

**PROPOSED REGULATION OF THE COMMISSION OF
APPRAISERS OF REAL ESTATE**

LCB File No. R011-13

AGENCY DRAFT 1 - 050913

EXPLANATION – Matter in *italics* is new; matter in brackets ~~omitted material~~ is material to be omitted.

AUTHORITY: NRS 645C.210

Section 1. Chapter 645C of NAC is hereby amended by adding thereto a new section to read as follows:

1. Supervisory appraisers must complete a course of instruction on the responsibilities of Supervisory appraisers and expectations for registered interns prior to supervising a registered intern. Applicants for a registered intern must complete a course of instruction on the responsibilities of Supervisory appraisers and expectations for registered interns prior to obtaining a registration. The content of the course must include the following topics:

(a) Qualifications and Licensing Entities;

(1) The Appraisal Foundation;

(2) The Appraiser Qualifications Board;

(3) State licensing authorities; and

(4) Professional organizations.

(b) Appraiser Qualifications Board qualification for appraiser licensing;

(1) The Appraiser Qualifications Board Qualifications; and

(2) State of Nevada qualifications.

(c) Overview of the Uniform Standards of Professional Appraisal Practice;

(d) Responsibilities and expectations of supervisory appraiser;

(e) Responsibilities and expectations of registered intern; and

(f) Nevada requirements for supervisory appraiser and registered interns.

Sec. 2. NAC 645C.085 is hereby amended to read as follows:

NAC 645C.085 Examinations: Length; disclosure. (NRS 645C.210)

1. The examination for a license or certificate as an appraiser will be at least 3 hours. The times may be different for the examination for certification of general appraisers, licensure of residential appraisers and certification of residential appraisers.

2. Examinations must not be made public except as otherwise provided by statute or regulation.

3. Candidates must complete the required education and experience prior to taking the exam.

Sec. 3. NAC 645C.108 is hereby amended to read as follows:

NAC 645C.108 Supervision of registered interns: Generally. (NRS 645C.210, 645C.270)

1. A supervisory appraiser must:

(a) Have been certified as a residential appraiser or general appraiser for at least ~~1-year~~ **3 years** before he supervises a registered intern;

(b) Be in good standing with the Division *and not subject to any disciplinary action within the last 3 years which affects the supervisory appraiser's legal ability to engage in appraisal practice*; and

(c) Not supervise more than two registered interns at a time.

2. A supervisory appraiser shall personally inspect with a registered intern the first 50 properties assigned to the registered intern for appraisal.

3. Except as otherwise provided in this subsection, a registered intern who has completed at least 50 appraisals of property to the satisfaction of his supervisory appraiser may perform an inspection of property for appraisal which is located within 50 miles of the principal office of his supervisory appraiser without the personal supervision of the supervisory appraiser at the site of the property. A supervisory appraiser may submit an application to the Administrator for permission to allow a registered intern to perform inspections of properties for appraisal which are located more than 50 miles from the principal office of his supervisory appraiser.

Sec. 4. NAC 645C.235 is hereby amended to read as follows:

NAC 645C.235 Licensure as residential appraiser: Required instruction. [Effective January ~~1, 2008~~ 15, 2015.] (NRS 645C.210, 645C.330)

1. A course of instruction for an applicant for a license as a residential appraiser must:

(a) Consist of at least the following:

(1) Thirty hours of instruction on basic appraisal principles;

(2) Thirty hours of instruction on basic appraisal procedures;

(3) Fifteen hours of instruction in a course on the *USPAP*;

(4) Fifteen hours of instruction on residential market analysis and analysis of the highest and best use of real estate;

(5) Fifteen hours of instruction on valuation of a site and cost approach for a residential appraiser;

(6) Thirty hours of instruction on residential sales comparison and income approaches;

(7) Fifteen hours of instruction on residential report writing and case studies; and

(8) Three hours of instruction on the laws of this State governing appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a license.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a license as a residential appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a license as a residential appraiser must:

(a) Hold an associates degree or higher from an accredited college or university; or

(b) Have earned at least a total of 30 semester credit hours of college education from an accredited college or university.

