational interview” means a voluntary appearance by a respondent at a public meeting before the Board to discuss a complaint that has been filed against the respondent.

“Initial review” means the Board’s first review of a complaint, the response to the complaint, if any, the relevant appraisal report or work product, ~~and work file,~~ and investigative summary, if any.

“Investigation” means a fact-finding process initiated ~~by~~ when the Board receives a complaint concerning the appraisal practice and professional conduct of a named respondent.

“Investigator” means an ~~appraiser or property tax agent operating~~ individual who is a Board employee or operates under a contract with the Board to carry out independent investigations of alleged violations.

“Jurisdictional criteria” means the statutory standards used by the Board to determine whether a complaint falls within the Board’s jurisdiction.

“Letter of concern” means a ~~nondisciplinary~~ non-disciplinary advisory letter to notify a respondent that the ~~action that is the basis of a~~ complaint finding of the Board does not warrant disciplinary action, but is nonetheless cause for concern on the part of the Board and that its continuation may result in disciplinary action.

“Letter of due diligence” means a disciplinary letter of agreement between the Board and a respondent that may or may not include remedial action when minor violations of A.R.S. Title 32, Chapter 36 or ~~Articles 1, 2, or 3~~ of this Chapter ~~have been~~ are found.

“Letter of remedial action” means a ~~nondisciplinary~~ non-disciplinary letter issued by the Board that requires a respondent to take remedial action when any minor violation of A.R.S. Title 32, Chapter 36 or ~~Articles 1, 2, or 3~~ of this Chapter ~~has been~~ is found.

“Mentor” means a certified appraiser authorized by the Board to supervise the work product of an appraiser who is subject to disciplinary action by the Board.

“Order” means an administrative order that contains findings of fact, conclusions of law, and disciplinary action, issued by the Board after a formal hearing or by consent.

“Party” means each person or agency named or admitted as a party or properly seeking and entitled to participate in any proceeding before the Board. A person that files a complaint with the Board is not a party.

~~“Practicing appraiser” means a state licensed or certified appraiser who is actively engaged in performing appraisal assignments.~~

“Periodic,” as used in A.R.S. § 32-3662(B)(6), means XXX. [HOW OFTEN SHOULD A REGISTERED AMC REVIEW THE WORK OF AN INDEPENDENT APPRAISER?]

“Probation” means a term of oversight by the Board, imposed upon a respondent as part of a disciplinary action, which may include submission of logs, working under the supervision of a mentor, or other conditions intended to protect the public and educate the respondent.

~~“Property tax agent” has the meaning in A.R.S. § 32-3651.~~

“Remedial action” means any corrective remedy ordered by the Board that is designed to assist the respondent in improving the respondent’s professional practice.

“Respondent” means an appraiser, course provider, or property tax agent, or appraisal management company against whom a complaint has been filed; or any other party responding to a motion or a proceeding before the Board.

~~“Rules” means the requirements established under A.R.S. Title 32, Chapter 36, and found in the Arizona Administrative Code, Title 4, Chapter 46.~~

“Summary suspension” means an immediate suspension of a license, certificate, ~~or registration or designation~~ by the Board based on a finding that the public health, safety, or welfare imperatively requires emergency action.

~~“Supervising appraiser” means a state certified appraiser in good standing with a minimum of four years of experience within the last four years as a practicing appraiser who engages in direct supervision of a trainee pursuing a state license or certificate and provides training for work included within the supervising appraiser’s classification.~~

~~“Trainee” means an individual who is being taught to become a state licensed or certified appraiser under the direct supervision of a supervising appraiser.~~

“USPAP” means the Uniform Standards of Professional Appraisal Practice, issued and updated by The Appraisal Foundation and ~~incorporated by reference in the rules of the Board~~ made state law under A.R.S. § 32-3610.

~~“Workfile~~ Work file” means the documentation necessary to support the analysis, opinions, and conclusions of an appraisal, a consulting assignment, or a tax appeal.

**R4-46-102. Powers of Board**

- A.** The Board may appoint advisory committees as the Board deems appropriate. The committees shall make advisory recommendations to the Board. The Board, in its discretion, may accept, reject, or modify the advisory recommendations.
- B.** Under the authority provided by A.R.S. § 32-3605(B), the Board may designate, train, and supervise volunteer licensees to conduct compliance audits of approved courses under R4-46-506.

**R4-46-103. Board Records; Public Access; Copying Fees**

- A.** The Board shall keep all records documents and information reasonably necessary or appropriate to maintain an accurate knowledge record of its official activities including, but not limited to: applications
1. Applications for an initial original registration, license, or certificate, designation, or course approval; renewal
  2. Renewal applications; examination
  3. Examination results; documents
  4. Documents, transcripts, and pleadings relating to disciplinary proceedings and to hearings on the denial of a registration, license, or certificate, designation, or course approval; investigative
  5. Investigative reports; staff
  6. Staff memoranda; and general
  7. General correspondence between any person and the Board, and any person, including a member of the Board's staff, and between members of the Board, or staff members.
- B.** A person shall not remove Board records from the office of the Board unless the records are in the custody and control of a Board member, a member of the Board's staff, or the Board's attorney. The Executive Director may designate a staff member to observe and monitor any examination of Board records.
- C.** The Board shall provide copies of all non-confidential records available for public inspection and copying according to the procedures described in A.R.S. Title 39, Chapter 1, Article 2.

**R4-46-106. Fees**

- A.** The Under the specific authority provided by A.R.S. §§ 32-3607, 3619, and 3667, the Board establishes and shall charge and collect the following fees for the following:
1. Initial Application Application for original license or certificate: \$400
  2. Application for registration as a trainee appraiser: \$300

~~2.3. Examination: \$100~~ The amount established by the AQB-approved examination provider

~~3.4. Biennial Renewal~~ renewal of a License license or Certificate certificate: \$425

~~5. Renewal of registration as a trainee appraiser: \$300~~

~~4.6. Delinquent Renewal~~ renewal (in addition to the Renewal renewal fee): \$25

~~5.7. Biennial National Registry~~ national registry: \$80 The amount established by the appraisal subcommittee

~~8. Application for license or certificate by reciprocity: \$400~~

~~6.9. Application for non-resident Temporary License~~ temporary license or Certificate certificate: \$150

~~7.10. Course Approval~~ approval:

a. ~~Qualifying Education~~ Core-curriculum qualifying education

i. ~~Initial Course Approval~~ course approval: \$400

ii. ~~Renewal of Course Approval~~ course approval: \$100

iii. ~~Renewal of Course Approval to Change Instructor~~ course approval to change instructor: \$50

b. ~~Continuing Education~~ education

i. ~~Initial Course Approval~~ course approval: \$200

ii. ~~Renewal of Course Approval~~ course approval: \$100

iii. ~~Renewal of Course Approval to Change Instructor~~ course approval to change instructor: \$50

~~11. Application for initial registration as an appraisal management company: \$2,500~~

~~12. Biennial renewal of registration as an appraisal management company: \$2,500~~

~~B.~~ The fees established in subsection (A) and those specified in A.R.S. § 32-3652 are not refundable unless the provisions of A.R.S. § 41-1077 apply.

~~B.C.~~ A person shall pay fees by cash, or credit or debit card, or by certified check, or cashier's check, or money order payable to the Arizona Board of Appraisal. If a person pays a fee by credit or debit card, the Board shall, as authorized by A.R.S. § 32-3606(C), impose a convenience fee in the amount established under state contract in addition to the amount specified in subsection (A) or A.R.S. § 32-3652.

~~C.~~ A person making a public record request shall pay the Board the reasonable cost of reproduction consistent with A.R.S. Title 39, Chapter 1, Article 2. The person shall pay for the Board's cost of reproduction by cash, certified check, cashier's check, or money order.

**R4-46-203. R4-46-107. Procedures for Processing Applications**

- A. To comply with A.R.S. Title 41, Chapter 6, Article 7.1, the Board establishes the following time-frames for processing ~~license and certificate~~ applications for registration, licensure, certification, and designation, including renewal applications:
1. The Board shall notify the applicant within 45 days ~~of~~ after receipt of the application that it is either administratively complete or incomplete. If the application is incomplete, the ~~notice~~ Board shall specify in the notice what information is missing.
  2. The Board shall not substantively review an application until the applicant has fully complied with the requirements ~~of R4-46-202(A) in statute or this Chapter~~. The Board shall render a final decision not later than 45 days after the applicant successfully completes all requirements ~~of R4-46-202(A) in statute or this Chapter~~.
  3. ~~Although the applicant may have up to one year to comply with requirements of R4-46-202, the~~ The overall time-frame for Board action is 90 days, 45 days for administrative completeness review and 45 days for substantive review.
- B.** The Board shall act on an application for course approval at the next scheduled Board meeting if the course provider submits a complete application, as described under R4-46-503, no later than 15 days before the **scheduled** Board meeting.
- B.C.** If the Board denies a ~~license~~ registration, licensure, certification, designation, or course approval to an applicant, the Board shall send the applicant written notice explaining:
1. The reason for denial, with citations to supporting statutes or rules;
  2. The applicant's right to seek a hearing, as described in R4-46-307, to ~~challenge~~ **appeal** the denial; and
  3. The time ~~periods~~ for appealing the denial.

**ARTICLE 2. LICENSING REGISTRATION, LICENSURE, AND CERTIFICATION AS AN APPRAISER**

**R4-46-201. Appraiser Qualification Criteria**

- A.** Classifications. As specified in A.R.S. § 32-3612, Arizona recognizes five classifications of appraisers. These classifications are:
1. Registered trainee appraiser,
  2. State licensed real estate appraiser,
  3. State certified residential real estate appraiser,
  4. State certified general real estate appraiser, and

5. Designated supervisory appraiser.

~~A.B.~~ Qualification criteria. ~~Except as provided in subsections (B), (C), and (D), an An applicant for the applicable classification of license or certificate registration, licensure, certification, or designation shall meet that classification's the classification-specific qualification criteria established by the Appraiser Qualifications Board (AQB) AQB in; either *The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria* (Real Property Appraiser Qualification Criteria adopted February 16, 1994, effective January 1, 1998; Includes all Interpretations and Supplementary Information as of January 1, 2002; Appendix I Criteria Revisions effective January 1, 2003) referred to as the "1998 Criteria," or~~

1. *The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria* (Real Property Appraiser Qualification Criteria Effective January 1, 2008; Appendix, Real Property Appraiser Qualification Criteria Prior to January 1, 2008; Includes All Interpretations and Supplementary Information as of February 1, 2007) referred to as the "2008 Criteria;" as follows:  
or

2. *The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria* (Real Property Appraiser Qualification Criteria Effective January 1, 2015; Appendix, Real Property Appraiser Qualification Criteria Prior to January 1, 2015; Includes All Interpretations and Supplementary Information) referred to as the "2015 Criteria."

