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Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee Real Estate Appraiser Commission
Division:	Regulatory Boards
Contact Person:	Mark Green
Address:	500 James Robertson Parkway Nashville, TN 37243
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Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing

ADA Contact:	Don Coleman
Address:	500 James Robertson Parkway Davy Crockett Tower Nashville, TN 37243
Phone:	615-741-0481
Email:	Don.Coleman@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	500 James Robertson Parkway, Room 1B		
Address 2:			
City:	Nashville		
Zip:	37243		
Hearing Date :	10/16/18		
Hearing Time:	9:00 AM	<input checked="" type="checkbox"/> CST/CDT	<input type="checkbox"/> EST/EDT

Additional Hearing Information:

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Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
1255-01	General Provisions
Rule Number	Rule Title
1255-01-.05	Qualifications for State Licensed Appraiser
1255-01-.07	Qualifications for State Certified Residential Appraiser
1255-01-.08	Qualifications for General Certification
1255-01-.12	Registered Trainee

Rules of Tennessee Real Estate Appraiser Commission
Chapter 1255-01 General Provisions; 1255-04 Continuing Education
Rule 1255-01-.05, .07, .08 & .12; Rule 1255-04-.01

Chapter Number	Chapter Title
1255-04	Continuing Education
Rule Number	Rule Title
1255-04-.01	Continuing Education Requirements

2018 Rulemaking Hearing
Tennessee Real Estate Appraiser Commission

Chapter 1255-01
General Provisions
Amendments

Rule 1255-01-.05(1)(b) is amended by deleting the word "classroom" wherever it appears in part (b)1. and inserting the phrase "no more than fifty percent (50%) via internet or distance education" immediately following the phrase "hours of courses" so that, as amended, part (b)1. shall read:

(b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state licensed appraiser examination:

1. One hundred fifty (150) hours of courses, no more than fifty percent (50%) via internet or distance education, in subjects related to real estate appraisal (hereinafter, "qualifying education requirement") which shall include:

(i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined by the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board;

(l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.

(ii) Successful completion of a thirty (30) hour course in Appraisal Principles;

(iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;

(iv) Successful completion of a fifteen (15) hour course in Residential Market Analysis and Highest and Best Use;

(v) Successful completion of a fifteen (15) hour course in Residential Appraiser Site Valuation and Cost Approach;

(vi) Successful completion of a thirty (30) hour course in Sales Comparison and Income Approaches; and

(vii) Successful completion of a fifteen (15) hour course in Residential Report Writing and Case Studies.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-303, 62-39-329, 62-39-333, and 62-39-337

Rule 1255-01-.07(1)(b) is amended by deleting the word "classroom" wherever it appears in part (b)1. and inserting the phrase " , no more than fifty percent (50%) via internet or distance education," immediately following the phrase "hours of courses" so that, as amended, part (b)1. shall read:

(b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified residential appraiser examination:

1. Two hundred (200) hours of courses, no more than fifty percent (50%) via internet or distance education, in subjects related to real estate appraisal (hereinafter "qualifying education requirement"). These modules shall include:

(i) Successful completion of fifteen (15) hours of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board;

(I) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.

(ii) Successful completion of a thirty (30) hour course in Appraisal Principles;

(iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;

(iv) Successful completion of a fifteen (15) hour course in Residential Market Analysis and Highest and Best Use;

(v) Successful completion of a fifteen (15) hour course in Residential Appraiser Site Valuation and Cost Approach;

(vi) Successful completion of a thirty (30) hour course in Sales Comparison and Income Approaches;

(vii) Successful completion of a fifteen (15) hour course in Residential Report Writing and Case Studies;

(viii) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;

(ix) Successful completion of a fifteen (15) hour course in Advanced Residential Applications and Case Studies; and

(x) Successful completion of twenty (20) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-311, 62-39-312, 62-39-313, 62-39-329, 62-39-333, and 62-39-337.

