

THE ALASKA BOARD OF CERTIFIED REAL ESTATE APPRAISERS



Teleconference Meeting of March 31st, 2016
Juneau, Alaska

Board Packet

BOARDS & COMMISSIONS ROSTER
Board of Certified Real Estate Appraisers (154)

Member	Date Appointed	Reappointed	Term Expires
Lance H Cook (Fairbanks) At-Large (Residential) Appraiser	3/1/2012		3/1/2016
David M. Derry (Kenai) Licensed General Real Estate Appraiser	3/1/2014		3/1/2018
Alfred J. Ferrara (Anchorage) Licensed Residential Real Estate Appraiser	3/1/2014		3/1/2018
Renee E. Piszczek (Fairbanks) Mortgage Banking Executive	9/2/2014	1/19/2015	3/1/2017
Brit Szymoniak (Anchorage) Public	3/3/2014		3/1/2015

2016 STATE HOLIDAY CALENDAR³

JANUARY

S	M	T	W	T	F	S
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10	11	12	13	14	15	16
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31						

FEBRUARY

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MARCH

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AUGUST

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NOVEMBER


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DECEMBER

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State Holidays

Date	Holiday
01/01	New Year's Day
01/18	MLK Jr.'s Birthday
02/15	Presidents' Day
03/28	Seward's Day
05/30	Memorial Day
07/04	Independence Day

 Holiday

State calendar maintained by the
Division of Finance,
Department of Administration
<http://doa.alaska.gov/calendars.html>
Rev. 06/22/2015

State Holidays

Date	Holiday
09/05	Labor Day
10/18	Alaska Day
11/11	Veterans' Day
11/24	Thanksgiving Day
12/25	Christmas Day (observed 12/26)

Agenda Item #2

Review Agenda

STATE OF ALASKA
DEPARTMENT OF COMMERCE, COMMUNITY & ECONOMIC DEVELOPMENT
DIVISION OF CORPORATIONS, BUSINESS, AND PROFESSIONAL LICENSING
BOARD OF CERTIFIED REAL ESTATE APPRAISERS

333 W. Willoughby Ave., 9th Floor, Conference Room D - Teleconference
Juneau, Alaska

Thursday, March 31st, 2016

TENTATIVE MEETING AGENDA

	<u>TIME</u>	<u>TOPIC</u>	<u>LEAD PERSON(S)</u>
1.	1:00 p.m.	Call to order/Roll call	David Derry, Chair
2.	1:05 p.m.	Review Agenda	Chair
3.	1:10 p.m.	Review/Approve Minutes (January 15 th , 2016)	Chair
4.	1:14 p.m.	Ethics Disclosure/Review Ethics	Chair
5.	1:15 p.m.	Investigations Report	Jay Paff, Investigator
6.	1:25 p.m.	ASC/Appraisal Foundation Updates	Examiner
		<ul style="list-style-type: none"> • USPAP Changes 	
7.	1:30 p.m.	Board Business	Examiner
		<ul style="list-style-type: none"> • Board Member Update • Review applications • Continuing Education Audit <ul style="list-style-type: none"> ◦ Petition under 12 AAC 70.200(b) – <i>page 10 of statutes/regulations</i> • Work Product Review Sheets (Courtesy reports) • Revised Work Log Verification Form • FAQ's update 	
8.	2:10 p.m.	New Business	
		<ul style="list-style-type: none"> • Consent Agreement/Fees Discussion • New travel protocols 	Charles Ward, Paralegal
9.	2:45 p.m.	Public Comment	Chair
10.	3:00 p.m.	Budget Report/Division Updates	Martha Hewlett, Administrative Officer
11.	3:30 p.m.	Administrative Business	Laura Carrillo, Examiner
		<ul style="list-style-type: none"> • Task list • Set next meeting date(s) 	
12.	3:45 p.m.	Adjourn	Chair

Board or Commission: _____

Meeting Date: _____

Agenda Item # _____ Tab # _____ Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #3

**Review/Approve Minutes (January 15,
2016)**

State of Alaska
Department of Commerce, Community and Economic Development
Division of Corporations, Business and Professional Licensing

BOARD OF CERTIFIED REAL ESTATE APPRAISERS

MINUTES OF THE TELEPHONIC MEETING

Friday, January 15th, 2016

These are DRAFT minutes prepared by the staff of the Division of Corporations, Business and Professional Licensing. These minutes have not been reviewed or approved by the Board.

By authority of AS 08.01.070(2), and in compliance with the provisions of AS 44.62, Article 6, a scheduled teleconference of the Board of Certified Real Estate Appraisers was held at the State Office Building, 333 Willoughby Avenue, Friday, January 15th, 2016 beginning at 1:01 p.m. The meeting was held in Conference Room D, Juneau, Alaska.

Agenda Item #1 Call to Order/Roll Call Time: 1:01 p.m.

The meeting was called to order by Chair, David Derry at 1:00 p.m.

Board Members Present, constituting a quorum:

Alfred Ferrara, Certified Residential Real Estate Appraiser
David Derry, Certified Residential Real Estate Appraiser (Chair)
Renee Piszcek, Mortgage Banking Executive

Attending from the Division of Corporations, Business and Professional Licensing were:

Laura Carrillo, Licensing Examiner
Charles Ward, Paralegal

Agenda Item #2 Review Agenda Time: 1:01 p.m.

The Board reviewed the agenda. Ms. Carrillo brought to the Board's attention the need to clarify 12 AAC 70.140(c), to which Mr. Derry stated would be best discussed as a regulatory change item at the end of Board Business. Ms. Carrillo added that the Division's regulations

specialist, Jun Maiquis, had asked for the Board to clarify the dates specified in said regulation before being passed on to the Department of Law.

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to approve the agenda as amended.

Agenda Item #3 Review/Approve Minutes Time: 1:04 p.m.

The Board reviewed the minutes from the July 31st, 2015 meeting in Anchorage.

On a motion duly made by Renee Piszczek, seconded by Fred Ferrara and approved unanimously, it was:

RESOLVED to approve the minutes as written.

Agenda Item #4 Ethics Time: 1:05 p.m.

There were no ethics disclosures to address.

Agenda Item #5 Investigations Report Time: 1:06 p.m.

Jay Paff joined the Board telephonically to present the investigative report, which included activity from October 13th, 2015 through January 4th, 2016. Mr. Paff informed the Board that the Division had opened five matters had been opened and closed since the end of the reporting period. The period resulted in two consent agreements, an incomplete complaint packet, and a letter of advisement.

Mr. Paff then addressed attending the Investigator Level I training in St. Louis, MO in May, which was previously approved by the Board. In light of travel restrictions, however, Mr. Paff noted to the Board that although travel expenses are to be covered by the Appraisal Foundation, actual travel is pending and contingent on approval.

Agenda Item #6 ASC Updates Time: 1:09 p.m.

Ms. Carrillo addressed ASC invoices, and stated the intent behind including a copy of the document in the packet is to make salient to the Board that there is a protocol to cover invoice payments. Ms. Carrillo stated that the protocol is to print, sign, and forward on to Records & Licensing Supervisor, Dawn Hannasch, who then signs and forwards it on to

Martha Hewlett, the Administrative Office for payment processing. The Board was asked whether this was a necessary document for review at each meeting, to which the Board's collective agreement was that it was not. Mr. Ferrara added that it is unnecessary since it's included in the budget report, and Mr. Derry commented that it was previously an item of concern under the ASC's federal audit, but that he was now confident the Division would adhere to the payment protocol.

Agenda Item #7

Board Business

Time: 1:11 p.m.

Board Member Updates -

Hearing nothing further on ACS updates, Mr. Derry moved to discussion on the first item of Board Business, board member updates. Mr. Derry informed the Board that he had been notified by Boards and Commissions of some potential members to take the At Large Residential Appraiser seat; currently occupied by Lance Cook. Mr. Derry also mentioned that he had previously spoken with Bill Ferguson, but was unsure of his intent to apply for the seat. Mr. Derry also stated that he was in contact with Bill Barnes from Matsu Valley, who expressed in interest and has subsequently applied for and is in the process of interviewing for the position. It was added that there may be two prospective public members, but that neither had yet made application.