3. The Board incorporates by reference the materials listed in subsections (B)(1) and (2). The incorporated materials include no future editions or amendments. A copy of the incorporated materials is on file with the Board and may be obtained from the Board or the Appraisal Foundation, 1155 15th Street, NW, Suite 1111, Washington, DC 20005; (202) 347-7722; fax (202) 347-7727; or [www.appraisalfoundation.org](http://www.appraisalfoundation.org).

C. Components of qualification criteria. For each level of classification identified under subsection (A), the qualification criteria referenced in subsection (B)

~~1. The requirements are divided into three components: education, experience, and examination. An applicant shall meet the criteria in effect at the time the applicant completes a particular component.~~

1. The education component is further divided:

a. For applicants for registration, licensure, or certification, the education component requires a specified number of hours of the appraiser core curriculum;

b. For applicants for licensure or certification, the education component requires hours of college-level education from an accredited degree-granting institution, and



examination requirements for the new classification that differ from the requirements for the current classification.

**B.D.** Regardless of whether a transaction is federally related:

1. A ~~State Licensed Residential Appraiser~~ state licensed residential appraiser is limited to the scope of practice in A.R.S. § 32-3612(A)(3), and
2. A ~~State Certified Residential Appraiser~~ state certified residential appraiser is limited to the scope of practice in A.R.S. § 32-3612(A)(2).

**C.E.** Notwithstanding the criteria incorporated by reference in subsection ~~(A)~~ (B),

1. An applicant shall not obtain more than ~~75%~~ percent of required core-curriculum qualifying education through distance education. The Board shall allow credit toward qualifying education requirements only if distance education provides live interaction between learner and instructor and includes testing;
2. An applicant shall not obtain the 15-hour National USPAP Course, or its ABO-approved equivalent, ~~approved through the AQB Course Approval Program,~~ through distance education;
3. Qualifying education credit may be obtained at any time before the date of application, except the 15-hour National USPAP Course or its AQB-approved equivalent shall be obtained within two years ~~preceeding~~ before the date of application; and
4. Seventy-five percent of the applicant's ~~quantitative~~ experience requirements component shall include work product where the applicant inspected the subject property.

**R4-46-201. 01**     **Application for Designation as a Supervisory Appraiser; Supervision of a Registered Trainee Appraiser**

**D.** ~~Notwithstanding the criteria incorporated by reference in subsection (A), there is no Trainee Real Property Appraiser Classification.~~

**A.1.** ~~A supervising~~ On and after January 1, 2015, an individual who wishes to act as a supervisory appraiser for a registered trainee appraiser shall; instruct and directly supervise a trainee for any classification of license or certificate in the entire preparation of each appraisal. A supervising appraiser shall provide direct supervision, being personally and physically present during the entire inspection of each appraised property with the trainee. The supervising appraiser shall approve and sign all final appraisal documents, certifying the appraisals are in compliance with the Uniform Standards of Professional Appraisal Practice

1. Apply for and obtain designation from the Board as a supervisory appraiser before providing supervision to a registered trainee appraiser;
2. Be qualified under A.R.S. § 32-3601(22); and

3. Apply for designation under A.R.S. § 32-3614.02.

**B.** To apply for designation as a supervisory appraiser on and after January 1, 2015, a certified appraiser shall submit to the Board:

1. An application for designation, which is available from the Board office and on its web site;
2. A statement whether the applicant for designation has been disciplined in any jurisdiction in the last three years **in a manner that affects the applicant's eligibility to engage in appraisal practice** and if so, the name of the jurisdiction, date of the discipline, circumstances leading to the discipline, and date when the discipline was completed;
3. Evidence that the applicant for designation completed a training course that complies with the course content established by the AQB and is specifically oriented to the requirements and responsibilities of supervisory and trainee appraisers;
4. A signed affirmation that the applicant for designation will comply with the USPAP competency rule for the property type and geographic location in which the supervision will be provided;
5. Fingerprints that meet the criteria of the Federal Bureau of Investigation and are taken by a law enforcement agency or other qualified entity. The applicant for designation shall obtain a fingerprint card from the Board and provide the card to the agency or entity that takes the fingerprints; and
6. The amount charged by the Department of Public Safety for processing fingerprints.

**C.** Supervision requirements.

- ~~2-1.~~ A registered trainee appraiser may have more than one supervising designated supervisory appraiser, but a supervising
2. A designated supervisory appraiser shall not supervise more than three trainees registered trainee appraisers at any one time.
3. A registered trainee appraiser shall maintain ~~an~~ a separate appraisal log for each supervising designated supervisory appraiser and, at a minimum, include the following in ~~the~~ each log for each appraisal:
  - a. Type of property,
  - b. Date of report,
  - c. ~~Property description~~ Address of appraised property,
  - d. Description of work performed by the registered trainee appraiser, and scope
  - e. Scope of review and supervision provided by the supervising designated supervisory appraiser,
  - e.f. Number of actual work hours by the registered trainee appraiser on the assignment, and

~~f.h. The signature~~ Signature and state certificate number of the ~~supervising designated supervisory~~ supervising designated supervisory appraiser.

~~3.4. A supervising designated supervisory appraiser shall provide to the Board in writing the name and address of each registered trainee appraiser within 10 days of engagement, and notify the Board in writing immediately upon termination of when the engagement ends. A state certified appraiser is not eligible to be a supervising appraiser unless the appraiser's certificate is in good standing and the appraiser has not been subject to license or certificate suspension, probation, or mentorship within the last two years.~~

~~4. An appraiser who wishes to act as a supervising appraiser shall submit proof of completion of a minimum of four hours of continuing education approved by the Board, regarding the role of a supervising appraiser, before supervision begins. The required course shall not be taken through distance education.~~

~~5. Each supervising appraiser shall submit to the Board proof of completion of a minimum of four hours of continuing education approved by the Board regarding the role of a supervising appraiser within 60 days of the effective date of this subsection. The required course shall not be taken through distance education. If the supervising appraiser does not take the course within 60 days of the effective date of this subsection, the supervising appraiser shall not act as a supervising appraiser until the class is taken and proof has been submitted to the Board.~~

~~6.5. In the event that an~~ If a registered trainee appraiser or a supervising designated supervisory appraiser does not ~~fails to~~ comply with the applicable requirements of subsection (D) this Section:

- a. ~~The registered trainee appraiser or the supervising designated supervisory appraiser may be subject to disciplinary action pursuant to~~ under A.R.S. § 32-3631(A)(8), and
- b. ~~A The registered trainee appraiser shall not receive experience credit for hours logged during the period that the registered trainee appraiser or supervising designated supervisory appraiser failed to comply with the applicable requirements of subsection (D) this Section.~~

D. Through December 31, 2014, to act as a supervising appraiser of a trainee appraiser, a certified appraiser whose certificate is in good standing and who has not been disciplined in a manner that affects the certified appraiser's eligibility to engage in appraisal practice in the last three years may apply for designation under subsection (B) or shall:

1. Submit to the Board proof that the certified appraiser completed at least four hours of Board-approved continuing education regarding the role of a supervising appraiser;
2. Comply with subsection (C);
3. Instruct and directly supervise the trainee appraiser; and
4. Review and sign all final appraisal documents certifying the appraisals comply with USPAP.

**R4-46-202. Application for ~~License or Certificate~~ Original Registration, Licensure, or Certification**

A. An applicant for a ~~state certificate or license~~ an original registration, licensure, or certification shall submit:

1. ~~a~~ A completed application form, which is available from the Board office and on its web site. There is an application form specific to each classification listed in R4-46-201(A). An applicant shall ensure that the applicant completes the correct application form;
2. Evidence of being qualified under A.R.S. Title 32, Chapter 36, Article 2, and this Chapter;
3. Documentation of citizenship or alien status, specified under A.R.S. § 41-1080(A), indicating the individual's presence in the U.S. is authorized under federal law, and
4. Fingerprints that meet the criteria of the Federal Bureau of Investigation and are taken by a law enforcement agency or other qualified entity. The applicant shall obtain a fingerprint card from the Board and provide the card to the agency or entity that takes the fingerprints.

~~accompanied by the required application fee. Once the application has been filed, fees are nonrefundable, unless A.R.S. § 41-1077 is applicable.~~

B. To be eligible for a ~~license or certificate~~ an original registration, licensure, or certification, an applicant shall:

1. Meet the education and experience qualification criteria contained in A.R.S. Title 32, Chapter 36, Article 2 and ~~these rules~~ this Chapter;
2. Achieve a passing score on the applicable examination required by R4-46-204(B), unless exempted under A.R.S. § 32-3626 or the application is for registration as a trainee appraiser;
3. Pay ~~all required~~ the application, and examination, and biennial national registry fees specified in R4-46-106;
4. Pass a criminal background check; and
- 4.5. ~~Pay the biennial national registry fee~~ Pay the charge established by the Department of Public Safety for processing fingerprints.

C. ~~In addition to the requirements listed in subsection (B), an applicant for licensure shall demonstrate 2,000 hours of experience earned in not less than 18 months. Additionally, on and after January 1, 2015, an applicant for original registration as a trainee appraiser shall submit:~~

1. Evidence that the applicant completed a training course that complies with the course content established by the AQB and is specifically oriented to the requirements and responsibilities of supervisory and trainee appraisers; and

2. A signed affirmation that the applicant knows and will comply with the USPAP competency rule for the property type that will be appraised.
- D. An applicant shall meet all requirements for a ~~license or certificate~~ registration, licensure, or certification within one year ~~of~~ after filing the application or the Board shall close the applicant's file ~~will be closed~~ , and ~~If the~~ an applicant whose file is closed wishes to be considered further for registration, licensure, or certification, the applicant shall reapply, meeting the requirements of R4-46-202(B) under this Section. The Board shall notify an applicant whose application ~~has been~~ is closed by certified mail or personal service at the applicant's ~~last known~~ address of record. Notice is complete ~~upon deposit~~ when deposited in the U.S. mail or by service as permitted under the Arizona Rules of Civil Procedure.