Rule 1255-01-.08(1)(b) is amended by deleting the word "classroom" wherever it appears in part (b)1. and inserting the phrase ", no more than fifty percent (50%) via internet or distance education," immediately following the phrase "hours of courses" so that, as amended, part (b)1. shall read:

(b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified general appraiser examination:

1. Three hundred (300) hours of courses, no more than fifty percent (50%) via internet or distance education, in subjects related to real estate appraisal. These modules shall include (hereinafter "qualifying education requirement"):

(i) Fifteen (15) hours of the three hundred (300) hours must include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board;

(l) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.

(ii) Successful completion of a thirty (30) hour course in Appraisal Principles;

(iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;

(iv) Successful completion of a thirty (30) hour course in General Appraiser Market Analysis and Highest and Best Use;

(v) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;

(vi) Successful completion of a thirty (30) hour course in General Appraiser Sales Comparison Approach;

(vii) Successful completion of a thirty (30) hour course in General Appraiser Site Valuation and Cost Approach;

(viii) Successful completion of a sixty (60) hour course in General Appraiser Income Approach;

(ix) Successful completion of a thirty (30) hour course in General Appraiser Report Writing and Case Studies; and

(x) Successful completion of thirty (30) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.

2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.

3. An applicant's qualifying education requirement may include the one hundred fifty (150) classroom hour requirement for the licensed real estate appraiser classification or the two hundred (200) hour requirement for the certified residential real estate appraiser classification.

4. The Commission may grant an applicant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and the applicant successfully completes an examination pertinent to that educational offering.

5. An applicant may obtain credit for the qualifying education requirement from the following:

- (i) colleges or universities;
- (ii) community or junior colleges;
- (iii) real estate appraisal or real estate related organizations;
- (iv) state or federal agencies or commissions;
- (v) proprietary schools;
- (vi) other providers approved by the Commission; and
- (vii) The Appraisal Foundation or its Boards.

6. An applicant should refer to Chapter 1255-02 Evaluation of Education for further delineation of educational requirements.

7. In the event that an applicant is denied, then an applicant for certification may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of his or her education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for certification is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, T.C.A., Title 4, Chapter 5) and the applicant may then reapply for certification.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-305 and 62-39-314.

Rule 1255-01-.08(1)(b) is amended by deleting the word "classroom" wherever it appears in part (b)3. so that, as amended, part (b)3. shall read:

(b) Appraisal Education. An applicant shall satisfy the following appraisal education requirements as a prerequisite to sit for the state certified general appraiser examination:

1. Three hundred (300) hours of courses, no more than fifty percent (50%) via internet or distance education, in subjects related to real estate appraisal. These modules shall include (hereinafter "qualifying education requirement"):

(i) Fifteen (15) hours of the three hundred (300) hours must include the successful completion of the National Uniform Standards of Professional Appraisal Practice Course or its equivalent. Equivalency shall be determined through the Appraiser Qualifications Board Course Approval Program or by an alternate method established by the Appraiser Qualifications Board;

(I) The Commission shall grant an applicant credit toward the qualifying education requirement for the National Uniform Standards of Professional Appraisal Practice Course only when at least one of the course instructors is an AQB Certified USPAP Instructor who is also a state certified residential real estate appraiser or state certified general real estate appraiser.

- (ii) Successful completion of a thirty (30) hour course in Appraisal Principles;
 - (iii) Successful completion of a thirty (30) hour course in Appraisal Practice or Procedures;
 - (iv) Successful completion of a thirty (30) hour course in General Appraiser Market Analysis and Highest and Best Use;
 - (v) Successful completion of a fifteen (15) hour course in Statistics, Modeling and Finance;
 - (vi) Successful completion of a thirty (30) hour course in General Appraiser Sales Comparison Approach;
 - (vii) Successful completion of a thirty (30) hour course in General Appraiser Site Valuation and Cost Approach;
 - (viii) Successful completion of a sixty (60) hour course in General Appraiser Income Approach;
 - (ix) Successful completion of a thirty (30) hour course in General Appraiser Report Writing and Case Studies; and
 - (x) Successful completion of thirty (30) hours of appraisal subject matter electives. These may include hours over minimum shown above in other modules.
2. A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.
3. An applicant's qualifying education requirement may include the one hundred fifty (150) hour requirement for the licensed real estate appraiser classification or the two hundred (200) hour requirement for the certified residential real estate appraiser classification.
4. The Commission may grant an applicant credit toward the qualifying education requirement only where the length of the educational offering is at least fifteen (15) hours and the applicant successfully completes an examination pertinent to that educational offering.
5. An applicant may obtain credit for the qualifying education requirement from the following:
- (i) colleges or universities;
 - (ii) community or junior colleges;
 - (iii) real estate appraisal or real estate related organizations;
 - (iv) state or federal agencies or commissions;
 - (v) proprietary schools;
 - (vi) other providers approved by the Commission; and
 - (vii) The Appraisal Foundation or its Boards.
6. An applicant should refer to Chapter 1255-02 Evaluation of Education for further delineation of educational requirements.