Mr. Derry inquired to Ms. Piszczek as to whether she had been in recent contact with Mr. Cook, to which she stated that she frequently spoke with him about engaging with and helping the Board. Ms. Piszczek stated that the shortage of appraisers in Fairbanks has been keeping him very busy, affecting his ability to participate.

Review applications -

Mr. Derry then moved on to discussing pending applications and those needed to be reviewed for the renewal audit. Ms. Carrillo reminded the Board that Tyler Barth and Shane Smith were in need of a Board quorum. Mr. Derry clarified with the Board that a work product would need to be selected for examination applicant, Shane Smith, which Ms. Carrillo stated could be decided on via an e-mail ballot.

TASK:

Dave Derry will complete a voting ballot for Shane Smith

TASK:

Renee Piszczek and Fred Ferrara will complete a voting ballot for Tyler Barth.

Review continuing education audits/ audit protocol -

Discussion then moved to continuing education audits for the 2013 – 2015 renewal periods (certificates being renewed for a valid/active date through June 30th, 2017). The Board reviewed the continuing education audits for Vince Coan, John Parsons, and Robin Rogers, who were previously discussed at the Board's October 8th, 2015 meeting, but whose audit findings were not clearly determined on record.

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to deny the renewal audit for John Parsons, 2016-000037 per compliance with AS 08.87.120, 12 AAC 70.210, and 12 AAC 70.220.

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to deny the renewal audit for Vince Coan, 2016-000038 per compliance with AS 08.87.120, 12 AAC 70.210, and 12 AAC 70.220.

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to deny the renewal audit for Robin Rogers, 2016-000039 per compliance with AS 08.87.120, 12 AAC 70.210, and 12 AAC 70.220.

Speaking generally to certified appraisers and required continuing education activity, Mr. Ferrara commented that those who either intentionally or unintentionally are found to be non-compliant with the required activity should be subject to a financial penalty. Mr. Derry agreed, adding that certificate holders who have not complied are reprimanded to mandatory audits for two subsequent renewals, as well as a \$1,500 penalty as part of a typical consent agreement, which seems to be a significant consequence.

Mr. Derry inquired to Division Paralegal, Charles Ward as to whether the \$1,500 penalty fee is consistent across disciplined certificate holders. Mr. Ward stated that consent agreements actually required a \$2,500 payment, however, in some cases the amount can be suspended as an incentive to comply with the terms of the agreement. A consent agreement also typically requires that a certificate holder satisfy insufficient continuing education hours. Mr. Derry was unaware that suspended fines was part of the consent agreement, and clarified that it is not his intention or favor to allow suspended fines in lieu of making up deficient credits.

Mr. Derry also inquired to Mr. Ward whether certificate holders were asked to make up more than they are deficient, to which Mr. Ward stated that this has not been the solution, but that the Board—in its discretion—may increase continuing education activity requirements when an individual has been found to be in violation. Mr. Ward also cautioned the Board that a statement should be made on record to specify the reason(s) behind why an increase would be necessary, as the Board has an obligation to be consistent. Mr. Derry prompted the Board to give their opinion on whether the civil fine should be suspended. Mr. Ferrara and Ms. Piszczek agreed with Mr. Derry's sentiment that the fine should remain in place regardless of whether the individual fulfills deficient continuing education activity.

Mr. Ward informed the Board that for the previous renewal period, five individuals had been referred to him, three of which ended in discipline, and two of which were found to be compliant. Mr. Derry asked Mr. Ward if he could find out how the fee amount was established. Mr. Ward clarified to the Board that the process for handling denied continuing education audits is that the Board first needs to make a motion on record with which the paralegal can refer to when drafting a consent agreement.

Ms. Carrillo reminded Mr. Ferrara that there were a few continuing education ballots that needed to be completed, and were accessible on the Board's secure site.

TASK:

Laura Carrillo with follow-up with Charles Ward as to how the fee was established.

TASK:

Mr. Ferrara will complete the remaining continuing education ballots and submit them to Ms. Carrillo

Application updates -

Hearing nothing further on continuing education audits, Mr. Derry addressed application updates, including revisions to the work log verification form. Ms. Carrillo informed the Board that the verification of experience form has since been revised by the publications specialist to provide a signature line for the reference rather than the applicant.

TASK:

Mr. Derry will send Ms. Carrillo revisions for the work log verification form.

Work products (courtesy reports) -

Mr. Derry and Mr. Ferrara indicated that they would be sending in reviews for the work products to which they were assigned. Ms. Carrillo informed the Board that she had sent letters to 7 individuals informing them that their work product has not yet been received.

Mr. Derry commented that an additional Board member would be helpful in reviewing the work products, as there are several to review and thus time consuming.

TASK:

Mr. Derry and Mr. Ferrara will complete the work product review sheets and submit them to Ms. Carrillo.

Trainee/Supervision registration - The Board moved to discussion on trainee registration. Mr. Derry commented to the Board that the statutes and regulations don't specify whether trainee registration is necessarily required in order to become a certified general or residential appraiser in Alaska, which is also unclearly understood by the Appraisal Foundation. Mr. Derry offered an anecdotal example of an individual in Homer who is working with a local appraiser to become certified, however, neither have them have been able to travel to take the required supervisory appraiser/trainee appraiser course. Mr. Derry asserted that this poses a problem to those restricted by traveling costs and opportunities, especially since there is a scarcity of such course offerings in the state. Mr. Derry prompted the Board to offer clarification on the verbiage that a trainee must, "be registered *in order for experience to count*", alluding to the possibility that experience actually could count regardless of whether they're registered. Mr. Ferrara commented that trainee registration is not required by statute or regulation, but that if a trainee does register, s/he and her/his supervisor must take the required course. Mr. Derry acknowledged that although registered trainee/supervisory relationships established after 01/01/15 would require individuals to take the said course, there isn't an existing statute specifying that *all* appraisers must have first attained registration in Alaska. Ms. Piszczek confirmed that a shortage of trainees impose an impact on the work load.

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to not require registration as a trainee in order for experience to count for certification.

Ms. Carrillo inquired to the Board how experience would be verified if individuals opt not to register as a trainee. Mr. Ferrara responded that the process would remain the same as the existing application review process; experience would be verified via work log entries and experience verification forms.

TASK:

Ms. Carrillo will forward Mr. Derry's e-mail regarding trainee registration to Mr. Ferrara.

TASK:

Mr. Ferrara will draft a position statement regarding the Board's collective agreement on trainee registration, which will be presented to the Board for final approval at the subsequent meeting.

TASK:

Ms. Carrillo will send Mr. Ferrara a template for the position statement.

Regulation Changes -

Hearing nothing further on regulation changes, Mr. Derry addressed a regulation change for 12 AAC 70.140(c), which was approved by the Board at its last meeting in October. Ms. Carrillo commented to the Board that because the proposed verbiage change citing the Appraisal Qualification Criteria adoption date is going backward in time from January 1st, 2012 to December 9th, 2011, the regulations specialist, Jun Maiquis wanted clarification from the Board that this change is indeed correct.

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to approve the date change specified in 12 AAC 70.140(c) from January 1st, 2012 to December 9th, 2011. Additional changes deemed necessary by the Department of Law is permitted.

The Board briefly discussed the regulation change process, including the 30-day public comment period.

Agenda Item #9**Public Comment****Time: 2:13 p.m.**

Linda Cogburn from Valuations Compliance/REVA joined the room at 2:08 p.m.

Since the Board was nearing the public comment period, Mr. Derry decided to address this agenda item prior to discussing New Business. Linda Cogburn from REVA was on the line to listen to discussion on AMC's, but did not provide any comments.

Linda Cogburn from Valuations Compliance/REVA joined the room at 2:15 p.m.

Agenda Item #8**New Business****Time: 2:13 p.m.**REVA AMC Model -

There was no new business to discuss for regulation of AMC's. Mr. Ferrara commented that he was still waiting to hear back from the Appraisal Subcommittee on feedback of the AMC draft legislation. Ms. Piszczek noted that had not been in contact with Paige Hodson. Ms. Carrillo reminded Ms. Piszczek and Mr. Ferrara that if they do meet as a subcommittee—either with or without Paige Hodson—they will need to inform the examiner so that the meeting can be properly public noticed. Mr. Ferrara stated that he was unsure whether the Board should move forward with regulating AMC's. Per conversations during the AARO conference, Ms. Piszczek cautioned that if the Board chooses to do nothing with AMC's, it may open the doors for entities to do more than what would otherwise be acceptable within regulations.