**R4-46-202.01 Application for Licensure or Certification by Reciprocity**

- A.** The Board shall license or certify an individual by reciprocity in the same classification, as specified in R4-46-201(A), in which the individual is currently licensed or certified if the individual:
1. Is licensed or certified in a state that meets the standards established at A.R.S. § 32-3618;
  2. Submits the application form required by the Board. The application form may be obtained from the Board office or on its web site;
  3. Submits documentation of citizenship or alien status, specified under A.R.S. § 41-1080(A), indicating the individual's presence in the U.S. is authorized under federal law;
  4. Has the state in which the individual is currently licensed or certified send a verification of credential directly to the Board that provides the following information:
    - a. License or certification number;
    - b. Classification, as specified in R4-46-201(A), in which the individual is currently licensed or certified;
    - c. Statement of whether the state required the individual to meet the qualification criteria specified in R4-46-201(B) at the time the individual was licensed or certified;
    - d. Statement of whether the state required the individual to submit to a criminal background check at the time the individual was licensed or certified;
    - e. Statement of whether the license or certificate is in good standing; and
    - f. Statement of whether disciplinary proceedings are pending against the individual; and
  5. Submits the application and biennial national registry fees specified in R4-46-106.
- B.** An applicant for licensure or certification by reciprocity who was not required to submit to a criminal background check at the time the individual was licensed or certified, shall comply with R4-46-202(A)(4).

**R4-46-203. ~~Procedures for Processing Applications~~ Application for Non-resident Temporary Licensure or Certification**

~~A. To comply with A.R.S. Title 41, Chapter 6, Article 7.1, the Board establishes the following time frames for processing license and certificate applications, including renewal applications:~~

- ~~1. The Board shall notify the applicant within 45 days of receipt of the application that it is either administratively complete or incomplete. If the application is incomplete, the notice shall specify what information is missing.~~
- ~~2. The Board shall not substantively review an application until the applicant has fully complied with the requirements of R4 46 202(A). The Board shall render a final decision not later than 45 days after the applicant successfully completes all requirements of R4 46 202(A).~~
- ~~3. Although the applicant may have up to one year to comply with requirements of R4 46 202, the overall time frame for Board action is 90 days, 45 days for administrative completeness review and 45 days for substantive review.~~

~~B. If the Board denies a license, the Board shall send the applicant written notice explaining:~~

- ~~1. The reason for denial, with citations to supporting statutes or rules;~~
- ~~2. The applicant's right to seek a hearing to challenge the denial; and~~
- ~~3. The time periods for appealing the denial.~~

A. To be eligible to obtain a non-resident temporary license or certificate, an individual shall:

1. Be licensed or certified as an appraiser in a state other than Arizona;
2. Not be licensed or certified as an appraiser in Arizona; and
3. Have a dated and signed letter from a client that names the individual and indicates the client has engaged the individual to conduct an appraisal in Arizona, identifies the property or properties to be appraised, and specifies a date certain for completion of the assignment that is no more than one year from the date on which the Board issues a non-resident temporary license or certificate.

B. To apply for a non-resident temporary license or certificate, an individual who meets the pre-requisites in subsection (A) shall submit:

1. An application form, which is available from the Board office and on its web site;
2. An irrevocable consent to service of process;
3. Documentation of citizenship or alien status, specified under A.R.S. § 41-1080(A), indicating the applicant's presence in the U.S. is authorized under federal law;
4. Fingerprints that meet the criteria of the Federal Bureau of Investigation and are taken by a law enforcement agency or other qualified entity. The applicant shall obtain a fingerprint card from the Board and provide the card to the agency or entity that takes the fingerprints.

5. The fee required under R4-46-106; and
  6. The charge established by the Department of Public Safety for processing fingerprints.
- C.** The Board shall grant an extension of no more than 120 days to an individual to whom a non-resident temporary license or certificate has been issued if the individual provides written notice to the Board before the date specified in subsection (A)(3) that more time is needed to complete the assignment described in subsection (A)(3).
- D.** An appraiser to whom the Board has previously issued a non-resident temporary license or certificate may, if qualified under subsection (A), apply for another non-resident temporary license or certificate by complying with subsection (B) except, the Board shall not require the applicant to comply again with subsections (B)(4) and (B)(6).
- E.** The Board shall issue no more than 10 non-resident temporary licenses or certificates to an individual in any 12-month period.

**R4-46-204. Appraiser Licensure and Certification Examinations**

- A.** An applicant for licensure or certification may schedule an examination ~~once~~ after the Board provides written notice to the applicant ~~has completed that the Board has determined the applicant's~~ the experience and education ~~components~~ meet the standards specified in R4-46-201.
- B.** An applicant shall successfully complete the ~~Appraiser Qualifications Board endorsed uniform state appraiser~~ AQB-approved examination ~~or its equivalent~~ for the ~~applicable~~ classification ~~approved by the Board~~ for which application is made.
- C.** An applicant for a ~~license or certificate~~ licensure or certification who fails to pass ~~an~~ the required examination or fails to appear for a scheduled examination may schedule another examination by ~~filing a new examination application~~ providing written notice to the Board and paying the examination fee specified in R4-46-106.

**R4-46-205. Issuance of a Registration, License, or Certificate**

~~An~~ If the Board determines that an applicant for registration, licensure, or certification ~~who has met the~~ appraiser meets the qualification criteria prescribed in R4-46-202, the Board shall ~~be issued~~ issue a registration, license, or certificate ~~which~~ that entitles the applicant to practice within the appropriate scope specified in A.R.S. § 32-3612 for as an appraiser for the term of the license or certificate specified in A.R.S. § 32-3616.

**R4-46-206. ~~Hearing on Denial of a License or Certificate~~ Renumbered**

**R4-46-207. Renewal of a Registration, License, or Certificate; Changing Classification**

A. An appraiser seeking to renew a registration, license, or certificate in the appraiser's current classification, as specified under R4-46-201(A), shall submit a completed application accompanied by the required renewal application fees pursuant to A.R.S. § 32-3619 and R4-46-106. Once the application has been filed, fees are nonrefundable, unless A.R.S. § 41-1077 is applicable. To be eligible for renewal of a registration, license, or certificate, an applicant shall:

1. Meet the requirements of A.R.S. Title 32, Chapter 36, and ~~these rules~~ this Chapter;
2. Meet the continuing education requirements in *The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria*, which is incorporated by reference in R4-46-201(A) (B), except:
  - a. The Board shall not grant ~~credit hours~~ toward the classroom hour continuing education requirement unless the length of the educational offering is at least three hours;
  - b. A renewal applicant shall not obtain the ~~seven-hour~~ 7-Hour National USPAP Update Course, or its AQB-approved equivalent, approved through the AQB course approval program, through distance education; and
  - c. A renewal applicant shall not obtain more than ~~75%~~ percent of required continuing education through distance education; ~~and~~ The Board shall allow credit toward continuing education requirements only if distance education provides live interaction between learner and instructor and includes testing or another mechanism to demonstrate knowledge of the subject matter.
  - d. Except for the 7-Hour National USPAP Update Course or its AQB-approved equivalent, the Board shall not accept a repeated educational offering for use as continuing education within a renewal period; and
  - e. During each renewal period, the Board shall allow an appraiser to receive a total of 50 percent of the required continuing education hours from the following:
    - i. Teaching a Board-approved course. The Board shall allow the teacher of an approved course the same number of continuing education hours as a participant in the approved course. The Board shall allow continuing education hours during a renewal period for only one teaching of the same Board-approved course;
    - ii. Serving as a volunteer auditor under R4-46-506. The Board shall allow the auditor of an approved course the same number of continuing education hours as a participant in the

approved course. The Board shall allow continuing education hours during a renewal period for only one audit of the same Board-approved course; and

- iii. Attending a regularly scheduled Board meeting. The Board shall allow an appraiser to receive a continuing education hour for each hour of one regularly scheduled Board meeting attended to a maximum of three hours during a renewal period. To receive these continuing education hours, the appraiser shall attend at least two hours of the regularly scheduled Board meeting and ensure that the appraiser's name is not part of an item on the meeting agenda.

**[SUBSECTION RE FIELD TRIPS DELETED]**

- f. A registered trainee appraiser shall fulfill three hours of the continuing education requirement by attending at least three hours of one Board meeting.
3. If the documentation submitted under R4-46-202(A)(3) was a limited form of work authorization issued by the federal government, submit evidence that the work authorization has not expired; and
  - 3.4. Pay both the renewal and biennial national registry fees.
- ~~B. The same course cannot be repeated for use as continuing education within a renewal period, with the exception of USPAP.~~
- ~~C. Appraisers may receive up to 50% of continuing education credit for course instruction of Board approved course(s) per renewal period.~~
- ~~D.B. If the last day for filing a renewal application falls on a Saturday, Sunday, or legal holiday, an the appraiser may file the renewal form on the next business day.~~
- ~~E.C. An If an appraiser who fails to seek renewal within the time periods specified in A.R.S. § 32-3619 but wants to continue to engage in real estate appraisal activity, the former appraiser shall reapply and meet the requirements of R4-46-202.~~
- D. An appraiser who wishes to be licensed or certified in a classification different from the appraiser's current classification shall:
  1. Submit the appropriate application form required under R4-46-202(A);
  2. Make the showing required under R4-46-201(C)(2)(b);
  3. Pay the fees required under R4-46-202(B)(3); and
  4. If not done previously, comply with R4-46-202(A)(4) and (B)(4) and (5).