7. In the event that an applicant is denied, then an applicant for certification may file a written request for reconsideration with the Commission, appealing the Commission's evaluation of his or her education. The Commission shall consider the filed written request for reconsideration and reevaluate the applicant's education. In the event that the applicant's application for certification is denied after the education reevaluation, then the denial shall not create a contested case proceeding (as defined by the Tennessee Administrative Procedures Act, T.C.A., Title 4, Chapter 5) and the applicant may then reapply for certification.

Authority: T.C.A. §§62-39-203, 62-39-204, 62-39-305 and 62-39-314.

Rule 1255-01-.12(3) is amended by inserting the language ", no more than fifty percent (50%) via internet or distance education," immediately following the phrase "hours of courses" so that, as amended, paragraph (3) shall read:

(3) Education. Before registration, an applicant for trainee registration shall complete seventy-five (75) hours of courses, no more than fifty percent (50%) via internet or distance education, in subjects related to real estate appraisal, which shall include, but shall not be limited, to coverage of the Uniform Standards of Professional Appraisal Practice (hereinafter, "course credit"). An applicant shall complete the required course credit as a prerequisite to applying for registration as a registered trainee. All applicants shall submit evidence of completion of a minimum of an approved thirty (30) hour course in Appraisal Principles, an approved thirty (30) hour course in Practices and Procedures, and the fifteen (15) hour National Uniform Standards of Professional Appraisal Practice Course. An applicant shall also ensure that his or her course credit complies with the following:

Authority: T.C.A. §§ 62-39-105, 62-39-203, 62-39-204, 62-39-303, 62-39-304, 62-39-317, 62-39-324, and 62-39-333.

Rule 1255-01-.12(7) is amended by deleting the word "classroom" wherever it appears in subparagraph (7)(a) and by deleting the word "classroom" wherever it appears in subparagraph (7)(c) and substituting instead the word "course" so that, as amended, paragraph (7) shall read:

(7) Continuing Education.

(a) A registered trainee who remains in the classification of registered trainee in excess of two (2) years shall be required to obtain a minimum of twenty-eight (28) hours of instruction in courses, seminars, workshops, or conferences approved by the Commission prior to the next renewal period (hereinafter, "continuing education").

(b) As part of a registered trainee's continuing education, a registered trainee shall complete the seven (7) hour National Uniform Standards of Professional Appraisal Practice Course at least once every two (2) years as defined and required by rule 1255-04-.01(2).

(c) A course hour is defined as fifty (50) minutes of actual instruction for each sixty (60) minute segment.

(d) The Commission may grant continuing education credit only where the length of the educational offering is at least two (2) hours.

(e) An applicant may obtain continuing education credit from the following:

1. colleges or universities;
2. community or junior colleges;

3. real estate appraisal or real estate related organizations;
4. state or federal agencies or commissions;
5. proprietary schools; and
6. other providers approved by the Commission.

(f) The Commission may grant continuing education credit for educational offerings which are consistent with the purpose of continuing education stated in subparagraph (g) below and cover real estate appraisal topics such as the following:

1. ad valorem taxation;
2. arbitration;
3. business courses related to practice of real estate appraisal;
4. construction estimating;
5. ethics and standards of professional practice;
6. land use planning, zoning and taxation;
7. management, leasing, brokerage and timesharing;
8. property development;
9. real estate appraisal (valuations/evaluations);
10. real estate law;
11. real estate litigation;
12. real estate financing and investment;
13. real estate appraisal related computer applications;
14. real estate securities and syndication; and
15. real property exchange.

