

Board of Appraisal

TITLE 4. PROFESSIONS AND OCCUPATIONS**CHAPTER 46. BOARD OF APPRAISAL**

Title 4, Chapter 46, consisting of Article 1, Sections R4-46-101 through R4-46-105; Article 2, Sections R4-46-201 through R4-46-208; Article 3, Sections R4-46-301 through R4-46-306; Article 4, Section R4-46-401; Article 5, Sections R4-46-501 through R4-46-503; and Article 6, Section R4-46-601, adopted effective December 29, 1995 (Supp. 95-4).

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ARTICLE 1. GENERAL PROVISIONS**R4-46-101. Definitions**

In these rules, unless the context otherwise requires:

“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.

“Appraiser” means a person licensed or certified by the Board to complete real estate appraisals or consulting assignments in accordance with A.R.S. § 32-3612(A)(1), (2), and (3).

“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 the Board that meets the minimum criteria established in R4-46-301(A)(1) and alleges violations 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 a plea of no contest.

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

“Direct supervision” means that a supervising appraiser of a trainee 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 agreement, probation, suspension, revocation, or an acceptance of surrender of a license or certificate.

“Dismissal” means termination of a complaint without further hearing.

“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). 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 workfile.

“Investigation” means a fact-finding process initiated by a complaint concerning the practice of a named respondent.

“Investigator” means an appraiser or property tax agent operating 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 advisory letter to notify a respondent that the action that is the basis of a complaint 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 found.

“Letter of remedial action” means a nondisciplinary 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 found.

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

“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.

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

“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 appraiser, course provider, or property tax agent 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 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.

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

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Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 11 A.A.R. 2018, effective July 2, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Amended by final rulemaking at 14 A.A.R. 1434, effective May 31, 2008 (Supp. 08-2).

R4-46-102. Powers of Board

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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4).

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

- A.** The Board shall keep all records reasonably necessary or appropriate to maintain an accurate knowledge of its official activities including, but not limited to: applications for an initial license or certificate; renewal applications; examination results; documents, transcripts, and pleadings relating to disciplinary proceedings and to hearings on the denial of a license or certificate; investigative reports; staff memoranda; and general correspondence between any person and the Board, 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 records available for public inspection and copying according to the procedures described in A.R.S. Title 39, Chapter 1, Article 2.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3).

R4-46-104. Repealed**Historical Note**

Adopted effective December 29, 1995 (Supp. 95-4). Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Section repealed by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

R4-46-105. Repealed**Historical Note**

Adopted effective December 29, 1995 (Supp. 95-4). Section repealed by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 14 A.A.R. 225, effective March 8, 2008 (Supp. 08-1). Amended by final rulemaking at 17 A.A.R. 2605, effective December 6, 2011 (Supp. 11-4). Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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; Appen-

- dix, 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.
- 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
 4. Seventy-five percent of the applicant's experience component shall include work product where the applicant inspected the subject property.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4).
 Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3).
 Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007; subsections (D)(2)(f) and (D)(4) effective January 1, 2008 (Supp. 07-2). Amended by final rulemaking at 14 A.A.R. 1434, effective May 31, 2008 (Supp. 08-2).
 Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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

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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.

Historical Note

Section R4-46-201.01 made by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 6 A.A.R. 768, effective February 3, 2000 (Supp. 00-1). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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.

Historical Note

Section R4-46-202.01 made by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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;
 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Section R4-46-203 renumbered to R4-46-204; new Section R4-46-203 adopted effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Section repealed; new Section made by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Former Section R4-46-204 renumbered to R4-46-205; new Section R4-46-204 renumbered from R4-46-203 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-205 renumbered to R4-46-206; new Section R4-46-205 renumbered from R4-46-204 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

R4-46-206. Repealed**Historical Note**

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-206 renumbered to R4-46-207; new Section R4-46-206 renumbered from R4-46-205 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Repealed by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

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 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).

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-207 renumbered to R4-46-209; new Section R4-46-207 renumbered from R4-46-206 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

R4-46-208. Repealed**Historical Note**

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-208 renumbered to R4-46-210; new Section R4-46-208 adopted effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 1880, effective May 3, 2005 (Supp. 05-2). Section repealed by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2).

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.

Historical Note

R4-46-209 renumbered from R4-46-207 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2). Amended by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).

R4-46-210. Repealed

Historical Note

R4-46-210 renumbered from R4-46-208 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Section repealed by final rulemaking at 13 A.A.R. 1381, effective June 2, 2007 (Supp. 07-2).