**R4-46-209. Replacement of a Registration, License, or Certificate; Name Change**

- A. If an original registration, license, or certificate has been is lost, damaged, or destroyed, or if the name of a licensee or certificate holder has been legally changed, the appraiser may obtain a replacement

registration, license, or certificate by filing the applicable form and paying the applicable fee to providing written notice to the Board.

- B. If the name of an appraiser is legally changed, the appraiser shall submit written notice of the change to the Board and attach to the notice documentation showing the circumstances under which the name change occurred. The Board shall issue the appraiser a new registration, license, or certificate with the correct name.

### ARTICLE 3. HEARINGS AND DISCIPLINARY PROCEEDINGS

#### **R4-46-301. Complaints; Investigations; Informal Proceedings; Summary Suspensions; Refusal to Appear**

##### A. Complaints,

1. The Board shall investigate a written complaint, including an anonymous complaint or a complaint made on the Board's own motion, alleging violations of A.R.S. Title 32, Chapter 36, or this Chapter, if the complaint provides information that meets the minimum criteria. Minimum criteria for a complaint include but are not limited to:
  - a. The name of the respondent against whom allegations are being made;
  - b. The action that is the basis of the complaint;
  - c. The approximate time-frame in which the action occurred;
  - d. ~~Each violation alleged to have been committed by the respondent; and~~
  - e. A copy of the report, if ~~If the complaint includes allegations concerning an appraisal, appraisal consulting assignment, or property tax appeal, a copy of the report if available.~~
2. ~~Upon receipt of~~ When a complaint is received:
  - a. ~~Board staff shall review the complaint and determine, in consultation with Board counsel if necessary, whether the complaint meets jurisdictional criteria and if so, which edition of USPAP is applicable.~~
  - b. a. Within 14 days after receipt of a ~~the~~ complaint, the Board shall ~~notify~~ provide the respondent with written notice, as prescribed in A.R.S. § 41-1092.04, of the complaint and ~~the requirement~~ request that the respondent file a written response within 30 days from the date on the notice. The Board shall provide a copy of the complaint with the notice and request that the respondent address the issues in the complaint. ~~In the notice~~ To facilitate the Board's review of the complaint, the Board shall include in the notice ~~require~~ that the respondent additionally is required to provide all of the following to the Board: the appraisal report,

appraisal review, appraisal consulting assignment, or property tax appeal at issue; and the ~~workfile~~ work file.

e.b. If the respondent requests more time to respond, the Board staff shall grant a single extension of time that does not exceed 30 days.

**B. Initial Review and Investigation** ~~investigation and review.~~

1. ~~Within 75 days after receipt of a response or expiration of the time for response, the Board shall conduct an initial review of the matter to determine whether further investigation is necessary of the matters alleged in the complaint. If the Board determines further investigation is necessary, the~~ The Board may employ an investigator or investigators and shall ~~notify~~ provide the respondent with written notice of the pending investigation.
2. ~~When the investigation is complete, the Board shall schedule the complaint for an initial review. If~~ When a respondent's name is placed on a public meeting agenda for an initial review of the complaint against the respondent, the Board shall mail a letter to the respondent not less than seven days before the scheduled meeting, ~~providing~~ and provide the respondent with a copy of the posted notice of the public meeting.
3. If the respondent is present at the initial review, the Board may request that the respondent ~~participate in an informational interview~~ answer questions from Board members. A respondent may refuse to ~~participate in an informational interview~~ answer questions. The Board may use any information presented at the ~~informational interview~~ initial review in other proceedings related to the complaint. [THIS EDIT DELETES USE OF THE PHRASE "INFORMATIONAL INTERVIEW." THIS MEANS THE DEFINITION OF THE PHRASE SHOULD BE DELETED. IS THIS WHAT THE BOARD WANTS?]
4. At the initial review, the Board shall consider the complaint; any response; investigative summary, the appraisal report, appraisal review, consulting assignment, or property tax appeal; and ~~the workfile~~ work file. The Board may dismiss the ~~matter~~ complaint, request or subpoena additional information, order a ~~limited or full~~ additional investigation, or invite the respondent to an informal hearing, based on the information reviewed.
5. The Board shall ensure that every investigation is conducted by an individual who is qualified to assess the allegations in the complaint. ~~Board staff shall assign each investigator according to the investigator's experience, expertise, contract terms, and availability. The Board shall instruct staff shall to:~~
  - a. ~~select~~ Select an investigator who does not have a business or familial relationship with the respondent;

- b. Select an investigator whose previous work product for the Board, if any, was of sufficient quality to facilitate the Board's resolution of the matter investigated; and
  - c. Assign an investigator based on the investigator's experience, expertise, contract terms, and availability. Each
6. The Board shall not accept an investigative report ~~shall contain~~ unless it contains the signed certification specified in subsection ~~(B)(6)~~ (B)(7). An investigator's draft report is considered work product and is, therefore, confidential. The Board may ask for clarification or additional information after review of a draft report. ~~Upon~~ After acceptance by the Board, an investigative report is considered final. The Board may adopt any or all of the findings in the final report at a public meeting and may consider any additional, relevant information that is discovered before the matter is resolved. The investigative report becomes ~~nonconfidential upon resolution of non-~~ confidential when the complaint involved is resolved.
- ~~6.7. The following certification shall be included~~ An investigator preparing a report on behalf of the Board shall sign the report and include the following certification in every investigative report prepared for the Board and signed by the investigator; I certify that, to the best of my knowledge and belief:
- a. The statements of fact contained in this report are true and correct.
  - b. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and they are my personal, impartial and unbiased professional analyses, opinions, conclusions, and recommendations.
  - c. I have no present or prospective interest in the property that is the subject of this investigation, and I have no personal interest with respect to the parties involved in this investigation.
  - d. I have no bias with respect to any property that is the subject of this investigation or to the parties involved in this investigation.
  - e. My engagement for this investigation was not contingent ~~upon~~ on developing or reporting any predetermined result or outcome.
  - f. My compensation for this investigation is not contingent ~~upon~~ on developing or reporting any predetermined result or outcome, nor have I been instructed as to any predetermined result or outcome by the Board, the Board staff, or other parties.
  - g. I have (or have not) made a personal inspection of the property that is the subject of this investigation.
- C. Settlement. Any time after a complaint ~~has been~~ is filed against a respondent, the matter may be resolved by a settlement in which the respondent ~~agrees~~ consents to accept disciplinary or remedial

action ~~by consent~~. If the Board determines that the proposed settlement will adequately protect the public, the Board may enter into a ~~consent~~ **settlement** agreement with the respondent. A statement made for the purpose of settlement is not admissible in a formal hearing.

**D. Informal ~~Hearing~~ hearing; ~~Disciplinary Action~~ disciplinary action.**

1. If, based on the initial review ~~or its review of the investigative report~~, the Board determines that the respondent is or may be in violation of the Board's statutes or rules, the Board may request a voluntary informal hearing with the respondent. The Board shall provide the respondent with a copy of any final investigative report in the matter, any supporting documentation, and notice of the date, time, and location of the informal hearing, as prescribed in A.R.S. § 41-1092.04, at least 30 days before the informal hearing. The Board shall include the following in the notice of informal hearing shall include all of the following:

- a. A statement of the matters asserted and issues involved;
- b. Any request for additional information needed by the Board to prepare for the hearing;
- c. An explanation of the respondent's right to appear voluntarily with or without legal counsel; and
- d. An explanation of the respondent's right to a formal hearing under R4-46-302.

2. The Board shall provide the respondent with a copy of the informational ~~material~~ **document** "Introduction to Informal Hearing," which explains the rights and responsibilities of the Board and respondent during the informal hearing. (A copy is also available at the Board office).

**3. A respondent may refuse a request to appear at an informal hearing. If the respondent refuses to appear or does not appear, the Board may schedule the matter for a formal hearing.**

~~3.4.~~ The respondent may request and the Board **staff** may grant a continuance upon a showing of good cause. During the informal hearing the Board shall swear witnesses, question the respondent and witnesses, and deliberate. The respondent may respond to the Board's questions, present witnesses, and ask questions of the Board and all witnesses regarding the matter before it.

4. If the Board finds a violation of the statutes or rules, but the violation is not of sufficient seriousness to merit suspension or revocation, ~~it~~ the Board may take one or more of the following actions:

- a. Issue a letter of concern;
- b. Issue a letter of remedial action;
- c. Offer a letter of due diligence, which may or may not include remedial action;
- d. Offer a consent agreement including an order of discipline that sets a time period and terms of probation sufficient to protect the public welfare and safety and educate the respondent. The Board may require one or more of the following as terms of probation:

- i. Training or education;
  - ii. Supervision or mentor review;
  - iii. Restriction on the nature and scope of the respondent's practice; or
  - iv. Other reasonable measures designed to protect the public and educate the respondent.
5. For any Board action other than a letter of concern or a letter of remedial action, the Board shall request that the respondent ~~sign a consent~~ enter into an agreement, which may include findings of fact and conclusions of law, depending on the severity of the violation, but shall identify ~~and~~ explain each violation found. If the respondent is aggrieved by the Board's decision to issue a letter of concern or letter of remedial action, the respondent may request a formal hearing in writing, within 30 days from the date the written notice of the outcome of the informal hearing is received.
6. ~~In resolving a complaint~~ If the Board finds that a respondent violated statute or this Chapter, the Board shall consider mitigating and aggravating circumstances, including but not limited to the following, when resolving the complaint:
  - a. Whether a violation ~~is~~ was intentional;
  - b. Whether the respondent has a ~~prior disciplinary history~~ been previously disciplined;
  - c. The time that ~~has elapsed since~~ between the current violation, and any prior violation;
  - d. Whether any prior violation ~~is~~ was similar to the present violation;
  - e. The complexity of the assignment;
  - f. Whether the assignment was outside the respondent's competence; and
  - g. Whether the respondent has taken courses after a violation to prevent future violations.
- E. ~~Summary Suspension~~ suspension. If the Board finds that the public health, safety, or welfare imperatively requires emergency action, and incorporates a finding to that effect in its order, the Board may order a summary suspension pending proceedings for revocation or other action. If an order of summary suspension is issued, the Board shall serve the respondent with a written notice of summary suspension and formal hearing, listing the charges against the respondent and setting the date for the formal hearing as soon as is reasonably possible, but ~~in no event~~ more than 60 days from service of the written notice.
- F. Refusal to Appear. A respondent may refuse a request to appear at an informal hearing. If the respondent refuses to appear or does not appear, the Board may schedule the matter for a formal hearing.
- G. ~~12-Month Review~~ month review. If a ~~matter~~ complaint is not resolved within 12 months from receipt of the response, the Board shall schedule the matter for review at each regularly scheduled Board meeting to determine whether good cause exists to continue the investigation. If, after completing its

investigation, the Board finds that further action against the respondent is not warranted, the Board shall dismiss the ~~matter~~ compliant.