(g) The purpose of continuing education is to ensure that a registered trainee participates in a program that maintains and increases his or her skill, knowledge, and competency in real estate appraisal.

Authority: T.C.A. §§ 62-39-105, 62-39-203, 62-39-204, 62-39-303, 62-39-304, 62-39-317, 62-39-324, and 62-39-333.

Rule 1255-01-.12(7) is amended by adding a new subparagraph (h), which shall read:

(h) A registered trainee may complete no more than one-half (1/2) of the individual's required continuing education credits via internet or distance education.

Authority: T.C.A. §§ 62-39-105, 62-39-203, 62-39-204, 62-39-303, 62-39-304, 62-39-317, 62-39-324, and 62-39-333.

Rule 1255-01-.12(10)(g) is amended by replacing "seven (7)" and instead substituting "four (4)."

(g) On or after January 1, 2019, supervisory appraisers shall be required to complete a four (4) hour course that, at a minimum, complies with the specifications for course content established by the AQB, which is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers. The course is to be completed by the supervisory appraiser prior to supervising a trainee appraiser.

Authority: T.C.A. §§ 62-39-105, 62-39-203, 62-39-204, 62-39-303, 62-39-304, 62-39-317, 62-39-324, and 62-39-333.

Chapter 1255-04
Continuing Education
Amendments

Rule 1255-04-.01 is amended by deleting the word "instruction" and substituting instead the word "courses" wherever it appears in paragraph (1) so that, as amended, paragraph (1) shall read:

(1) As a prerequisite to renewal of a real estate appraiser license or certificate, the licensee or certificate holder shall complete at least twenty-eight (28) hours of continuing education courses approved by the Commission during each renewal period, which is every two (2) years (hereinafter "continuing education").

(a) A course hour is defined as fifty (50) minutes of teaching out of each sixty (60) minute segment.

(b) The Commission will grant credit toward the continuing education requirement only where the length of the educational offering is at least two (2) hours.

(c) A state licensed, state certified residential or a state certified general real estate appraiser may obtain credit for the continuing education requirement from the following:

1. colleges or universities
2. community or junior colleges
3. real estate appraisal or real estate related organizations
4. state or federal agencies or commissions
5. proprietary schools
6. other providers approved by the Commission
7. The Appraisal Foundation or its Boards.

(d) The Commission may grant credit for educational offerings which cover real estate appraisal related topics, such as the following, which are consistent with the purpose of continuing education:

1. ad valorem taxation
2. arbitration, dispute resolution
3. courses related to practice of real estate appraisal or consulting
4. development cost estimating
5. ethics and standards of professional practice, USPAP
6. land use planning, zoning, taxation
7. management, leasing, timesharing
8. property development, partial interests
9. real estate law, easements, and legal interests

10. real estate litigation, damages, condemnation
11. real estate financing and investment
12. real estate appraisal related computer applications
13. real estate securities and syndication
14. developing opinions of real property value in appraisals that also include personal property and/or business value;
15. seller concessions and impact on value; and/or
16. energy efficient items and "green building" appraisals.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-206, 62-39-306, 62-39-325, and 62-39-333.

Rule 1255-04-.01 is amended by adding a new paragraph (8), which shall read:

(8) A licensee or certificate holder may complete no more than one-half (1/2) of the individual's required continuing education credits via internet or distance education.

Authority: T.C.A. §§ 62-39-203, 62-39-204, 62-39-206, 62-39-306, 62-39-325, and 62-39-333.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.



Date: 8-22-18

Signature: MK Green

Name of Officer: Mark K. Green

Title of Officer: Chief Counsel

Subscribed and sworn to before me on: August 22, 2018

Notary Public Signature: Amanda Dean

My commission expires on: May 6, 2019

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Filed with the Department of State on: 8/22/18

Tre Hargett

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Secretary of State

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