FAQ's/Getting Started Documents -

The Board reviewed the FAQ's and Getting Started Document. Mr. Derry asked Ms. Carrillo if the suggestions he had sent her for the FAQ's document had been updated and posted to the site. Ms. Carrillo believed that the changes had been added. The Board commented that no changes were necessary to the Getting Started document.

Ms. Carrillo asked the Board to clarify whether residential to general transition applicants must take the general examination in addition to completing the required hours. Mr. Derry agreed, adding that the applicant would also need to submit work experience logs and experience verification forms. A work product would also be requested for Board review.

Chair, Dave Derry called for break at 2:13 p.m.

Off record at 2:13 p.m.

On record at 2:44 p.m.

Agenda Item #12 Budget Report

Time: 2:45 p.m.

Martha Hewlett joined the room at 2:44 p.m.

Martha Hewlett joined the room telephonically to present the Board's FY15 year-end report ending June 30th, 2015. Ms. Hewlett informed the Board that they ended with a total licensing revenue of \$279,525, with \$53,294 included in personal services included in the total direct expenditures of \$89,150, and that the Board's ending cumulative surplus was at \$198,551. Ms. Hewlett also touched on travel and contractual services included in direct expenditures. Mr. Derry inquired to Ms. Hewlett whether conference fees for staff travel, i.e.: to Washington DC was included in this expense category, to which Ms. Hewlett responded that she could look into. Ms. Hewlett directed the Board's attention to the 7100 series of the collocation code breakdown for pay determinations based on account name

(function). It was also added that front desk time/payment allocation is based on transaction counts by program.

Ms. Hewlett then addressed the FY 1st quarter report including expenses from July 1st, 2015 through September 30th, 2015, and informed the Board that their total licensing revenue was at \$7,625, with an ending cumulative surplus deficit of \$182,688. Ms. Hewlett informed the Board that the Division was utilizing a new accounting system, IRIS, which has now dropped the 7 in the 7100 series in the collocation code system; 0120's = personal services, 2000's = travel, 3000's = contractual.

Mr. Derry asked Ms. Hewlett about the effects of the current travel freeze on Board and staff travel. Ms. Hewlett informed the Board that the Division doesn't utilize the general fund as programs are supported by licensing revenues, and that communication was in process to sort out future travel details. Ms. Hewlett informed the Board that Division Operations Manager, Sara Chambers would be sending an update to all Boards once clarification on travel was available.

Per the Board's earlier discussion with Paralegal, Charles Ward, Mr. Derry brought to Ms. Hewlett's attention the opposition of consent agreement fines being remitted back to the general fund rather than to the Board. Mr. Derry wondered why this would be the case, since the Board does shoulder the costs of paralegal and investigative expenses for such fines to be determined. Ms. Hewlett informed the Board that due to existing statutes and regulations, this is and has been the standard; however, she, Sara Chambers, the Budget Manager, and the Office of Budget Management have been in active deliberation regarding this issue. Ms. Hewlett stated that a change in statutes/regulations or efforts to revert funds back to Boards is an ongoing goal.

In parting, Mr. Derry thanked Ms. Hewlett for her report and asked the Division to take into consideration the Board's ability to maintain a surplus budget when the Board is up for fee analysis, also citing that the now 2-year federal audit cycle by the ASC should translate to a reduction in expenditures.

Martha Hewlett left the room at 3:10 p.m.

Agenda Item #11 Administrative Business

Time: 3:10 p.m.

Task List -

The Board reviewed the tasks list from the previous meeting. Ms. Piszczek noted that she had no tasks other than to continue seeking prospective members. Mr. Derry asked Ms. Carrillo to send him the information for the secure site.

TASK:

Ms. Carrillo will send Mr. Ferrara the log-on information for the secure site.

Set Meeting dates -

The Board discussed meeting dates and ultimately decided to set their next teleconference meeting date for Wednesday, March 16th, 2016 beginning at 1:00 p.m.. The Board also wanted to schedule an in-person meeting following new Board member appointments. A subsequent date will be determined at a later time.

Agenda Item #12 Adjourn**Time: 3:18 p.m.**

On a motion duly made by Fred Ferrara, seconded by Renee Piszczek and approved unanimously, it was:

RESOLVED to adjourn the meeting at 3:18 p.m.

Respectfully Submitted by:

 Laura Carrillo
 Licensing Examiners

Approved by:

 David Derry, Chair
 Alaska State Board of Certified Real Estate Appraisers

Board or Commission:

Meeting Date: _____

Agenda Item # _____

Tab # _____

Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #4

Ethics

CONFIDENTIAL**ETHICS SUPERVISOR DETERMINATION FORM****(Board or Commission Member)**

Board or Commission: _____

Member Disclosing Potential Ethics Violation: _____

I have determined that the situation described on the attached ethics disclosure form

☐ does or would violate AS 39.52.110 - .190. Identify applicable statute below.☐ does not or would not violate AS 39.52.110 - .190._____
Signature of Designated Ethics Supervisor (Chair)_____
Printed Name of Designated Ethics Supervisor

Date: _____

COMMENTS (Please attach a separate sheet for additional space):

Note: Disclosure Form must be attached. Under AS 39.52.220, if the chair or a majority of the board or commission, not including the disclosing member, determines that a violation of AS 39.52.110-39.52.190 will exist if the member participates, the member shall refrain from voting, deliberating, or participating in the matter. A member will not be liable under the Ethics Act for action in accordance with such a determination so long as the member has fully disclosed all facts reasonably necessary to the determination and the attorney general has not advised the member, chair, or board or commission that the action is a violation. Forward disclosures with determinations to the State Ethics Attorney as part of your quarterly report. Quarterly reports are submitted to Litigation Assistant, Opinions, Appeals & Ethics, Department of Law, 1031 W. 4th Avenue, Suite 200, Anchorage, AK 99501.

Revised 2012

MEMORANDUM**State of Alaska**
Department of Law

TO: _____ DATE: _____
 FILE NO.: _____
 TEL. NO.: _____
 FROM: Angie White
 Litigation Assistant
 Department of Law
 Opinions, Appeals, & Ethics Section
 FAX: _____
 SUBJECT: Executive Branch Ethics Act, AS
 39.52 Quarterly Report
 [INSERT QUARTERLY DATE
 RANGE]

******SAMPLE LANGUAGE – PLEASE COPY ONLY THE PARTS THAT APPLY
 ONTO YOUR BOARD OR COMMISSION'S LETTERHEAD ******

As designated ethics supervisor and chair [executive director] for the _____, I wish to advise you that I have received no notifications of potential violations or requests for ethics determinations under the Ethics Act (AS 39.52) and have made no written determinations for this quarter.

OR

As designated ethics supervisor and chair [executive director] for the _____, I have received _____ notification(s) of a potential violation and _____ requests for ethics determinations under the Ethics Act (AS 39.52). I have attached a copy of the notices and requests along with my written determination(s) for review by the attorney general. I did [did not] receive an advisory opinion from the Attorney General.

AND

Except as addressed above, no other [board member] [commissioner] disclosed a potential conflict of interest at a recorded public meeting during this quarter.

OR

In addition to the above, at the [date] meeting, [Board member] [Commissioner] _____ disclosed a potential conflict with respect to _____ [insert brief description]_____. Insert disposition: [S/He refrained from participation.] or [I determined s/he could [could not] participate.] or [The Board [Commission] members voted to permit [not to permit] participation.]

State of Alaska Department of Law

Who Is My Designated Ethics Supervisor?

Every state public officer, employee or board or commission member, has a designated ethics supervisor.

Executive Agencies

The ethics supervisor for each agency is the Commissioner or a senior manager to whom the Commissioner has delegated the function. The current ethics supervisor for each agency is listed below. The ethics supervisor for a Commissioner is Guy Bell, Director of Administrative Services in the Office of Governor, by delegation from the Governor.