**[WHY DO YOU START THE 12-MONTH CLOCK AFTER 44 DAYS RATHER THAN WHEN THE COMPLAINT IS RECEIVED—YOUR 12-MONTH CLOCK IS NOT REALLY 12-MONTHS. WHY DOES THERE NEED TO BE MORE THAN ONE REVIEW AT THIS POINT—WHAT KEEPS THE BOARD FROM MAKING A DECISION? THIS IS NOT CONSISTENT WITH APPRAISAL SUBCOMMITTEE]**

**R4-46-302. Formal Hearing Procedures**

- A. The Board shall issue a notice of hearing and formal complaint for formal disciplinary proceedings if:
1. The respondent refuses to participate in an informal hearing and requests a formal hearing;
  - ~~1-2.~~ After an informal hearing, the Board determines that suspension or revocation may be warranted;
  - ~~2-3.~~ After an informal hearing, the respondent refuses to sign a letter of due diligence or consent agreement offered by the Board;
  - ~~3-4.~~ The respondent is aggrieved by the Board's decision in an informal hearing; or
  - ~~4-5.~~ After completing its investigation, the Board finds that suspension or revocation may be warranted.
- B. Except as provided in R4-46-301(E), the Board shall provide notice of a formal hearing to a respondent at least 30 days before the date set for the hearing. The Board shall notify the respondent by certified mail or personal service at the respondent's last known address of record. Unless otherwise specified, any notice provided for in these rules is complete ~~upon deposit~~ when deposited in the U.S. mail or by service as permitted under A.R.S. § 41-1092.04.
- C. On its own motion or the motion of a party, the Board may hear a case or have the case heard by an administrative law judge through the Office of Administrative Hearings. The Board may accept, reject, or modify the administrative law judge's recommended decision as prescribed by A.R.S. § 41-1092.08, and shall issue a final order.
- D. ~~Board Hearings~~ Formal hearings.
1. The Board may conduct a formal hearing without adherence to the rules of evidence used in civil proceedings. The Board shall include the respondent's application and disciplinary records as evidence in the hearing record.
  2. In all hearings required or permitted by statute, order of the Board, or these rules, the party ~~seeking relief~~ that has the burden of proof, as specified in A.R.S. § 41-1092.07(G), and will present evidence first.

3. The Board shall conduct ~~each~~ a formal hearing according to A.R.S. Title 41, Chapter 6, Article 10.
- E. If a party fails to appear for a formal hearing without good cause, the Board shall act upon the evidence without further notice.
- F. The Board shall make and keep a record of the hearing and, in the case of disciplinary hearings or if requested by a party or ordered by the Board, a transcript shall be prepared and filed with the Board. If the transcript is prepared at the request of a party, the party making the request shall pay ~~for~~ the cost of the transcript, unless the Board, for good cause, ~~shown~~ waives assessment of this cost.
- G. A party may request and the Board may grant a continuance of a hearing date or any other deadline imposed ~~by R4-46-302 upon~~ under this Section on a showing of good cause.

**R4-46-303. Rehearing or Review of the Board's Decisions**

- A. ~~Any party in a contested case or appealable agency action before the Board may file a motion for rehearing or review within 30 days after service of the final administrative decision. Service is complete upon personal service or five days after the date the decision is mailed by certified mail to the party's last known address of record. The party shall attach a full supporting memorandum specifying the grounds for the motion. The Board shall provide for a rehearing or review of its decisions under A.R.S. Title 41, Chapter 6, Article 10 and the rules established by the Office of Administrative Hearings.~~
- B. ~~The opposing party may file a response within 15 days after service of the motion for rehearing or review, or by a date ordered by the Board, whichever is later. The party shall support the response with a memorandum discussing legal and factual issues. Except as provided in subsection (I), a party is required to file a motion for rehearing or review of a Board decision to exhaust the party's administrative remedies.~~
- C. When a motion for rehearing or review is based on affidavits, they shall be served with the motion. An opposing party may, within 15 days after service, serve opposing affidavits.
- ~~C.D.~~ Either party may request or the Board may order oral argument. A party may amend a motion for rehearing or review at any time before the Board rules on the motion.
- ~~D.E.~~ The Board may grant rehearing or review for any of the following ~~causes~~ reasons materially affecting a party's rights:
  1. Irregularity in the administrative proceedings ~~of the Board~~ or any ~~other~~ abuse of discretion ~~which~~ that deprived the moving party of a fair hearing;
  2. Misconduct of the Board, its staff, an administrative law judge, or any party;

3. Accident or surprise ~~which that~~ could not have been prevented by ordinary prudence;
4. Newly discovered material evidence ~~which that~~ could not, with reasonable diligence, have been discovered and produced at the ~~original~~ hearing;
5. Excessive or insufficient sanction;
6. Error in the admission or rejection of evidence or other errors of law at the ~~administrative~~ hearing or during the progress of the proceedings or;
7. Unjustified decision based ~~upon on~~ the evidence, or ~~a the~~ decision ~~that~~ is contrary to law.

**~~E.F.~~** The Board may affirm or modify the decision or grant a rehearing to any party on all or part of the issues for any of the reasons ~~set forth~~ in subsection ~~(D)~~ (E). An order modifying a decision or granting a rehearing shall specify with particularity the grounds for the order. The rehearing, if granted, shall be limited to matters specified by the Board.

**~~F.G.~~** Not later than 30 days after a decision is rendered, the Board may order a rehearing or review on its own initiative, for any reason ~~which~~ it might have granted relief on motion of a party.

**H.** If a rehearing is granted, the Board shall hold the rehearing within 60 days after the date on the order granting the rehearing.

**~~G.I.~~** ~~When a motion for rehearing or review is based upon affidavits, they shall be served with the motion. An opposing party may submit opposing affidavits with the response. Reply affidavits may be permitted. If the Board makes a specific finding that a particular decision needs to be effective immediately to preserve the public peace, health, or safety and that a review or rehearing of the decision is impracticable, unnecessary, or contrary to the public interest, the Board shall issue the decision as a final decision without an opportunity for rehearing or review.~~

**J.** A party that has exhausted the party's administrative remedies may appeal a final order of the Board under A.R.S. Title 12, Chapter 7, Article 6.

**R4-46-304. Conviction and Judgment Disclosure**

- A.** When an appraiser, ~~or~~ property tax agent, or controlling person of an AMC is convicted of any act ~~which that~~ is or would be punishable as a felony, crime involving moral turpitude, or any crime ~~which that~~ is substantially related to the respective qualifications, functions, and duties of an appraiser, ~~or~~ property tax agent, or controlling person of an AMC, the convicted person shall notify the Board within 20 days of entry of a plea of guilty or conviction.
- B.** When a civil judgment based on fraud, misrepresentation, or deceit in the making of any appraisal is entered against an appraiser, ~~or~~ property tax agent, or controlling person of an AMC, the person against whom the judgment entered shall notify the board within 20 days of entry of judgment.

**R4-46-305. Terms and Conditions of Reapplication ~~After~~ after Revocation**

- A. ~~An applicant who~~ A person that reapplies after revocation of a registration, license, certificate, or course approval, shall submit an application for registration, license, certificate, or course approval consistent with ~~these rules~~ this Chapter. The applicant shall attach substantial evidence to the application that ~~the~~ issuance of a registration, license, certificate, or course approval will no longer not constitute a threat to ~~the~~ public welfare ~~and~~ or safety.
- B. The Board shall make a determination ~~of~~ regarding each application that is consistent with ~~the~~ public safety and welfare.

**R4-46-306. Complaint Information Availability**

- A. Every six months, the Board shall generate a report for publication on the Board's web site or in a newsletter that indicates for that period the number of:
1. Complaints received,
  2. Complaints dismissed, and
  3. ~~Complaints referred for investigation, and~~ Complaints resolved
  4. ~~Complaints referred for informal or formal hearing.~~
- B. In preparing the report under subsection (A), the Board shall include the severity level of violations with reference to the Board Complaint Resolution Chart (a copy is available at the Board office); the ~~actual complaint~~ resolution implemented by the Board; and any other information ~~that~~ the Board deems useful to appraisers, property tax agents, AMCs, and the public.

**~~R4-46-307.~~ ~~R4-46-206.~~ Hearing on Denial of a Registration, License, or Certificate, Designation, or Course Approval**

~~Any applicant denied~~ If the Board denies a registration, license, or certificate, designation, or course approval by the Board to an applicant, the applicant may file with the Board a written request for hearing ~~pursuant to~~ under A.R.S. § 41-1092.03. ~~Any~~ The Board or the Office of Administrative Hearings shall conduct a hearing ~~shall be conducted~~ under the formal hearing procedures prescribed in ~~Article 3 of these rules~~ R4-46-302; A.R.S. Title 41, Chapter 6, Article 10; and 2 A.A.C. 19.

**ARTICLE 4.      STANDARDS OF PRACTICE      APPRAISAL MANAGEMENT**  
**COMPANIES**

**R4-46-401.      Standards of Appraisal Practice      Application for Initial Registration**

~~Every appraiser, in performing the acts and services of an appraiser, shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP), 2012-2013 edition, published by The Appraisal Foundation, which is incorporated by reference and on file with the Board. This incorporation by reference contains no future editions or amendments. A copy of the USPAP 2012-2013 edition may be obtained from The Appraisal Foundation, 1155 15th St., NW, Suite 1111, Washington, DC 20005; (202) 347-7722; fax (202) 347-7727; or web site [www.appraisalfoundation.org](http://www.appraisalfoundation.org).~~

**A.** Unless exempt under A.R.S. § 32-3663, a person that wishes to engage in business as an appraisal management company shall register with the Board before providing any appraisal management services.

