

Notices of Exempt Rulemaking

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 46. BOARD OF APPRAISAL

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- R4-46-701. Repealed
- R4-46-702. Repealed
- R4-46-703. Repealed
- R4-46-704. Repealed

ARTICLE 1. GENERAL PROVISIONS

**R4-46-106. Fees**

- A. Under the specific authority provided by A.R.S. §§ 32-3607, 3619, and 3667, the Board establishes and shall collect the following fees:
  - 1. Application for original license or certificate: \$400
  - 2. Application for registration as a trainee appraiser: \$300
  - 3. Examination: The amount established by the AQB-approved examination provider
  - 4. Biennial renewal of a license or certificate: \$425
  - 5. Renewal of registration as a trainee appraiser: \$300
  - 6. Delinquent renewal (in addition to the renewal fee): \$25
  - 7. Biennial national registry: The amount established by the appraisal subcommittee
  - 8. Application for license or certificate by reciprocity: \$400
  - 9. Application for non-resident temporary license or certificate: \$150
  - 10. Course approval:
    - a. Core-curriculum qualifying education
      - i. Initial course approval: \$400
      - ii. Renewal of course approval: \$100
      - iii. Renewal of course approval to change instructor: \$50
    - b. Continuing education
      - i. Initial course approval: \$200
      - ii. Renewal of course approval: \$100
      - iii. Renewal of 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.
- C. A person shall pay fees by cash or credit or debit card, or by certified 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. § 32-3607(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.

**ARTICLE 2. 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.
- B.** Qualification criteria. Except as provided elsewhere in this Chapter, an applicant for registration, licensure, certification, or designation shall meet the classification-specific qualification criteria established by the AQB in:
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;” 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) are divided into three components: education, experience, and examination. The education component is further divided:
1. For applicants for registration, licensure, or certification, the education component requires a specified number of hours of the appraiser core curriculum;
  2. For applicants for licensure or certification, the education component requires hours of college-level education from an accredited degree-granting institution, and
  3. For applicants who are certified by the Board and applying to be designated as a supervisory appraiser and for applicants for registration, the education component requires completion of a course that complies with the specifications for content established by the AQB.
- D.** Application of qualification criteria.
1. If an applicant is not currently registered, licensed, certified, or designated by the Board, the applicant shall meet the qualification criteria for the classification for which application is made:
    - a. Through December 31, 2014, the qualification criteria for licensure or certification are those listed in subsection (B)(1);
    - b. Through December 31, 2014, the qualification criteria for registration as a trainee appraiser are the 75 hours of appraiser core curriculum required under R4-46-201(B)(1) for licensure including the 15-hour National USPAP Course or its ABQ-approved equivalent; and
    - c. On and after January 1, 2015, the qualification criteria for all classifications are those listed in subsection (B)(2).
  2. If an individual currently registered, licensed, or certified by the Board makes application to be licensed or certified in a different classification, as specified under subsection (A), the Board shall require the individual to show evidence that the individual meets the education, experience, and examination requirements for the new classification that differ from the requirements for the current classification.
- E.** Regardless of whether a transaction is federally related:
1. A 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 is limited to the scope of practice in A.R.S. § 32-3612(A)(2).
- F.** Notwithstanding the criteria incorporated by reference in subsection (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 ABQ-approved equivalent, through distance education;
  3. Qualifying education credit may be obtained at any time before the date of application, except:
    - a. The 15-hour National USPAP Course or its AQB-approved equivalent shall be obtained within two years before the date of application; and
    - b. On and after January 1, 2015, an applicant for original registration as an appraiser trainee shall obtain all qualifying education within five years before the date of application; and

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4. Seventy-five percent of the applicant's experience 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**