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 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 the complaint includes allegations concerning an appraisal, consulting assignment, or property tax appeal.
2. Upon receipt of a complaint:
 - 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. Within 14 days after receipt of a complaint the Board shall notify the respondent, as prescribed in A.R.S. § 41-1092.04, of the complaint and the requirement 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, the Board shall require that the respondent additionally provide all of the following to the Board: the appraisal report, appraisal review, consulting assignment, or property tax appeal at issue; and the workfile.
 - c. If the respondent requests more time to respond, the Board shall grant a single extension of time that does not exceed 30 days.

B. Initial Review and Investigation

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. If the Board determines further investigation is necessary, the Board may employ an

investigator or investigators and shall notify the respondent of the pending investigation.

2. If a respondent's name is placed on a public meeting agenda, the Board shall mail a letter to the respondent not less than seven days before the scheduled meeting, providing 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. A respondent may refuse to participate in an informational interview. The Board may use any information presented at the informational interview in other proceedings related to the complaint.
 4. At the initial review, the Board shall consider the complaint; any response; the appraisal report, appraisal review, consulting assignment, or property tax appeal; and the workfile. The Board may dismiss the matter, request or subpoena additional information, order a limited or full investigation, or invite the respondent to an informal hearing, based on the information reviewed.
 5. Board staff shall assign each investigator according to the investigator's experience, expertise, contract terms, and availability. Board staff shall select an investigator who does not have a business or familial relationship with the respondent. Each investigative report shall contain the signed certification specified in subsection (B)(6). 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 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 the complaint involved.
 6. The following certification shall be included 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 developing or reporting any predetermined result or outcome.
 - f. My compensation for this investigation is not contingent upon 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 filed against a respondent, the matter may be resolved by a settlement in

which the respondent agrees 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 agreement with the respondent. A statement made for the purpose of settlement is not admissible in a formal hearing.

D. Informal Hearing; 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 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 a copy of the informational material "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. The respondent may request and the Board 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 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 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 writ-

ten notice of the outcome of the informal hearing is received.

6. In resolving a complaint, the Board shall consider mitigating and aggravating circumstances, including but not limited to:
 - a. Whether a violation is intentional;
 - b. Whether the respondent has a prior disciplinary history;
 - c. The time that has elapsed since the violation, and any prior violation;
 - d. Whether any prior violation is 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.** 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.** If a matter 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4).
 Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3).
 Amended by final rulemaking at 11 A.A.R. 2018, effective July 2, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

R4-46-302. Formal Hearing Procedures

- A.** The Board shall issue a notice of hearing and formal complaint for formal disciplinary proceedings if:
 1. After an informal hearing, the Board determines that suspension or revocation may be warranted;
 2. After an informal hearing, the respondent refuses to sign a letter of due diligence or consent agreement offered by the Board;
 3. The respondent is aggrieved by the Board's decision in an informal hearing; or
 4. 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 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. 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
 1. The Board may conduct a 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 has the burden of proof and will present evidence first.
 3. The Board shall conduct each 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 a showing of good cause.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-302 repealed; new Section R4-46-302 renumbered from R4-46-303 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 2018, effective July 2, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

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.
- 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.
- C. Either party may request or the Board may order oral argument.
- D. The Board may grant rehearing or review for any of the following causes materially affecting a party's rights:
 1. Irregularity in the administrative proceedings of the Board or any other abuse of discretion which deprived the moving party of a fair hearing;
 2. Misconduct of the Board or any party;
 3. Accident or surprise which could not have been prevented by ordinary prudence;

4. Newly discovered material evidence which 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 the evidence, or a decision that is contrary to law.
- E. 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). 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. 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.
 - G. 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-303 renumbered to R4-46-302; new Section R4-46-303 renumbered from R4-46-304 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 2018, effective July 2, 2005 (Supp. 05-2).