**B.** To register under subsection (A), a person shall submit:

1. A registration application form, which is available from the Board office and on its web site, and provide the information and certifications required under A.R.S. § 32-3662(B);
2. The name and contact information of the controlling person who will be the main contact for all communication between the Board and the AMC;
3. For the controlling person and each individual who owns 10 percent or more of the AMC:
  - a. Fingerprints that meet the criteria of the Federal Bureau of Investigation and are taken by a law enforcement agency or other qualified entity. The controlling person shall obtain a fingerprint card from the Board and provide the card to the agency or entity that takes the fingerprints;
  - b. The certification required under A.R.S. § 32-3668(B)(3) or 32-3669(B)(1), as applicable; and
  - c. The charge established by the Department of Public Safety for processing fingerprints.
4. For each employee or individual working on behalf of the AMC who is responsible for selecting independent appraisers to perform real property appraisal services or provide appraisal review services:
  - a. The name and contact information for the employee or individual, and
  - b. Evidence that each employee or individual was trained and is qualified to comply with statute and this Chapter;
5. Proof of the surety bond required under A.R.S. § 32-3667 and R4-46-402; and
6. The fee required under R4-46-106.

**C.** If an AMC will operate in Arizona under more than one business name, the controlling person of the AMC shall ensure that a complete application, as described in subsection (B), is submitted in each

name under which the AMC will operate. However, if an individual previously submitted fingerprints under subsection (B), the individual is not required to submit fingerprints again.

**R4-46-402. Bond Required**

- A.** The surety bond required under A.R.S. § 32-3667 shall be in the amount of \$20,000 and shall identify the Board as obligee.
- B.** The controlling person of a registered AMC shall ensure that the required surety bond is:
1. Maintained in the amount of \$20,000;
  2. Funded to \$20,000 within seven days after being drawn down; and
  3. Maintained for at least one year after the AMC's registration expires, is revoked or surrendered, or otherwise ends.
- C.** If the Board receives notice from the surety of intent to cancel the required bond, the Board shall notify the controlling person of the AMC and require that the controlling person submit proof of a replacement bond before the existing bond is cancelled. Under A.R.S. § 32-3678, failure to maintain the required bond is grounds for disciplinary action.
- D.** If a registered AMC operates in Arizona under more than one business name, the controlling person shall ensure that a separate surety bond in the amount of \$20,000 is maintained in each business name.
- E.** If the business name of a registered AMC is changed, the controlling person of the registered AMC shall ensure that a surety bond in the amount of \$20,000 is:
1. Maintained in the former business name for one year after the business name is changed; and
  2. Obtained in the registered AMC's new business name.

**R4-46-403. Change in Controlling Person or Agent for Service of Process**

- A.** If any of the information submitted under R4-46-401(B)(2) changes, the controlling person of the registered AMC shall provide to the Board written notice of the change within five business days.
- B.** If an individual becomes the controlling person of a registered AMC and the information required under R4-46-401(B)(3) was not previously submitted for the individual, the new controlling person shall ensure that the required information is submitted to the Board within five business days after the change in controlling person.
- C.** If a registered AMC is required under A.R.S. § 32-3662(B)(4) to provide the name and contact information for an agent for service of process in this state, the controlling person of the AMC shall provide to Board written notice of any change in the information within five business days.

**R4-46-404. Application for Renewal Registration**

- A. Under A.R.S. § 32-3665, an initial registration for an AMC expires one year after the date of issuance. A renewal registration for an AMC expires two years after the date of issuance.
- B. To renew registration for an AMC, the controlling person of the registered AMC shall, at least 60 days before expiration, submit:
  - 1. A renewal registration application form, which is available from the Board office and on its web site;
  - 2. The certifications required under A.R.S. § 32-3662(B);
  - 3. Proof of the surety bond required under A.R.S. § 32-3667 and R4-46-402; and
  - 4. The renewal fee specified in R4-46-106.
- C. If the controlling person of a registered AMC fails to comply with subsection (B) and the registration expires, the controlling person shall ensure that the AMC immediately ceases providing all appraisal management services.

**R4-46-405. Annual Certifications**

- A. Under A.R.S. § 32-3672, the controlling person of a registered AMC is required to make certain certifications to the Board annually.
- B. To make the certifications required under A.R.S. § 32-3672, the controlling person of a registered AMC shall use a form that is available from the Board office and on its web site. During years in which the controlling person renews the registration of the AMC, the controlling person shall make the certifications at the time of registration renewal. During non-renewal years, the controlling person of the registered AMC shall submit the certification form on or before June 30. [IS THERE A BETTER WAY TO ESTABLISH WHEN THIS IS DUE?]
- C. The controlling person of a registered AMC shall make available to the Board on request evidence that the annual certifications are true and that the systems, processes, and records certified are effective in protecting the public.
- D. Under A.R.S. § 32-3678, failure to comply with this Section is grounds for disciplinary action.

**R4-46-406. Appeal for Waiver**

- A. Under A.R.S. §§ 32-3668 and 32-3669, an AMC for which registration is sought under R4-46-401 may not have an owner, controlling person, officer, or other individual with a 10 percent or greater financial interest in the AMC who has ever had a financial, real estate, or mortgage lending industry license or certificate refused, denied, canceled, revoked, or voluntarily surrendered in any state.

- B.** The requirement in subsection (A) may be waived, at the discretion of the Board, when an appeal is made by the individual who has had a financial, real estate, or mortgage lending industry license or certificate refused, denied, canceled, revoked, or voluntarily surrendered.
- C.** To make an appeal for waiver under subsection (B), the individual who has had a financial, real estate, or mortgage lending industry license or certificate refused, denied, canceled, revoked, or voluntarily surrendered shall submit to the Board an appeal for waiver form, which is available from the Board office and on its web site.
- D.** The Board shall consider an appeal for waiver at a regularly scheduled meeting. The Board shall provide at least 14-days' written notice to the appellant of the Board meeting at which the appeal for waiver will be considered. The appellant shall attend the Board meeting at which the appeal is considered and answer questions from the Board.
- E.** In deciding whether to waive the requirement under subsection (A), the Board shall consider the following factors:

  - 1. Whether the refusal, denial, cancellation, revocation, or voluntary surrender of a license or certificate was based on a finding of fraud, dishonesty, misrepresentation, or deceit on the part of the appellant;
  - 2. The amount of time that has elapsed since the refusal, denial, cancellation, revocation, or voluntary surrender of a license or certificate;
  - 3. Whether the act leading to the refusal, denial, cancellation, revocation, or voluntary surrender of a license or certificate was an isolated occurrence or part of a pattern of conduct;
  - 4. Whether the act leading to the refusal, denial, cancellation, revocation, or voluntary surrender of a license or certificate appears to have been done for a self-serving purpose;
  - 5. The harm caused to victims, if any;
  - 6. Efforts at rehabilitation, if any, undertaken by the appellant and evidence regarding whether the rehabilitation efforts were successful;
  - 7. Restitution made by the appellant to victims, if any; and
  - 8. Other factors in mitigation or aggravation that the Board determines are relevant.

**R4-46-407. Training Required**

- A.** The controlling person of a registered AMC shall ensure that all employees and other individuals who work on behalf of the AMC and are responsible for selecting independent appraisers to perform real property appraisal management services or provide appraisal review services receive sufficient training to be qualified to comply with federal and state law regarding appraisal management services.

- B.** The controlling person of a registered AMC shall ensure that the training required under subsection (A) includes at least the following:
1. Overview of the USPAP,
  2. Federal and state law applicable to appraisal management services,
  3. The appraisal process,
  4. Appraiser classifications and the scope of work for each classification,
  5. Factors that influence the complexity of an appraisal assignment,
  6. Determining whether an appraiser is competent under the competency rule of USPAP for a particular appraisal assignment,
  7. Maintaining the independence of an appraiser, and
  8. Procedure for **arranging** an appraisal review.
- C.** The controlling person of a registered AMC shall maintain a record of all training provided to an individual described under subsection (A) for one year beyond the termination of that individual's employment by or work on behalf of the AMC.
- D.** The controlling person of a registered AMC shall make available to the Board on request a copy of all materials used to provide the training required under this Section and the records maintained under subsection (C).

[**DOES THIS TRAINING NEED TO BE UPDATED?**]

#### ARTICLE 5. COURSE APPROVAL

##### **R4-46-501. Course Approval Required**

- A.** Under A.R.S. §§ 32-3601(11) and 32-3625, the Board is required to approve ~~A~~ a course , including a course presented by distance education, before the course is offered in Arizona. The Board shall ~~be~~ approved under these rules approve a course as either qualifying or continuing education. ~~In order to be approved as qualifying or continuing education, the~~
- B.** When approving a course ~~must be found to satisfy all~~ as either qualifying or continuing education, the Board shall determine whether the course satisfies the ~~respective~~ criteria set forth in the ~~real property appraiser qualification criteria and interpretations of the criteria~~ material incorporated by reference in R4-46-201(A)(B), except:
1. The 15-hour National USPAP Course or its AQB-approved equivalent ~~approved through the AQB Course Approval Program~~ shall not be in the form of distance education; and
  2. Only continuing education courses of at least three hours shall be ~~considered for approval~~ approved.

C. A course provider shall not offer a course as either qualifying or continuing education until the course provider receives notice that the course has been approved by the Board. The Board shall not approve a course if the course provider offers the course before receiving notice of course approval.

~~B-D.~~ Each The Board shall include in the notice of course approval referenced in subsection (C), an index number for the approved course shall be assigned an index number and shall be assigned a specify the maximum number of hours of instruction (including examination time if applicable) that may be claimed for participating in the approved course.

E. Upon receipt A course provider shall not advertise or represent that a course is Board approved until after receipt of the notice referenced in subsection (C). After receiving notice of course approval, the course provider may represent in any materials that the course is a Board approved course. If the number of hours approved by the Board are less than the number of scheduled hours, the number of approved hours must be clearly indicated.

