



Legislative Background Brief

for the
Economic Affairs Interim Committee

June 2013

Board of Real Estate Appraisers

Prepared by Pat Murdo, Legislative Research Analyst, with help from the Business Standards Division

Board = 7 members (term expiration in parentheses)

<p>Licensed or certified real estate appraisers = 5 Julie Forbes, Jefferson City (5/1/2015) Dennis Hoeger, Bozeman (5/1/2013) Jennifer McGinnis, Polson (5/1/2013) George Simek, Billings (5/1/2014) Thomas Stevens, Missoula (5/1/2014)</p>	<p>Public members not engaged in real estate appraisal = 2 Lori Christophersen, Bozeman (5/1/2015) Jeffrey Fleming, Huntley (5/1/2013)</p>
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Number of Licensees (annual license)	FY 2009	FY 2010	FY 2011	FY2012
- Total	471	445	434	524

Licensing Fees (since 2011)

Original application and license fee:

- Registered Appraisal Management Company \$2,000
- Licensed and certified real estate appraisers, trainees, and applicants \$ 475/\$515
- Real estate appraiser's original trainee license or trainee renewal fee \$ 400

Renewal fee for Appraisal Management Company:

- with 200 or fewer engagements in previous renewal cycle \$1,000
- with more than 200 engagements in previous renewal cycle \$3,000
- Licensed and certified real estate appraisers, trainees, and applicants \$ 475

Other fees (in addition to federal registry fee of \$40 as of Jan. 1, 2012):

For Appraisal Management Companies:

- temporary registration of certification and licensure of out-of-state appraisers . \$150
- each course appraisal cost payable by course provider \$300
- course renewal approval for each course \$300 address change \$ 45
- upgrade or downgrade fee \$300 audit fee (if audited) \$450
- application for change in controlling person \$500
- application for redesignation of controlling person \$250
- application for change in contact person under 37-54-504, MCA..... \$100

For licensed appraisers or certified general or residential appraisers

- license by credentialing \$475 inactive license fee \$225
- Any licensee's annual fee for reporting of all engagements \$250
- (if after 30 days \$1,000 or after 60 days \$2,000)

Revenues FY2009-FY2012 and Expenditures for FY 2009-2012

	Revenues		Expenditures	
	Licensing	Other	Personal Services	Operating
FY 2009	\$216,335		\$253,249	
FY 2010	\$260,120		\$223,671	
FY 2011	\$270,208		\$272,190	
FY 2012	\$404,252		\$332,323	
FY 2015 biennium*	--		\$803,799	

*Appropriation Authority In House Bill 2

Expenditures, FY 2012	Direct	Indirect			
		Admin	Div. IT/Bureau	Compliance	Bureau
Personal Services, incl. per diem	\$115,431	\$17,027	\$9,306	\$14,047	\$7,349
Operating Expenses					
Consulting, Printing, IT, Other	\$22,207	\$11,951			
Supplies, incl. Computer	\$3,147	\$4,682			
Postage, mailing, IT network, voice services	\$2,192	\$2,671			
Travel/Per Diem for Board Members	\$13,806				
Rent and other expenses*	\$17,423	\$21,394			
Legal and hearings	\$69,690				
Total (may be affected by rounding)	\$243,896	\$88,427			

*Includes rent of \$7,330, computer/office equipment repair of \$123, dues, education & training, and fee collection expense of \$9,970 for direct expenses and pro-rated meeting room and computer/equipment repair costs of \$45, DLI OIT expense of \$8,806, and indirect agency of \$12,542 for indirect expenses.

Number of Complaints

FY 09	23
FY 10	54
FY 11	57
FY 12	50

Disciplinary Action (may be from other years)

Dismissed 15, Other Sanctions 8, Investigations 7
 Revoked 3, Dismissed 30, Other Sanctions 8,
 Investigations 4
 Dismissed 38, Other Sanctions 9, Investigations 8
 Dismissed 25, Other Sanctions 6, Investigations 6,
 Tabled 1, Closed 12

Scope of Practice

Under 37-54-403, MCA, the uniform standards of professional appraisal practice adopted by the Appraisal Standards Board of the Appraisal Foundation are automatically adopted unless the Montana Board of Real Estate Appraisers feels a public hearing is necessary to determine if the modified or supplemented standards "must be observed in this state".

To be licensed, an applicant must present evidence of 2,000 hours of appraisal experience obtained within 18 months. A certified residential real estate appraiser must have evidence of 2,500 hours of appraisal experience within a period of 24 months. A certified general real estate appraiser must have evidence of 3,000 hours of appraisal experience within 30 months of which 1,500 hours must be nonresidential appraisal work.

2013 Legislation Impacting Board or Profession

Summary of Responses from Survey as made through June 3, 2013:

of Responses from Board of Real Estate Appraisers licensees -- 29

Comments summarized separately.