Sec. 5. NAC 645C.237 is hereby amended to read as follows:

NAC 645C.237 Certification as residential appraiser: Required instruction and higher education. [Effective January ~~1, 2008~~ 15, 2015.] (NRS 645C.210, 645C.330)

1. A course of instruction for an applicant for a certificate as a residential appraiser must:

- (a) Consist of at least the following:
- (1) Thirty hours of instruction on basic appraisal principles;
 - (2) Thirty hours of instruction on basic appraisal procedures;
 - (3) Fifteen hours of instruction in a course on the *USPAP*;
 - (4) Fifteen hours of instruction on residential market analysis and analysis of the highest and best use of real estate;
 - (5) Fifteen hours of instruction on residential appraiser valuation of a site and cost approach;
 - (6) Thirty hours of instruction on residential sales comparison and income approaches;
 - (7) Fifteen hours of instruction on residential report writing and case studies;
 - (8) Fifteen hours of instruction on statistics, modeling and finance;
 - (9) Fifteen hours of instruction on advanced residential applications and case studies;
 - (10) Three hours of instruction on the laws of this State governing appraisals; and
 - (11) Twenty hours of instruction in elective courses relating to appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a certificate.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a certificate as a residential appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a certificate as a residential appraiser must ~~[(a)]~~ ~~Hold a~~ ~~[n]~~ ~~associate~~ *bachelor's* degree or higher from an accredited college or university. ~~;~~ ~~or~~

~~_____ (b) Have earned at least a total of 21 semester credit hours or its equivalent in the following subjects, with a minimum of 3 semester credit hours or its equivalent in each of the following subjects, from an accredited college or university:~~

- ~~_____ (1) English composition;~~
- ~~_____ (2) Principles of micro- or macroeconomics;~~
- ~~_____ (3) Finance;~~
- ~~_____ (4) Algebra, geometry or a higher level of mathematics;~~
- ~~_____ (5) Statistics;~~
- ~~_____ (6) Introduction to computers, including word processing and spreadsheets; and~~
- ~~_____ (7) Business or real estate law.]~~

Sec. 6. NAC 645C.240 is hereby amended to read as follows:

NAC 645C.240 Certification as general appraiser: Required instruction and higher education. [Effective January ~~1, 2008~~15, 2015.] (NRS 645C.210, 645C.330)

1. A course of instruction for an applicant for a certificate as a general appraiser must:

- (a) Consist of at least the following:
- (1) Thirty hours of instruction on basic appraisal principles;
 - (2) Thirty hours of instruction on basic appraisal procedures;
 - (3) Fifteen hours of instruction in a course on the *USPAP*;
 - (4) Thirty hours of instruction on residential market analysis and analysis of the highest and best use of real estate;
 - (5) Thirty hours of instruction on valuation of a site and cost approach for a general appraiser;

- appraiser;
- (6) Thirty hours of instruction on a sales comparison approach for a general appraiser;
 - (7) Sixty hours of instruction on an income approach for a general appraiser;
 - (8) Thirty hours of instruction on report writing and case studies for a general appraiser;
 - (9) Fifteen hours of instruction on statistics, modeling and finance;
 - (10) Three hours of instruction on the laws of this State governing appraisals; and
 - (11) Thirty hours of instruction in elective courses relating to appraisals.

(b) Except as otherwise provided in subsection 2, be completed within the 5 years immediately preceding the submission of an application for a certificate.

2. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for a certificate as a general appraiser if the course is successfully completed at an accredited college or university.

3. An applicant for a certificate as a general appraiser must ~~[(a)]~~ ~~[(H)]~~ hold a bachelor's degree or higher from an accredited college or university. ~~}; or~~

~~(b) Have earned at least a total of 30 semester credit hours or its equivalent in the following subjects, with a minimum of 3 semester credit hours or its equivalent in each of the following subjects, from an accredited college or university:~~

- ~~(1) English composition;~~
- ~~(2) Principles of microeconomics;~~
- ~~(3) Principles of macroeconomics;~~
- ~~(4) Finance;~~
- ~~(5) Algebra, geometry or a higher level of mathematics;~~
- ~~(6) Statistics;~~
- ~~(7) Introduction to computers, including word processing and spreadsheets;~~
- ~~(8) Business or real estate law; and~~
- ~~(9) Two elective courses in accounting, geography, agricultural economics, business management or real estate.]~~

Sec. 7. NAC 645C.243 is hereby amended to read as follows:

NAC 645C.243 Required instruction: Registration as intern. [Effective ~~through December 31, 2007.] January 1, 2015]~~ (NRS 645C.210)

1. Except as otherwise provided in subsection 3, an applicant for registration as an intern pursuant to NRS 645C.270 must include on his application evidence satisfactory to the Division that he has successfully completed at least 75 hours of instruction within the 5 years immediately preceding the submission of his application for registration as an intern in the following subjects:

- (a) Factors that influence the value of real estate;
- (b) Legal considerations of appraisals;
- (c) Types of value;
- (d) Economic principles;
- (e) The real estate market and an analysis of that market;
- (f) The process of valuation;
- (g) Description of real estate;
- (h) Analysis of the highest and best use of real estate;
- (i) Mathematics and statistics related to appraisals;
- (j) Analysis of value by sales comparison;

- (k) Analysis of value by cost;
 - (l) Analysis of value by income;
 - (m) The valuation of a site;
 - (n) The valuation of partial interests;
 - (o) Standards and ethics relating to appraisals;
 - (p) The *Uniform Standards of Professional Appraisal Practice* adopted by reference pursuant to NAC 645C.400; and
 - (q) Other subjects relating to appraisals.
2. An applicant for registration as an intern is not required to pass the examination for the *Uniform Standards of Professional Appraisal Practice* before he submits his application for registration as an intern.

~~{3. The Division may allow credit for a course of instruction set forth in subsection 1 that is completed more than 5 years before the submission of an application for registration as an intern if the course is successfully completed at an accredited college or university.}~~

Sec. 8. NAC 645C.300 is hereby amended to read as follows:

NAC 645C.300 Requirements for renewal of active registration, license or certificate and reinstatement of inactive license or certificate. (NRS 645C.210, 645C.440)

1. To renew an active registration, license or certificate, the intern, licensee or holder of the certificate must complete at least 30 hours of continuing education in courses approved by the Commission, including, without limitation, at least 7 hours of instruction in a course on the *USPAP* relating to updates to the *USPAP*, within the 2 years immediately preceding the application for renewal.

2. To reinstate a license or certificate which has been placed on inactive status, a person must provide the Division with proof that he has met the following requirements for continuing education, including, without limitation:

(a) At least 7 hours of instruction in the course on the *USPAP* relating to updates to the *USPAP* most recently approved by the Commission;

(b) For a license or certificate that has been placed on inactive status for not more than 2 years, at least 30 hours of instruction in continuing education courses approved by the Commission; and

(c) For a license or certificate that has been placed on inactive status for more than 2 years, at least 15 hours of instruction in continuing education courses approved by the Commission for each year of inactive status.

~~{3. The 7 hours of instruction in a course on the USPAP relating to updates to the USPAP required pursuant to this section may not be taken through distance education courses.}~~

Sec. 9. NAC 645C.305 is hereby amended to read as follows:

NAC 645C.305 Standards for courses. (NRS 645C.210, 645C.440)

1. Courses for continuing education must contain:

(a) Current information on appraisal practices which will improve the professional knowledge of the licensee or holder of a certificate and enable him to provide better service to the public.

(b) Information that pertains to pertinent state and federal laws and regulations relating to appraisals or appraisal practices.

2. The Commission considers courses in the following areas to be acceptable for continuing education:

- (a) The *USPAP*;
- (b) Legislative issues which concern the practice of appraising or licensees or holders of certificates, including, without limitation, pending and recent legislation;
- (c) The administration of laws and regulations governing appraisals, including, without limitation, licensing, certification and enforcement;
- (d) The relationship of the appraisal report to real estate financing;
- (e) The measurement and evaluation of the market for real estate, including, without limitation, evaluations of sites, market data and studies of feasibility;
- (f) The development of real property;
- (g) Real estate and appraisal mathematics;
- (h) Nature of value;
- (i) The purpose and use of appraisals;
- (j) Methods of valuation and evaluation;
- (k) Income capitalization; ~~and~~
- (l) Construction~~+~~;
- (m) Green building; and*
- (n) Sellers Concessions.*

3. If the sponsor agrees to comply with all other requirements of approval, the Commission will accept without specific approval any course in appraisal practices or directly related subjects if the course has been previously approved by the Commission.