

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

In the matter of the amendment of ARM ) NOTICE OF AMENDMENT  
24.207.506 qualifying education ) AND ADOPTION  
requirements for residential certification, )  
24.207.509 qualifying experience, )  
24.207.517 trainee requirements, and )  
24.207.2101 continuing education, and the )  
adoption of NEW RULE I scope of practice )

TO: All Concerned Persons

1. On January 25, 2007, the Board of Real Estate Appraisers (board) published MAR Notice No. 24-207-28 regarding the amendment and adoption of the above-stated rules, at page 75 of the 2007 Montana Administrative Register, issue no. 2.

2. On February 15, 2007, a public hearing was held on the proposed amendment and adoption of the above-stated rules in Helena. Several comments were received by the February 23, 2007, deadline.

3. The board has thoroughly considered the comments and testimony received. A summary of the comments received and the board's responses are as follows:

COMMENT 1: One commenter questioned the meaning of progressive participation in ARM 24.207.509(3) and stated that it could have many different meanings. The commenter asked how progressive participation is documented in the experience log and noted that the current board log shows assignment types such as "a completed" or "a limited" which are terms no longer used in the business.

The commenter questioned the function of the appraisal process and what the board is trying to accomplish by adding progressive participation. The commenter asserted that progressive participation is more than what The Appraisal Foundation requires. The commenter also stated that if there are reasons for having trainees provide more documentation, it should be tied to something other than progressive participation in the appraisal process such as scope of work as defined in the Uniform Standards of Professional Practice (USPAP).

RESPONSE 1: After discussing the proposed language and considering the comments, the board concluded that the proposed amendment carries enough clarification to serve the board's purpose at this time. The board notes that the amendment was proposed to prevent people from acquiring all their experience simply driving around and taking pictures. The board intends for mentors to bring trainees along in the process of gaining experience, using progressive participation in the appraisal process. The board is amending the rule exactly as proposed.

COMMENT 2: Several commenters supported the proposed rule changes.

RESPONSE 2: The board acknowledges and appreciates all comments received.

4. The board has amended ARM 24.207.506, 24.207.509, and 24.207.2101 exactly as proposed.

5. At the public hearing, it was noted that the rules as proposed contained two typographical errors to be corrected in the final notice. The correction of the typographical error in ARM 24.207.517 modifies the language to correctly identify the Uniform Standards of Professional Appraisal Practice. The correction of the typographical error in NEW RULE I (ARM 24.207.510) indicates the market value that is used in the nationally recognized parameters for the scope of real property appraisal practice which had not been previously delineated in administrative rule.

6. The board has amended ARM 24.207.517 with the following changes, stricken matter interlined, new matter underlined:

24.207.517 TRAINEE REQUIREMENTS (1) through (1)(b) remain as proposed.

(c) have completed 45 hours of approved qualifying education including 15 hours of ~~Universal~~ Uniform Standards of Professional Appraisal Practice (USPAP) in the principles of real estate appraisal prior to making application; and  
(d) through (12) remain as proposed.

7. The board has adopted NEW RULE I (24.207.510), with the following changes, stricken matter interlined, new matter underlined:

24.207.510 SCOPE OF PRACTICE (1) remains as proposed.

(a) The licensed real property classification applies to the appraisal of noncomplex one to four residential units having a market value less than \$1,000,000 and complex one to four residential units having a market value less than ~~\$250,000,000~~ \$250,000.

(i) through (c) remain as proposed.

BOARD OF REAL ESTATE APPRAISERS  
KRAIG KOSENA, CHAIRPERSON

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

/s/ KEITH KELLY  
Keith Kelly, Commissioner  
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State April 2, 2007