Boards and Commissions

The Chair of each board and commission serves as the ethics supervisor for the other members and any executive director. The ethics supervisor for the Chair is Guy Bell, Director of Administrative Services in the Office of Governor, by delegation from the Governor. If a board or commission employs staff, the executive director serves as the ethics supervisor for these employees.

Public Corporations

The Chair of the board serves as the ethics supervisor for the other members of the board and any executive director. The executive director is the ethics supervisor for employees of the corporation.

Office of the Governor

The ethics supervisor for the Governor and Lieutenant Governor is the Attorney General. By delegation from the Governor, the ethics supervisor for the staff of the offices of the Governor and Lieutenant Governor is Guy Bell, Director of Administrative Services.

University of Alaska

By delegation of the University President, the ethics supervisor for university employees is Associate General Counsel Andy Harrington.

EXECUTIVE BRANCH AGENCIES

Administration: Leslie Ridle, Deputy Commissioner

Commerce, Community & Economic Development: Jon Bittner, Deputy Commissioner

Corrections: April Wilkerson, Director of Administrative Services

Education & Early Development: Les Morse, Deputy Commissioner

Environmental Conservation: Tom Cherian, Director of Administrative Services

Fish & Game: Kevin Brooks, Deputy Commissioner

Health & Social Services: Dallas Hargrave, Human Resource Manager

Labor & Workforce Development: Michael Monagle, Director, Division of Workers Compensation

Law: Jonathan Woodman, Assistant Attorney General

Military & Veterans Affairs: Marty Meyer, Special Assistant to Commissioner

Natural Resources: John Crowther, Inter-Governmental Coordinator

Public Safety: Terry Vrabec, Deputy Commissioner

Revenue: Dan DeBartolo, Administrative Services Director

Transportation & Public Facilities:

- Highways & Public Facilities: Steve Hatter, Deputy Commissioner
- Aviation: John Binder, Deputy Commissioner
- Central Region: Rob Campbell, Regional Director
- Northern Region: Rob Campbell, Acting Regional Director
- Southcoast Region: Acting Regional Director
- Alaska Marine Highway System: Michael Neussl, Deputy Commissioner
- Headquarters: Mary Siroky, Administrative Services Director

Updated April 2015

Department of Law attorney.general@alaska.gov P.O. Box 110300, Juneau, AK 99811-0300
Phone: 907-465-3600 Fax: 907-465-2075 TTY: 907-258-9161
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State of Alaska Department of Law

Ethics Information for Members of Boards & Commissions (AS 39.52)

Introduction

This is an introduction to AS 39.52, the Alaska Executive Branch Ethics Act. This guide is not a substitute for reading the law and its regulations. State board and commission members who have further questions should contact their board chair or staff.

The Ethics Act applies to all current and former executive branch public employees and members of statutorily created boards and commissions.

Scope of Ethics Act (AS 39.52.110)

Service on a state board or commission is a public trust. The Ethics Act prohibits substantial and material conflicts of interest. Further, board or commission members, and their immediate family, may not improperly benefit, financially or personally, from their actions as board or commission members. The Act does not, however, discourage independent pursuits, and it recognizes that minor and inconsequential conflicts of interest are unavoidable.

Misuse of Official Position (AS 39.52.120)

Members of boards or commissions may not use their positions for personal gain or to give an unwarranted benefit or treatment to any person. For example, board members may not:

- use their official positions to secure employment or contracts;
- accept compensation from anyone other than the State for performing official duties;
- use State time, equipment, property or facilities for their own personal or financial benefit or for partisan political purposes;
- take or withhold official action on a matter in which they have a personal or financial interest; or
- coerce subordinates for their personal or financial benefit.
- attempt to influence outcome of an administrative hearing by privately contacting the hearing officer.



Terry knew that a proposal that was before the board would harm Terry's business competitor. Instead of publicly disclosing the matter and requesting recusal, Terry voted on the proposal.



Board member Mick has board staff employee Bob type an article for him that Mick hopes to sell to an Alaskan magazine. Bob types the article on State time.

Improper Gifts (AS 39.52.130)

A board member may not solicit or accept gifts if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. "Gifts" include money, items of value, services, loans, travel, entertainment, hospitality, and employment. All gifts from registered lobbyists are presumed to be improper, unless the giver is immediate family of the person receiving the gift.

A gift worth more than \$150 to a board member or the board member's immediate family must be reported within 30 days if:

- the board member can take official action that can affect the giver, or
- the gift is given to the board member because he or she is on a state board.

The receipt of a gift worth less than \$150 may be prohibited if a person could reasonably infer from the circumstances that the gift is intended to influence the board member's action or judgment. Receipt of such a gift should be disclosed.

Any gift received from another government, regardless of value, must be reported; the board member will be advised as to the disposition of this gift.

A form for reporting gifts is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.

This restriction on gifts does not apply to lawful campaign contributions.



The commission is reviewing Roy's proposal for an expansion of his business. Roy invites all the board members out to dinner at an expensive restaurant. He says it will be okay, since he isn't excluding any of the members.



Jody receives a holiday gift every year from Sam. Jody was recently appointed to a state board, but Sam has no business that is before the board. Jody may accept the gift.

Improper Use or Disclosure of Information (AS 39.52.140)

No former or current member of a board may use or disclose any information acquired from participation on the board if that use or disclosure could result in a financial or personal benefit to the board member (or immediate family), unless that information has already been disseminated to the public. Board members are also prohibited from disclosing confidential information, unless authorized to do so.



Sheila has been on the board for several years. She feels she has learned a great deal of general information about how to have a successful business venture. So she sets up her own business and does well.



Delores has always advised and assisted the other doctors in her clinic on their continuing education requirements. After Delores is appointed to the medical board, she discloses this role to the board and continues to advise the doctors in her clinic.



Jim reviews a confidential investigation report in a licensing matter. He discusses the practitioner's violation with a colleague who is not a board member.

Improper Influence in State Grants, Contracts, Leases or Loans (AS 39.52.150)

A board member, or immediate family, may not apply for, or have an interest in a State grant, contract, lease, or loan, if the board awards or takes action to administer the State grant, contract, lease, or loan.

A board member (or immediate family) may apply for or be a party to a competitively solicited State grant, contract or lease, if the board as a body does not award or administer the grant, contract, or lease and so long as the board member does not take official action regarding the grant, contract, or lease.

A board member (or immediate family) may apply for and receive a State loan that is generally available to the public and has fixed eligibility standards, so long as the board member does not take (or withhold) official action affecting the loan's award or administration.

Board members must report to the board chair any personal or financial interest (or that of immediate family) in a State grant, contract, lease or loan that is awarded or administered by the agency the board member serves. A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff.



John sits on a board that awards state grants. John hasn't seen his daughter for nearly ten years so he figures that it doesn't matter when her grant application comes up before the board.



The board wants to contract out for an analysis of the board's decisions over the last ten years. Board member Kim would like the contract since she has been on the board for ten years and feels she could do a good job.

Improper Representation (AS 39.52.160)

A board or commission member may not represent, advise, or assist a person in matters pending before the board or commission for compensation. A nonsalaried board or commission member may represent, advise, or assist in matters in which the member has an interest that is regulated by the member's own board or commission, if the member acts in accordance with AS 39.52.220 by disclosing the involvement in writing and on the public record, and refraining from all participation and voting on the matter. This section does not allow a board member to engage in any conduct that would violate a different section of the Ethics Act.



Susan sits on the licensing board for her own profession. She will represent herself and her business partner in a licensing matter. She discloses this situation to the board and refrains from participation in the board's discussions and determinations regarding the matter.

Restriction on Employment After Leaving State Service (AS 39.52.180)

For two years after leaving a board, a former board member may not provide advice or work for compensation on any matter in which the former member personally and substantially participated while serving on the board. This prohibition applies to cases, proceedings, applications, contracts, legislative bills, regulations, and similar matters. This section does not prohibit a State agency from contracting directly with a former board member.

With the approval of the Attorney General, the board chair may waive the above prohibition if a determination is made that the public interest is not jeopardized.

Former members of the governing boards of public corporations and former members of boards and commissions that have regulation-adoption authority, except those covered by the centralized licensing provisions of AS 08.01, may not lobby for pay for one year.