~~D.~~ Any school, organization, person or other entity that owns the proprietary rights to a course is eligible to apply for course approval as a course provider. All applications for course approval shall be submitted by a course provider. For the purposes of these rules, the following are considered to be a course provider:

- ~~1.~~ An entity that owns a course and that conducts the course directly or through affiliated entities.
- ~~2.~~ An affiliated entity of a course provider having Board approval where such affiliated entity conducts the same course.
- ~~3.~~ An entity that has purchased or otherwise lawfully acquired from the course provider of a Board approved course, the course materials for such course and that has the right to independently conduct a course using such acquired course materials.

~~E.~~ Course approval granted to a course provider shall apply to any affiliated entity subject to the following conditions:

- ~~1.~~ The course provider required the affiliated entity to conduct the course:
  - ~~a.~~ Utilizing the course provider's course materials (including textbook and examinations, if any);
  - ~~b.~~ Allowing the same number of approved hours as the course provider;
  - ~~c.~~ The instructor is approved by the Board;
  - ~~d.~~ In accordance with the course provider's policies relating to student attendance, course scheduling and course prerequisites (if applicable).
- ~~2.~~ The course provider assumes full responsibility in the event the affiliated entity violates any provisions of these rules.

- ~~F. Course approval commences on the date initial approval is granted by the Board. Course approval by the Board shall not be granted for courses which have been offered by the course provider prior to the Board's review of the course approval application.~~
- ~~G. A course provider seeking course approval shall apply to the Board on the applicable form and pay the appropriate fee. Once the application has been filed, fees are nonrefundable. An application must be complete before it will be placed on an agenda for approval.~~
- ~~H. A course provider shall not misrepresent Board approval status in advertising.~~
- ~~I. The course provider shall submit with the application an outline and other written materials. In order to be approved, the course must be found to satisfy the following requirements:~~
- ~~1. Course description: the course materials must include a course description which clearly describes the content of the course.~~
  - ~~2. Summary outline: the course materials shall include a summary outline of major topics and the number of classroom hours devoted to each.~~
  - ~~3. Learning objectives: the course materials shall include specific learning objectives which:~~
    - ~~a. Clearly state the specific knowledge and/or skills students are expected to acquire by completing the course;~~
    - ~~b. Are consistent with the course description;~~
    - ~~c. Are consistent with the instructional materials;~~
    - ~~d. Are reasonably achievable within the number of classroom hours allotted for the course;~~
    - ~~e. For qualifying education courses, shall clearly identify the required core curriculum, the module subtopic, and the number of course hours; and~~
    - ~~f. For continuing education courses, shall clearly identify the appraisal topic and the number of course hours.~~
  - ~~4. Instructional materials: instructional materials to be used by students in the course shall:~~
    - ~~a. Cover the subject matter in sufficient depth to achieve the stated course learning objectives;~~
    - ~~b. Provide appropriately balanced coverage of the subject matter in view of the stated course learning objectives;~~
    - ~~c. Reflect current knowledge and practice;~~
    - ~~d. Contain no significant errors;~~
    - ~~e. Reflect correct grammatical usage and spelling;~~
    - ~~f. Effectively communicate and explain the information presented;~~
    - ~~g. Be suitable in layout and format; and~~
    - ~~h. Be suitably bound/packaged and be produced in a quality manner.~~

- ~~5. Examinations for qualifying education: course examinations shall consist either of a series of examinations or a comprehensive final examination or both. The course examination(s) shall comply with the following requirements:
  - ~~a. Contain a sufficient number of questions to adequately test the subject matter covered in the course;~~
  - ~~b. The amount of time devoted to the examination(s) is appropriate for the course;~~
  - ~~c. The examination questions, individually and collectively, test at a difficulty level appropriate to measure student achievement of the stated course learning objectives;~~
  - ~~d. The subject matter tested by examination questions is adequately addressed in the course instructional materials;~~
  - ~~e. The examination questions are written in a clear and unambiguous manner; and~~
  - ~~f. The examination questions are accurate and the intended correct answer is clearly the best answer choice.~~~~
- ~~6. Prerequisites: the course provider must have established appropriate prerequisites for any course other than an introductory course on basic real estate appraisal principles and practices or a course on appraisal standards and ethics.~~
- ~~7. Instructor qualifications: an instructor must be approved by the Board to teach a specific Board-approved course. An instructor must meet one or more of the following qualifications:
  - ~~a. A baccalaureate degree in any field and three years of experience directly related to the subject matter to be taught; or~~
  - ~~b. A masters degree in any field and two years of experience directly related to the subject matter to be taught; or~~
  - ~~c. A baccalaureate degree in a field that is directly related to the subject matter to be taught and one year of experience directly related to the subject matter to be taught; or~~
  - ~~d. An associate degree in a field that is directly related to the subject matter to be taught and three years of experience directly related to the subject matter to be taught; or~~
  - ~~e. A masters or higher degree in a field that is directly related to the subject matter to be taught; or~~
  - ~~or~~
  - ~~f. Five years of real estate appraisal teaching experience directly related to the subject matter to be taught; or~~
  - ~~g. Seven years of real estate appraisal experience directly related to the subject matter to be taught.~~
  - ~~h. The national USPAP courses must be taught by an AQB-certified USPAP instructor and equivalent USPAP courses must be taught by an instructor approved by the AQB.~~~~

- ~~8. Current classroom offering: conduct the course in a setting physically suitable to the educational activity of the course. Courses presented by distance education must comply with the criteria adopted in these rules;~~
- ~~9. Attendance policy: the course provider must have a written attendance policy that requires student attendance to be verified. Policy must:
  - ~~a. Stipulate that the student must be present for the entire course;~~
  - ~~b. Include on the attendance records form the name of the instructor(s);~~
  - ~~c. Provide that nonmembers of the course provider's association or organization may apply for the course without membership in the association or organization;~~
  - ~~d. Provide for retention of attendance records for a minimum of five years.~~~~
- ~~10. Course scheduling policy: the course provider shall have an established policy on course scheduling that provides a maximum of nine classroom hours of instruction in any given day and appropriate breaks during each class session.~~
- ~~11. Course completion certificate policy: the course provider shall have an established policy assuring prompt issuance of signed course completion certificates to attendees which shall include all information required on the form of certification provided by the Board.~~
- ~~12. Audit policy: the course provider shall permit the executive director or the executive director's representative to audit the course at no cost to the Board in order to evaluate the instruction. The course provider shall permit the executive director or the executive director's representative to review records appropriate to selected course offerings.~~
- ~~13. Instructor change: if a course provider wishes to use an instructor other than the instructor approved by the Board as part of the initial course approval, the course provider must apply to the Board for approval of any new or substitute instructor and pay the applicable fee. Any new or substitute instructor must meet the instructor qualifications set out in this Section.~~
- ~~J. Course approval is valid for a period of one year, expiring at the end of the month in which approval was granted if there have been no substantive changes to the materials to be addressed in the course, including but not limited to changes in the course outline, text, or other written material. No later than 30 days prior to the expiration date, a course provider may apply for renewal of the course approval and pay the appropriate fee. If there have been substantive changes in the materials to be addressed in the course, including but not limited to changes in the course outline, text, or other written material, the course shall be considered as a new course and the course provider shall file an application for course approval meeting all the requirements of this Section and pay the appropriate fee.~~
- ~~K. A course approved for credit hours at a community college, college or university in this state need not be approved by the Board if the course is substantially the same as required by the criteria. The~~

~~applicant for licensure, certification or renewal shall submit documentation prepared by the course provider identifying the required core curriculum, the module subtopic and the number of course hours for qualifying education or the appraisal topic and the number of course hours for continuing education.~~

~~L. If a course is offered outside of Arizona, the course has been approved by the licensure/certification board in the state in which the course is offered, and the course is substantially the same as required by the criteria, the Board will accept the course. However, the course shall not be in the form of distance education taught before May 3, 2005. The applicant for licensure, certification or renewal must submit documentation to show approval.~~

~~M. The Board shall investigate and may deny, revoke, or suspend course approval for any of the following acts or omissions:~~

- ~~1. Failure to comply with or meet any requirements set forth in this Section.~~
- ~~2. Failure to use an instructor approved by the Board as part of the course approval application or otherwise.~~
- ~~3. Failure to instruct in a manner consistent with the outline and materials previously approved by the Board.~~

~~N. If the Board finds that the public welfare or safety requires emergency action and incorporates a finding to that effect in its order, the Board shall order a summary suspension of course approval pending proceedings for revocation or other action. If an order of summary suspension is issued, the Board shall serve the course provider with a written notice of summary suspension and formal hearing, listing the charges against the course provider and setting a formal hearing within 30 days.~~

**R4-46-502. Expired Course Providers**

- A.** A school, organization, person, or other entity that owns the proprietary rights to a course is a course provider. The following are also course providers:
1. An affiliated entity of a course provider if the affiliated entity conducts the same course as the Board approved for the course provider; and
  2. An entity that purchased or otherwise lawfully acquired the materials for a Board-approved course and has the right to conduct the course using the acquired materials.
- B.** If a course provider allows a Board-approved course to be offered by an affiliated entity, the course provider shall ensure that the affiliated entity:
1. Uses the course provider's materials, including the same textbook and examination, if any;
  2. Allows only the number of hours specified by the Board under R4-46-501(D);
  3. Uses an instructor who is qualified under the standards specified in R4-46-505(6); and
  4. Adheres to the course provider's policies regarding student attendance, course scheduling, and prerequisites, if any.
- C.** The Board shall hold a course provider responsible if an affiliated entity authorized by the course provider under subsection (B) violates any provision of this Chapter.

**R4-46-503. ~~Hearing on Denial of Course Approval~~ Application for Course Approval**

~~Any applicant or course provider denied course approval or any course provider whose course approval is revoked or suspended may file a written request for a hearing within 30 days after service of the notice of denial. The Board shall process all hearings and disciplinary matters involving course approval in a manner consistent with the formal hearing procedures prescribed in Article 3.~~

- A.** Only a course provider may apply for course approval. To apply for course approval, a course provider shall submit to the Board:
1. An application for course approval, which is available from the Board office and on its web site;
  2. Materials and other documents that demonstrate the course meets the minimum standards specified in R4-46-505; and
  3. The fee specified under R4-46-106.
- [PREVIOUS SUBSECTION (A)(4) DELETED]**
- B.** After a course provider fully complies with subsection (A), the Board shall place the application for course approval on the agenda of the Board's next regularly scheduled meeting.