R4-46-304. Conviction and Judgment Disclosure

- A. When an appraiser or property tax agent is convicted of any act which is or would be punishable as a felony, crime involving moral turpitude, or any crime which is substantially related to the respective qualifications, functions, and duties of an appraiser or property tax agent, 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, the person against whom the judgment entered shall notify the board within 20 days of entry of judgment.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-304 renumbered to R4-46-303; new Section R4-46-304 renumbered from R4-46-305 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

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

- A. An applicant who reapplies after revocation of a license, certificate, or course approval, shall submit an application for license, certificate, or course approval consistent with these rules. The applicant shall attach substantial evidence to the application that the issuance of a license, certificate, or course approval will no longer constitute a threat to the public welfare and safety.
- B. The Board shall make a determination of each application that is consistent with the public safety and welfare.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-

46-305 repealed; new Section R4-46-305 renumbered from R4-46-306 and amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

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,
 3. Complaints referred for investigation, and
 4. Complaints referred for informal or formal hearing.
- B.** In preparing the report, 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, and the public.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-306 renumbered to R4-46-305 effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 11 A.A.R. 2018, effective July 2, 2005 (Supp. 05-2). Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

ARTICLE 4. STANDARDS OF PRACTICE

R4-46-401. Standards of Appraisal Practice

Every appraiser, in performing the acts and services of an appraiser, shall comply with the Uniform Standards of Professional Appraisal Practice (USPAP), 2010-2011 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 2010-2011 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). R4-46-401 amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 5 A.A.R. 2734, effective July 21, 1999 (Supp. 99-3). Amended by final rulemaking at 6 A.A.R. 1577, effective April 4, 2000 (Supp. 00-2). Amended by final rulemaking at 7 A.A.R. 1373, effective March 7, 2001 (Supp. 01-1). Amended by final rulemaking at 8 A.A.R. 1951, effective April 3, 2002 (Supp. 02-2). Amended by final rulemaking at 9 A.A.R. 1603, effective May 6, 2003 (Supp. 03-2). Amended by final rulemaking at 10 A.A.R. 2677, effective June 8, 2004 (Supp. 04-2). Amended by final rulemaking at 11 A.A.R. 475, effective January 4, 2005 (Supp. 05-1). Amended by final rulemaking at 12 A.A.R. 2186, effective July 1, 2006 (Supp. 06-2). Amended by final rulemaking at 14 A.A.R. 31, effective December 4, 2007 (Supp. 07-4). Amended by final rulemaking at 16 A.A.R. 1992, effective September 14, 2010 (Supp. 10-3). Section amended by emergency rulemaking at 18 A.A.R. 1306, effective May 18, 2012 for 180 days (Supp. 12-2). Emergency expired (Supp. 13-4).

ARTICLE 5. COURSE APPROVAL

R4-46-501. Course Approval

- A.** A course shall be approved under these rules as either qualifying or continuing education. In order to be approved as qualifying or continuing education, the course must be found to satisfy all the respective criteria set forth in the real property appraiser qualification criteria and interpretations of the criteria in R4-46-201(A), except:
1. The 15-hour National USPAP Course or its equivalent approved through the AQB Course Approval Program shall not be in the form of distance education;
 2. Only continuing education courses of at least three hours shall be considered for approval.
- B.** Each approved course shall be assigned an index number and shall be assigned a maximum number of hours of instruction (including examination time if applicable).
- C.** Upon receipt 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 sub-topic, 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
 - 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4).
Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3).
Amended by final rulemaking at 13 A.A.R. 1503, effective June 2, 2007 (Supp. 07-2).

R4-46-502. Expired

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4).
Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3).
Section expired under A.R.S. § 41-1056(E) at 10 A.A.R. 1893, effective January 31, 2004 (Supp. 04-2).

R4-46-503. Hearing on Denial of 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.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4).
Amended effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3).
Amended by final rulemaking at 13 A.A.R. 1503, effective June 2, 2007 (Supp. 07-2).

ARTICLE 6. PROPERTY TAX AGENTS

R4-46-601. Standards of Practice

The Board may revoke or suspend an 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 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;
12. Performing an appraisal as defined by A.R.S. § 32-3601 unless licensed or certified by the Board as an appraiser.

Historical Note

Adopted effective December 29, 1995 (Supp. 95-4). Section repealed; new Section adopted effective October 1, 1998; filed in the Office of the Secretary of State September 10, 1998 (Supp. 98-3). Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

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

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.

Historical Note

Adopted effective October 1, 1998; filed in the Office of

the Secretary of State September 10, 1998 (Supp. 98-3).
Amended by final rulemaking at 13 A.A.R. 1388, effective June 2, 2007 (Supp. 07-2).

ARTICLE 7. REPEALED

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

Historical Note

New Section made by final rulemaking at 17 A.A.R. 566, effective April 5, 2011 (Supp. 11-2). Section repealed by exempt rulemaking at 19 A.A.R. 4023, effective November 21, 2013 (Supp. 13-4).