The board has arranged for an extensive study of the effects of the Department's programs. Andy, a board member, did most of the liaison work with the contractor selected by the board, including some negotiations about the scope of the study. Andy quits the board and goes to work for the contractor, working on the study of the effects of the Department's programs.



Andy takes the job, but specifies that he will have to work on another project.

Aiding a Violation Prohibited (AS 39.52.190)

Aiding another public officer to violate the Ethics Act is prohibited.

Agency Policies (AS 39.52.920)

Subject to the Attorney General's review, a board may adopt additional written policies further limiting personal or financial interests of board members.

Disclosure Procedures

DECLARATION OF POTENTIAL VIOLATIONS BY MEMBERS OF BOARDS OR COMMISSIONS (AS 39.52.220)

A board member whose interests or activities could result in a violation of the Ethics Act if the member participates in board action must disclose the matter on the public record and in writing to the board chair who determines whether a violation exists. A form for this purpose is available at www.law.alaska.gov/doclibrary/ethics or from the board or commission staff. If another board member objects to the chair's ruling or if the chair discloses a potential conflict, the board members at the meeting (excluding the involved member) vote on the matter. If the chair or the board determines a violation will occur, the member must refrain from deliberating, voting, or participating in the matter. For more information, see Ethics Act Procedures for Boards and Commissions available at the above noted web site.

When determining whether a board member's involvement in a matter may violate the Ethics Act, either the chair or the board or commission itself may request guidance from the Attorney General.

ATTORNEY GENERAL'S ADVICE (AS 39.52.240-250)

A board chair or a board itself may request a written advisory opinion from the Attorney General interpreting the Ethics Act. A former board member may also request a written advice from the Attorney General. These opinions are confidential. Versions of opinions without identifying information may be made available to the public.

REPORTS BY THIRD PARTIES (AS 39.52.230)

A third party may report a suspected violation of the Ethics Act by a board member in writing and under oath to the chair of a board or commission. The chair will give a copy to the board member and to the Attorney General and review the report to determine whether a violation may or does exist. If the chair determines a violation exists, the board member will be asked to refrain from deliberating, voting, or participating in the matter.

Complaints, Hearings, and Enforcement

COMPLAINTS (AS 39.52.310-330)

Any person may file a complaint with the Attorney General about the conduct of a current or former board member. Complaints must be written and signed under oath. The Attorney General may also initiate complaints based on information provided by a board. A copy of the complaint will be sent to the board member who is the subject of the complaint and to the Personnel Board.

All complaints are reviewed by the Attorney General. If the Attorney General determines that the complaint does not warrant investigation, the complainant and the board member will be notified of the dismissal. The Attorney General may refer a complaint to the board member's chair for resolution.

After investigation, the Attorney General may dismiss a complaint for lack of probable cause to believe a violation occurred or recommend corrective action. The complainant and board member will be promptly notified of this decision.

Alternatively, if probable cause exists, the Attorney General may initiate a formal proceeding by serving the board or commission member with an accusation alleging a violation of the Ethics Act. Complaints or accusations may also be resolved by settlement with the subject.

CONFIDENTIALITY (AS 39.52.340)

Complaints and investigations prior to formal proceedings are confidential. If the Attorney General finds evidence of probable criminal activity, the appropriate law enforcement agency shall be notified.

HEARINGS (AS 39.52.350-360)

An accusation by the Attorney General of an alleged violation may result in a hearing. An administrative law judge from the state's Office of Administrative Hearings serves as hearing officer and determines the time, place and other matters. The parties to the proceeding are the Attorney General, acting as prosecutor, and the accused public officer, who may be represented by an attorney. Within 30 days after the hearing, the hearing officer files a report with the Personnel Board and provides a copy to the parties.

PERSONNEL BOARD ACTION (AS 39.52.370)

The Personnel Board reviews the hearing officer's report and is responsible for determining whether a violation occurred and for imposing penalties. An appeal may be filed by the board member in the Superior Court.

PENALTIES (AS 39.52.410-460)

When the Personnel Board determines a board member has violated the Ethics Act, it will order the member to refrain from voting, deliberating, or participating in the matter. The Personnel Board may also order restitution and may recommend that the board member be removed from the board or commission. If a recommendation of removal is made, the appointing authority will immediately remove the member.

If the Personnel Board finds that a former board member violated the Ethics Act, it will issue a public statement about the case and will ask the Attorney General to pursue appropriate additional legal remedies.

State grants, contracts, and leases awarded in violation of the Ethics Act are voidable. Loans given in violation of the Ethics Act may be made immediately payable.

Fees, gifts, or compensation received in violation of the Ethics Act may be recovered by the Attorney General.

The Personnel Board may impose a fine of up to \$5,000 for each violation of the Ethics Act. In addition, a board member may be required to pay up to twice the financial benefit received in violation of the Ethics Act.

Criminal penalties are in addition to the civil penalties listed above.

DEFINITIONS (AS 39.52.960)

Please keep the following definitions in mind:

Benefit - anything that is to a person's advantage regardless financial interest or from which a person hopes to gain in any way.

Board or Commission - a board, commission, authority, or board of directors of a public or quasi-public corporation, established by statute in the executive branch, including the Alaska Railroad Corporation.

Designated Ethics Supervisor - the chair or acting chair of the board or commission for all board or commission members and for executive directors; for staff members, the executive director is the designated ethics supervisor.

Financial Interest - any property, ownership, management, professional, or private interest from which a board or commission member or the board or commission member's immediate family receives or expects to receive a financial benefit. Holding a position in a business, such as officer, director, partner, or employee, also creates a financial interest in a business.

Immediate Family - spouse; another person cohabiting with the person in a conjugal relationship that is not a legal marriage; a child, including a stepchild and an adoptive child; a parent, sibling, grandparent, aunt, or uncle of the person; and a parent or sibling of the person's spouse.

Official Action - advice, participation, or assistance, including, for example, a recommendation, decision, approval, disapproval, vote, or other similar action, including inaction, by a public officer.

Personal Interest - the interest or involvement of a board or commission member (or immediate family) in any organization or political party from which a person or organization receives a benefit.

For further information and disclosure forms, visit our Executive Branch Ethics web site or please contact:

State Ethics Attorney
Alaska Department of Law
1031 West 4th Avenue, Suite 200
Anchorage, Alaska 99501-5903
(907) 269-5100
attorney.general@alaska.gov

Revised 9/2013

Department of Law attorney.general@alaska.gov P.O. Box 110300, Juneau, AK 99811-0300
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State of Alaska

Department of Law

Executive Branch Ethics Act

Responsibilities of Designated Ethics Supervisors for Boards and Commissions

Boards and commissions subject to the Ethics Act have designated ethics supervisors. The chair serves as the designated ethics supervisor for board or commission members and the executive director. The executive director is the designated ethics supervisor for staff. The designated ethics supervisor for a chair is the governor, who has delegated this responsibility to Guy Bell, Administrative Director of the Office of the Governor.

Designated ethics supervisors should refer to the Manual for Designated Ethics Supervisors (April 2008), available from the state ethics attorney, regarding their responsibilities under the Ethics Act. Briefly, as designated ethics supervisor, you must --

1. Ensure that members and employees are provided copies of the guides, Ethics Information for Members of Boards and Commissions and Ethics Act Procedures for Boards and Commissions -- and keep a supply of disclosure forms.
 1. These guides, other educational materials, disclosure forms, statutes and regulations are available for review and copying on the Department of Law ethics web site. If access to this page is not available, please contact the Attorney General's office at 269-7195.
2. Review all disclosures, investigate potential ethics violations, make determinations regarding conduct, and take action.
3. Keep member or employee disclosure statements (of potential violations, receipt of gifts, and interests in grants/contracts/leases/loans) on file in your office. Disclosure of a gift received from another government must be forwarded to the Office of the Governor.
4. Submit an ethics report to the Department of Law in April, July, October and January for the preceding quarter. You will receive a reminder. There is a sample report on the ethics web page.
 1. Mail, email or fax to Kim Halstead, Litigation Assistant, Department of Law, Opinions, Appeals & Ethics Section, 1031 W. 4th Avenue, Suite 200, Anchorage, AK, 99501, ethicsreporting@alaska.gov, fax no. 907-279-2834.