**R4-46-504. Course Approval without Application**

**A. The Board approves without application the following:**

1. A course offered for credit by an accredited institution of higher education in this state if the course complies substantially with the standards incorporated by reference in R4-46-201(B);
2. A course offered outside of this state if the course:
  - a. Is approved by the board that licenses appraisers in the state where the course is offered, and
  - b. Complies substantially with the standards incorporated by reference in R4-46-201(B);
3. The 15-Hour National USPAP Course or its AQB-approved equivalent if the course is taught by at least one AQB-certified USPAP instructor who is also a state certified appraiser in good standing
4. The 7-Hour National USPAP Update Course or its AQB-approved equivalent if the course is taught by at least one AQB-certified USPAP instructor who is also a state certified appraiser in good standing.

**B. An applicant for registration, licensure, certification, or renewal who relies on a course described in subsection (A)(1) to meet the:**

1. Qualifying education requirements in this Chapter shall submit documentation from the course provider identifying the required core curriculum subject, the module subtopic, and the number of hours for qualifying education;
2. Continuing education requirements in this Chapter shall submit documentation from the course provider identifying the appraisal topic and number of hours of continuing education.

**C. An applicant for registration, licensure, certification, or renewal who relies on a course described in subsection (A)(2) to meet the qualifying or continuing education requirements in this Chapter shall submit documentation showing the course was approved by the board that licenses appraisers in the state in which the course was offered. The Board shall not accept a course under subsection (A)(2) that was provided by distance learning before May 3, 2005.**

**R4-46-505. Minimum Standards for Course Approval**

The Board shall approve a course only if the course provider submits the following materials and documents with the application for approval required under R4-46-503(A) and demonstrates the course, including a course presented by distance education, meets the following minimum standards:

1. Course description. Clearly describe the subject matter content of the course.
2. Summary outline. Identify major topics and the number of classroom hours devoted to each.
3. Prerequisites. Specify necessary prerequisites for any course other than a course on:

- a. Introductory real estate appraisal principles and practices; and
- b. Appraisal standards and ethics.
4. Learning objectives. Specific learning objectives shall:
  - a. State clearly the specific knowledge and skills students are expected to acquire by completing the course;
  - b. Be consistent with the course description required under subsection (1);
  - c. Be consistent with the instructional materials described in subsection (5);
  - d. Be achievable in the number of hours allotted for the course;
  - e. If for qualifying education, specify the required core curriculum, module subtopic, and number of course hours; and
  - f. If for continuing education, specify the appraisal topic and number of course hours.
5. Instructional materials. Instructional materials used by students shall:
  - a. Cover the subject matter in sufficient depth to achieve the learning objectives specified in subsection (4);
  - b. Reflect current knowledge and practice in the field of appraisal;
  - c. Contain no significant errors;
  - d. Use correct grammar and spelling;
  - e. Be written in a clear, concise, and understandable manner;
  - f. Be in a format that facilitates learning; and
  - g. Be bound or packaged and produced in a quality manner.
5. Examinations for qualifying education courses. Qualifying education courses shall include a series of examinations, a comprehensive final examination, or both. A course examination shall:
  - a. Contain enough questions to assess adequately whether a student acquired knowledge of the subject matter covered by the course;
  - b. Contain questions directed towards assessing whether students achieved the learning objectives specified in subsection (4);
  - c. Be allotted sufficient time for students to complete;
  - d. Contain questions on information adequately addressed in the instructional material required under subsection (5);
  - e. Contain questions that are written in a clear, accurate, and unambiguous manner; and
  - f. Contain questions for which the intended answer is clearly the best answer choice.
6. Instructor qualifications. Only a qualified instructor may teach an approved course. For each instructor who will teach a course if the course is approved, the course provider shall submit the instructor's resume and evidence the instructor meets one or more of the following:

- a. Has a baccalaureate degree in any field and at least three years of experience directly related to the subject matter to be taught;
  - b. Has a master's degree in any field and at least two years of experience directly related to the subject matter to be taught;
  - c. Has a baccalaureate degree in a field directly related to the subject matter to be taught and at least one year of experience directly related to the subject matter to be taught;
  - d. Has an associate degree in a field directly related to the subject matter to be taught and at least three years of experience directly related to the subject matter to be taught;
  - e. Has a master's or higher degree in a field directly related to the subject matter to be taught;
  - f. Has at least five years of real estate appraisal teaching experience directly related to the subject matter to be taught; or
  - g. Has at least seven years of real estate appraisal experience directly related to the subject matter to be taught.
7. Classroom environment. Clearly describe the setting in which the course will be taught in a manner that demonstrates the environment is conducive to learning.
8. Required policies. A course provider shall have the following written policies:
- a. Attendance policy that ensures student attendance is verified.
    - i. Stipulate that to receive credit, a student must be present for the entire course,
    - ii. Include the instructor's name on the attendance record, and
    - iii. Maintain attendance records for five years;
  - b. Scheduling policy.
    - i. Provide that a student may participate in a maximum of nine hours of instruction in a day, and
    - ii. Provide that appropriate breaks are included during each class session;
  - c. Completion certificate policy.
    - i. Require that a signed and dated completion certificate be issued promptly to all students who complete a course; and
    - ii. Require that a completion certificate contain all information required on the form of certification provided by the Board.

**R4-46-506. Compliance Audit of Approved Courses**

- A. To improve the quality of education available to appraisers in this state, the Board shall regularly audit approved courses for compliance with this Chapter.**

- B.** The Board's executive director shall identify approved courses for audit using the following to establish the priority of audits:
1. Approved courses about which a complaint has been received,
  2. Approved courses that have a new instructor,
  3. Approved courses of a course provider that is new to this state, and
  4. Approved courses that have not been audited in the last five years.
- C.** On request from the Board's executive director, the course provider of an approved course shall provide the dates, times, and locations at which the approved course will be taught and the name of the instructor who will teach each presentation of the approved course.
- D.** The audit of an approved course shall be conducted by the Board's executive director, a member of the Board, or a trained volunteer auditor.
- E.** The course provider of an approved course shall allow an auditor described under subsection (D) to attend the approved course at no charge.
- F.** The auditor shall be identified to the instructor before the approved course starts.
- G.** On request from the auditor, the course provider shall allow the auditor to examine records, materials, and other documents relevant to the approved course audited.
- H.** After review by the Board, the Board shall provide a copy of the audit report to the course provider. If the audit identifies ways in which the approved course fails to comply with this Chapter, the Board shall:
1. Work with the course provider to establish a correction plan to bring the course into compliance;
  2. Establish a time within which the course provider is required to complete the correction plan and bring the course into compliance; and
  3. Inform the course provider of the manner in which to report the approved course is in compliance with this Chapter.
- I.** Failure to comply with this Chapter is grounds for disciplinary action.

**R4-46-507. Changes to an Approved Course**

- A.** A course provider shall submit to the Board the information required under R4-46-505(6) before using a new or different instructor to teach an approved course.
- B.** If any of the information provided under R4-46-505(1), (2), (4), or (5) changes, the course provider of the approved course shall submit a new application for approval under R4-46-503.

**R4-46-508. Renewal of Course Approval**

- A.** Course approval expires at the end of the month one year after approval was granted.

- B. Only a course for which none of the changes listed in R4-46-507(B) has occurred may be renewed.
- C. If an approved course meets the standard in subsection (B), the course provider may apply for renewal of course approval no later than 30 days before the course approval expires.
- D. To apply for renewal of course approval, a course provider shall submit a renewal application, which is available from the Board office and on its web site, and pay the renewal fee specified in R4-46-106(A)(1).

## ARTICLE 6. PROPERTY TAX AGENTS

### **R4-46-601. Standards of Practice**

The Board may revoke or suspend ~~an~~ a property tax agent's registration or otherwise discipline a property tax agent to the extent permitted by A.R.S. § 32-3654 for any of the following acts or omissions:

1. Engaging in an activity that leads to a conviction for a crime involving the tax profession;
2. Operating beyond the boundaries of an agreed relationship with an employer or a client;
3. Inferring or implying representation of a person or firm that the agent does not represent, or filing a document on behalf of a taxpayer without specific authorization of the taxpayer;
4. Violating the confidential nature of the property tax agent-client relationship, except as required by law;
5. Inappropriately offering or accepting anything of value with the intent of inducing or in return for a specific action;
6. Assigning, accepting, or performing a tax assignment that is contingent upon producing a predetermined analysis or conclusion;
7. Issuing an appraisal analysis or opinion, in the performance of a tax assignment, that fails to disclose bias or the accommodation of a personal interest;
8. Willfully furnishing inaccurate, deceitful, or misleading information, or willfully concealing material information in the performance of a tax assignment;
9. Preparing or using, in any manner, a resume or statement of professional qualifications that is misleading or false;
10. Promoting a tax agent practice ~~and~~ or soliciting assignments by using misleading or false advertising;
11. Soliciting a tax assignment by assuring a specific result or by stating a conclusion regarding that assignment without ~~prior~~ analysis of the facts; or

12. Performing an appraisal, as defined by A.R.S. § 32-3601, unless licensed or certified by the Board as an appraiser.

**R4-46-602. ~~Disciplinary Proceedings; Board Action; Notice Requirements~~ Repealed**

~~The Board shall process all hearings and disciplinary matters involving property tax agents in a manner consistent with the formal hearing procedures prescribed by Article 3 and consistent with A.R.S. § 32-3654.~~

**ARTICLE 7. ~~GENERAL PROVISIONS – FEES~~ REPEALED**

**R4-46-701. ~~Reserved~~ Repealed**

**R4-46-702. ~~Reserved~~ Repealed**

**R4-46-703. ~~Reserved~~ Repealed**

**R4-46-704. ~~Fee~~ Repealed**

~~The fee to apply for initial registration is \$2,500 regardless of the number of appraisers on the appraiser panel. Upon expiration of the initial registration the fee to apply for a two year renewal registration is \$2,500 regardless of the number of appraisers on the appraiser panel.~~