- A. On and after January 1, 2015, an individual who wishes to act as a supervisory appraiser for a registered trainee appraiser shall:
  1. Apply for and obtain designation from the Board as a supervisory appraiser before providing supervision to a registered trainee appraiser;
  2. Have been state certified for at least three years; 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.
  1. A registered trainee appraiser may have more than one designated supervisory appraiser.
  2. A designated supervisory appraiser shall not supervise more than three registered trainee appraisers at any one time.
  3. A registered trainee appraiser shall maintain a separate appraisal log for each designated supervisory appraiser and, at a minimum, include the following in each log for each appraisal:
    - a. Type of property,
    - b. Date of report,
    - c. Address of appraised property,
    - d. Description of work performed by the registered trainee appraiser,
    - e. Scope of review and supervision provided by the designated supervisory appraiser,
    - f. Number of actual work hours worked by the registered trainee appraiser on the assignment, and
    - g. Signature and state certificate number of the designated supervisory appraiser.
  4. A 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 when the engagement ends.
  5. If a registered trainee appraiser or designated supervisory appraiser fails to comply with the applicable requirements of this Section:
    - a. The registered trainee appraiser or the designated supervisory appraiser may be subject to disciplinary action under A.R.S. § 32-3631(A)(8), and
    - b. The registered trainee appraiser shall not receive experience credit for hours logged during the period that the registered trainee appraiser or designated supervisory appraiser failed to comply with the applicable requirements of 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 Original Registration, Licensure, or Certification**

- A. An applicant for an original registration, licensure, or certification shall submit:
  1. 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

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- 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.
- B.** To be eligible for 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 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 the application, examination, and biennial national registry fees specified in R4-46-106;
  - 4. Pass a criminal background check; and
  - 5. Pay the charge established by the Department of Public Safety for processing fingerprints.
- C.** 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 registration, licensure, or certification within one year after filing the application or the Board shall close the applicant's file. If an applicant whose file is closed wishes to be considered further for registration, licensure, or certification, the applicant shall reapply under this Section. The Board shall notify an applicant whose application is closed by certified mail or personal service at the applicant's address of record. Notice is complete 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**

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 license or certificate is in good standing; and
  - d. Statement of whether disciplinary proceedings are pending against the individual;
- 5. Submits 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; and
- 6. Submits the application and biennial national registry fees specified in R4-46-106 and pays the charge established by the Department of Public Safety for processing fingerprints.

**R4-46-203. Application for Non-resident Temporary Licensure or Certification**

- 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;

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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. Licensure and Certification Examinations**

- A. An applicant for licensure or certification may schedule an examination after the Board provides written notice to the applicant that the Board has determined the applicant's experience and education meet the standards specified in R4-46-201.
- B. An applicant shall successfully complete the AQB-approved examination for the classification for which application is made.
- C. An applicant for licensure or certification who fails to pass the required examination or fails to appear for a scheduled examination may schedule another examination by 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**

If the Board determines that an applicant for registration, licensure, or certification meets the qualification criteria prescribed in R4-46-202, the Board shall issue a registration, license, or certificate that entitles the applicant to practice within the appropriate scope specified in A.R.S. § 32-3612 for the term specified in A.R.S. § 32-3616.

**R4-46-206. Repealed**

**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 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 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(B), except:
    - a. The Board shall not grant hours toward the continuing education requirement unless the length of the educational offering is at least three hours;
    - b. A renewal applicant shall not obtain the 7-Hour National USPAP Update Course, or its AQB-approved equivalent through distance education;
    - c. A renewal applicant shall not obtain more than 75 percent of required continuing education through distance education. 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 instructor 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

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an item on the meeting agenda.

- 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
- 4. Pay both the renewal and biennial national registry fees.
- B. If the last day for filing a renewal application falls on a Saturday, Sunday, or legal holiday, the appraiser may file the renewal form on the next business day.
- C. If an appraiser fails to seek renewal within the time 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(D)(2);
  - 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 is lost, damaged, or destroyed, the appraiser may obtain a replacement registration, license, or certificate by 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 7. REPEALED**

- R4-46-701. Repealed**
- R4-46-702. Repealed**
- R4-46-703. Repealed**
- R4-46-704. Repealed**