You may request ethics advice from your agency's Assistant Attorney General or from the State Ethics Attorney, Jon Woodman, at 269-5100 or jonathan.woodman@alaska.gov. Please direct questions about reporting procedures to Kim Halstead at 269-7195 or kimberly.halstead@alaska.gov.

6/14

Department of Law attorney.general@alaska.gov P.O. Box 110300, Juneau, AK 99811-0300
Phone: 907-465-3600 Fax: 907-465-2075 TTY: 907-258-9161
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Board or Commission: _____

Meeting Date: _____

Agenda Item # _____ Tab # _____ Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #5

Investigations Report



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

550 West Seventh Avenue, Suite 1500
Anchorage, Alaska 99501-3567
Main: 907.269.8160
Text phone: 907.465.5437
Programs fax: 907.269.8156

DATE: January 4, 2016

TO: Alaska Board of Certified Real Estate Appraisers

THRU: Alvin M. Kennedy, Senior Investigator *AK*
Angela G. Birt, Chief Investigator *AB*

FROM: Jay H. Paff, Investigator

SUBJECT: Certified Real Estate Appraisers Report for January 15, 2016 Board Meeting.

The following information was compiled as an investigative report to the Board for the period from October 13, 2015 through January 4, 2016. Including cases, complaints, and intake matters, since the last report, the Division opened **four (4)** matters and closed **five (5)** matters. There is currently **one (1)** on-going matter under active investigation or pending litigation.

CASE#	OPENED	VIOLATION	PROFESSION
2015-002008	11/23/2015	Violation of License Regulation	Appraiser

OPEN CASES AND COMPLAINTS: TOTAL = 1

INVESTIGATIVE ACTIONS CLOSED SINCE LAST MEETING:

2015-000527	04/06/2015	License Action	Appraiser
2015-000528	04/06/2015	License Action	Appraiser
2015-001845	10/14/2015	Application Issue	Appraiser
2015-001936	11/02/2015	Incomplete Complaint	Appraiser
2015-002081	12/01/2015	Application Issue	Appraiser

CLOSED CASES AND COMPLAINTS: TOTAL = 5

Board or Commission:

Meeting Date: _____

Agenda Item # _____

Tab # _____

Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #6

ASC/Appraisal Foundation
Updates

**THE APPRAISAL FOUNDATION***Authorized by Congress as the Source of Appraisal
Standards and Appraiser Qualifications*

APPRAISAL STANDARDS BOARD

TO: All Interested Parties

FROM: Margaret Hambleton, Chair
Appraisal Standards Board

RE: **Discussion Draft – Potential Areas of Change for the 2018-19 edition of the
*Uniform Standards of Professional Appraisal Practice***

DATE: January 15, 2016

The goal of the *Uniform Standards of Professional Appraisal Practice* (USPAP) is to promote and maintain a high level of public trust in appraisal practice by establishing requirements for appraisers. With this goal in mind, the Appraisal Standards Board (ASB) regularly solicits and receives comments and suggestions for improving USPAP. Proposed changes are intended to improve USPAP understanding and enforcement, and thereby achieve the goal of promoting and maintaining public trust in appraisal practice.

Based on feedback from prior exposure drafts and other sources, the ASB is currently examining potential areas of change for the 2018-19 edition of USPAP. The ASB recognizes that changes to USPAP can have far reaching impacts on appraisers, users of appraisal services, and others. To better enable us to consider the potential impact of changes on all stakeholders, we are asking for your help. Please review the attached Discussion Draft. It briefly discusses issues being considered for the 2018-19 edition of USPAP. **All interested parties are encouraged to comment in writing to the ASB before the deadline of February 17, 2016.** Respondents should be assured that each member of the ASB will thoroughly read and consider all comments. Comments are also invited at the ASB public meeting on February 19, 2016, in Tampa, Florida.

Please note that no specific changes to USPAP are being proposed at this time. Based on feedback received, in the months ahead the ASB will issue exposure drafts that will solicit comments on specific proposed changes.

Written comments on this Discussion Draft can be submitted by mail, email and facsimile.

Mail: Appraisal Standards Board
The Appraisal Foundation
1155 15th Street, NW, Suite 1111
Washington, DC 20005

Email: asbcomments@appraisalfoundation.org

Facsimile: (202) 347-7727

IMPORTANT NOTE: All written comments will be posted for public viewing, exactly as submitted, on the website of The Appraisal Foundation. Names may be redacted upon request.

The Appraisal Foundation reserves the right not to post written comments that contain offensive or inappropriate statements.

If you have any questions regarding the attached discussion paper, please contact Aida Dedajic, Standards Administrator at The Appraisal Foundation, via e-mail at aida@appraisalfoundation.org or by calling (202) 624-3058.

Background

The ASB's current plan for the 2018-19 edition of USPAP includes reviewing and revising, as needed, the following areas of USPAP:

- Communication of Assignment Results
- STANDARD 6, *Mass Appraisal, Development and Reporting*
- Definition of *assignment*
- Review of terms, assumption and extraordinary assumption
- STANDARD 3, *Appraisal Review, Development and Reporting*
- Review of Standards Rules 7-2(c), SR 7-5, and 8-2(v)
- Review of Standards Rule 8-3
- Review of Advisory Opinions 1, 18, 21 and 31
- Other edits to improve clarity and enforceability of USPAP

The ASB believes it is fulfilling its work plan and addressing the needs of appraisers and users of appraisal services by introducing potential areas of change contained in this Discussion Draft for the 2018-19 edition of USPAP.

Of paramount importance to the Board when considering any potential revisions to USPAP is the issue of public trust. This umbrella of public trust, therefore, remains the primary consideration of the ASB in putting forth the concepts contained in this document.

The Board currently intends to adopt any revisions for the 2018-19 edition of USPAP at its public meeting in early 2017. Any such revisions to USPAP would become effective on January 1, 2018.

Discussion Draft:
Potential Areas of Change
2018-19 edition of the *Uniform Standards of Professional Appraisal Practice*

Issued: January 15, 2016
Comment Deadline: February 17, 2016

Each section of this document identifies the area(s) of USPAP being considered for potential changes.

When commenting on various aspects of the discussion paper, it is very helpful to fully explain the reasons for concern or support, provide examples or illustrations, and suggest any alternatives or additional issues that the ASB should consider.

For ease in identifying the various issues being addressed, this Discussion Draft is presented in sections.

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Section 1: Communication of Assignment Results

ISSUES

The Appraisal Standards Board (ASB) has for several years been weighing various options addressing the communication of assignment results and related issues. The current requirements have been interpreted inconsistently by various stakeholders. The Board has attempted to find a solution that appropriately balances the concerns of these different stakeholder groups.

In order to accomplish this, the ASB has formed a Working Group on Communication of Assignment Results made up of ASB members, participants in the state appraiser regulatory arena, appraisers whose practice involves a significant amount of litigation-related assignments, and attorneys to assist in the review of relevant topics. The purpose of the Working Group is to perform an in-depth review of, and provide recommended proposed edits for, the definition of report, the workfile retention requirements of the RECORD KEEPING RULE, and any other related areas of USPAP.

The work product of the Working Group will be a report to the ASB of recommendations. The Working Group should finalize its work by the end of January. Once the report is delivered, the ASB will review the recommendations and determine how to proceed. If the ASB believes the suggested edits are appropriate, they will be exposed for public comment in subsequent exposure drafts.

Section 2: Review of STANDARD 6

ISSUES

The Appraisal Standards Board (ASB) conducts a periodic review of all Standards in the *Uniform Standards of Appraisal Practice* (USPAP). It has been several years since the ASB performed a comprehensive review of STANDARD 6: *Mass Appraisal, Development and Reporting*. The ASB plans to review STANDARD 6 to be sure that it reflects current practice, is consistent with the other Standards, and uses language that is commonly accepted among mass appraisal practitioners.

In order to accomplish its review of STANDARD 6, the ASB has formed a Working Group on Mass Appraisal Standards (Working Group), made up of ASB members and appraisers who are conversant in USPAP and mass appraisal, as well as other portions of USPAP and the Advisory Opinions that impact mass appraisal.

The purpose of the Working Group is to perform an in-depth review of, and provide recommended proposed edits for, STANDARD 6, as well as other related edits throughout the document. As part of this review, the ASB is asking the Working Group to examine STANDARD 6 to determine whether it should be split into separate development and reporting standards like the Standards for real property appraisal (STANDARDS 1 & 2), personal property appraisal (STANDARDS 7 & 8), and business appraisal (STANDARDS 9 & 10). The Working

Group will not make any decisions for the ASB, but its review, comments, and recommendations will be key to proposing what changes, if any, will be offered by the ASB.

The work product of the Working Group will be a report to the ASB of recommendations. The Working Group should finalize its work by the end of January. Once the report is delivered, the ASB will review the recommendations and determine how to proceed. If the ASB believes the suggested edits are appropriate, they will be exposed for public comment in subsequent exposure drafts.

Section 3: Review of the Definition of Assignment

ISSUES

Questions have arisen regarding the definition and use of the term *assignment*. The intended use and intended user are, as stated in their respective definitions, identified *at the time of the assignment*. Does that mean the time at which the appraiser enters into the agreement, or is it the time during which the appraiser provides the service?

In order to eliminate this confusion, the ASB is proposing to clearly distinguish between the two meanings currently associated with assignment by using different terms for each. The term engagement has long been used by appraisers and clients to refer to the appraiser's agreement to provide services. Given that this language is already part of the vocabulary, the Board is considering revision to the definition of assignment and a creating a new definition for engagement.

As a result of these potential revisions, the Board has conducted a review of the use of the word "assignment" throughout USPAP. A simple search reflects the word assignment shows up over 300 times in USPAP (not including the Advisory Opinions or Frequently Asked Questions). Given that, the ASB is asking for feedback, including answering questions such as:

- Does the current use of "assignment" in USPAP create problems?
- Does it make sense for the Board to consider making changes as addressed above, given the potentially far-reaching impact it may have?
- If changes are warranted, is "engagement" an appropriate term to define and embed in USPAP?

Section 4: Review of the term Extraordinary Assumption

ISSUES

The ASB is considering ways to clarify the term *Extraordinary Assumption*. For a number of years appraisers have commented that the term is confusing not only to appraisers but also to users of appraisal services. Some believe *all* assumptions are extraordinary since, if found to be false, they may very well affect the assignment results. As a result, the ASB is seeking input on identifying terms to help clarify the difference between typical assumptions and those that are truly specific to an assignment.

- Do you have any suggestions for terms that might help distinguish “ordinary” assumptions from “extraordinary” assumptions? (e.g., general assumption versus specific assumption; typical assumption versus critical assumption, etc.)
- How do you incorporate disclosure of extraordinary assumptions into your reports?
- Do you believe there should be a distinction drawn between assumptions that apply to virtually every assignment, versus those that only apply to certain assignments?

Section 5: Review of STANDARD 3

ISSUES

The ASB is examining STANDARD 3 to determine whether it should be split into separate development and reporting standards like the Standards for real property appraisal (STANDARDS 1 & 2), personal property appraisal (STANDARDS 7 & 8), and business appraisal (STANDARDS 9 & 10).

This restructuring is not likely to materially change the current development or reporting requirements. However, separating the USPAP requirements for developing an appraisal review opinion from the requirements for communicating that opinion should result in a more clear expression of those requirements. This would also be more consistent with the remainder of USPAP.

The ASB is seeking input on the concept of dividing STANDARD 3 into separate development and reporting standards. As with the other areas addressed in this document, any proposed changes to STANDARD 3 would be fully vetted during the exposure process.

The ASB is also discussing the applicability of STANDARD 3 in cases where members of a professional organization’s membership or ethics committees, members of state appraisal boards, or state investigators are asked to review an appraisal. This discussion is directly related to STANDARD 3 but is separate from the concept of dividing the Standard into separate development and reporting standards. The ASB is seeking input on this topic as well.

If the ASB moves forward with proposed changes to STANDARD 3, Advisory Opinion 20, *An Appraisal Review Assignment That Includes the Reviewer's Own Opinion of Value*, will be revised to reflect these changes.

Section 6: Review of Standard Rules 7-2(c), SR 7-5, and 8-2(v)

ISSUES

The ASB is reviewing Standard Rules 7-2(c), 7-5 and 8-2(v). As currently written, these Standards Rules include some instructions that are limited to developing and reporting opinions of market value.

Since the type of value in personal property appraisals is rarely market value, these references to market value may be confusing and may lead to limitations in the scope of personal property appraisal development and reporting.

The ASB is discussing whether or not to remove the market value references in the Standard Rules noted above and is seeking input on this issue.

Section 7: Review of Standard Rule 8-3

ISSUES

The ASB is reviewing Standard Rule 8-3. As currently written, when appraisers of multiple personal property specialties collaborate in an assignment, each appraiser signing the certification is responsible for all aspects of the appraisal.

This is contrary to current practice and could be misleading or confusing to the clients and users of personal property appraisals.

The ASB is seeking input on this topic, including suggestions as to how each appraiser's role might be best disclosed and whether multiple certifications might be required.

Section 8: Review of Advisory Opinion 1, *Sales History*

ISSUES

The ASB is reviewing AO-1 with a focus on the proper interpretation of the requirement to analyze and report sales history and related information in the appraisal of real property.

Various stakeholders have expressed concern that “analyze” is being construed as merely reciting facts and data points, as opposed to critically examining them in respect to the particular assignment at hand. Therefore, the ASB is considering whether or not further clarification of this term is indicated.

Potential clarification of the term analyze may require edits to USPAP which could include:

- Addition of the term *analyze* to the Definitions section of USPAP
- Additional illustrations/examples of what it means to properly *analyze* various factors in an appraisal assignment
- Amending AO-1 and possibly FAQ 230 to better clarify what the term *analyze* both means and requires

The ASB is:

- Seeking input on whether or not *analyze* should be a defined term in USPAP;
- Looking for examples of the appropriate application of *analyze* in the development and reporting of appraisal assignments.

Section 9: Review of Advisory Opinion 18, *Use of an Automated Valuation Model (AVM)*

ISSUES

When Advisory Opinion 18, *Use of an Automated Valuation Model (AVM)*, was issued in the 1990’s, it addressed what was then an emerging technology. Today, the tools AO-18 addresses are rarely used by appraisers. AVM’s have now evolved into a variety of new tools that allow appraisers to process large volumes of data with relative ease. Much of the prior guidance is no longer relevant and new USPAP-related questions brought about by modern technologies are largely unaddressed.

The ASB is planning to rewrite AO-18 to address an appraiser’s development and reporting obligations when relying upon calculations, prices, adjustments, trends, or other information generated by stand-alone software or various online services. At this time the Board is seeking input on:

- What technologies are now used by appraisers?
- Suggestions for issues that an updated AO-18 should address.

Section 10: Review of illustrations in Advisory Opinion 21, *USPAP Compliance***ISSUES**

The ASB is reviewing the Advisory Opinion 21 illustration on page 143 in response to comments suggesting that the current illustration does not adequately explain the difference between Valuation Services and Appraisal Practice.

Following is a possible alternative illustration. In your opinion:

- Does this better illustrate the differences between Valuation Services and Appraisal Practice?
- If not, do you have an alternate suggestion?

Valuation Services		
Appraisal Practice Valuation services performed by an individual acting as an appraiser		Valuation services when not acting as an appraiser
Appraisal and Appraisal Review (Development and Reporting)	Other valuation services when acting as an appraiser	
All Rules apply Applicable Standards vary by assignment		
	Some Rules apply: <ul style="list-style-type: none"> - ETHICS RULE - COMPETENCY RULE - JURISDICTIONAL EXCEPTION RULE No Standards apply in these assignments Compliance with the RECORD KEEPING RULE and SCOPE OF WORK RULE is not required in these assignments.	When performing these services, do not misrepresent your role (i.e., clearly communicate that you are not acting as an appraiser).

Examples

Appraisal and Appraisal Review (Development and Reporting)	Other valuation services when acting as an appraiser	Valuation services when not acting as an appraiser
Appraisal	Researching market data (when acting as appraiser)	Brokering
Restricted Appraisal Report	Consultant (when acting as an appraiser)	Auctioning
Oral Appraisal Report	Analyzing specific elements of value (e.g., reproduction cost or functional utility)	Property management Leasing (agent)
Appraisal Review	Teaching appraisal courses	Litigation support (when acting as advocate)
Providing comparable data	Providing sales data	Mortgage underwriting
Purchase price allocation	Developing educational texts	Ad valorem tax consulting

Board or Commission:

Meeting Date: _____

Agenda Item # _____

Tab # _____

Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

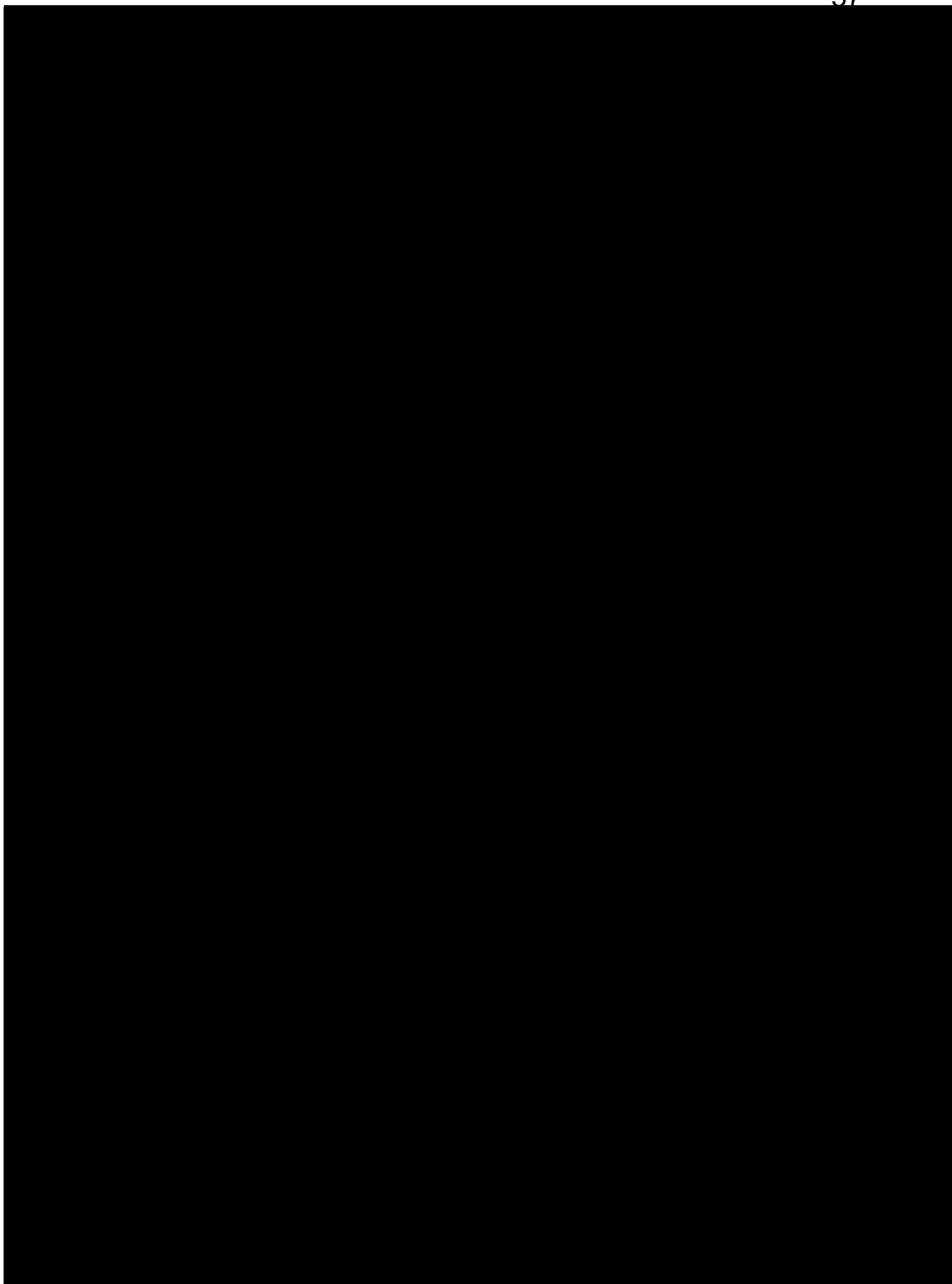
Staff will then state **“The board is off the record at _____(time).”**

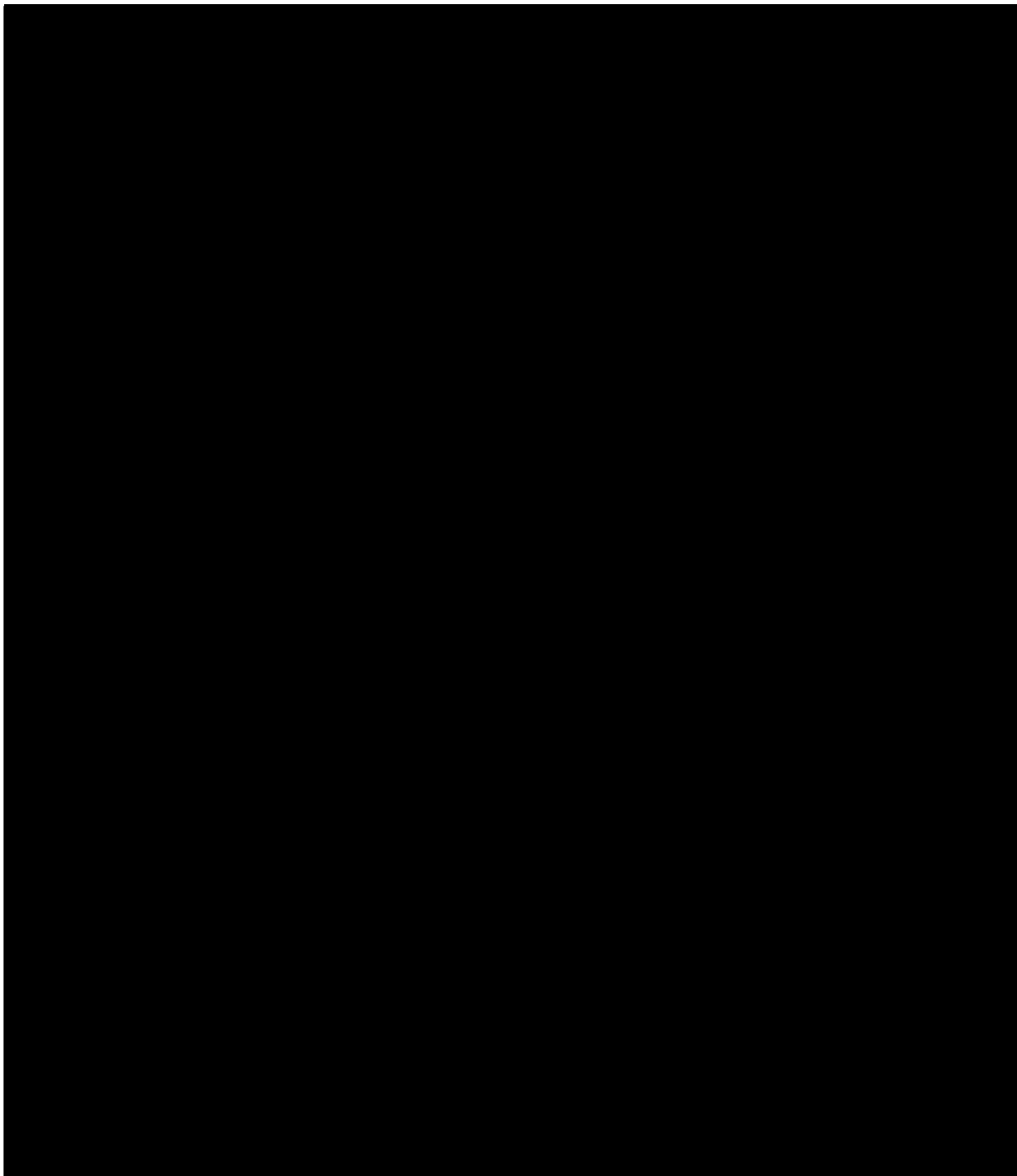
Agenda Item #7

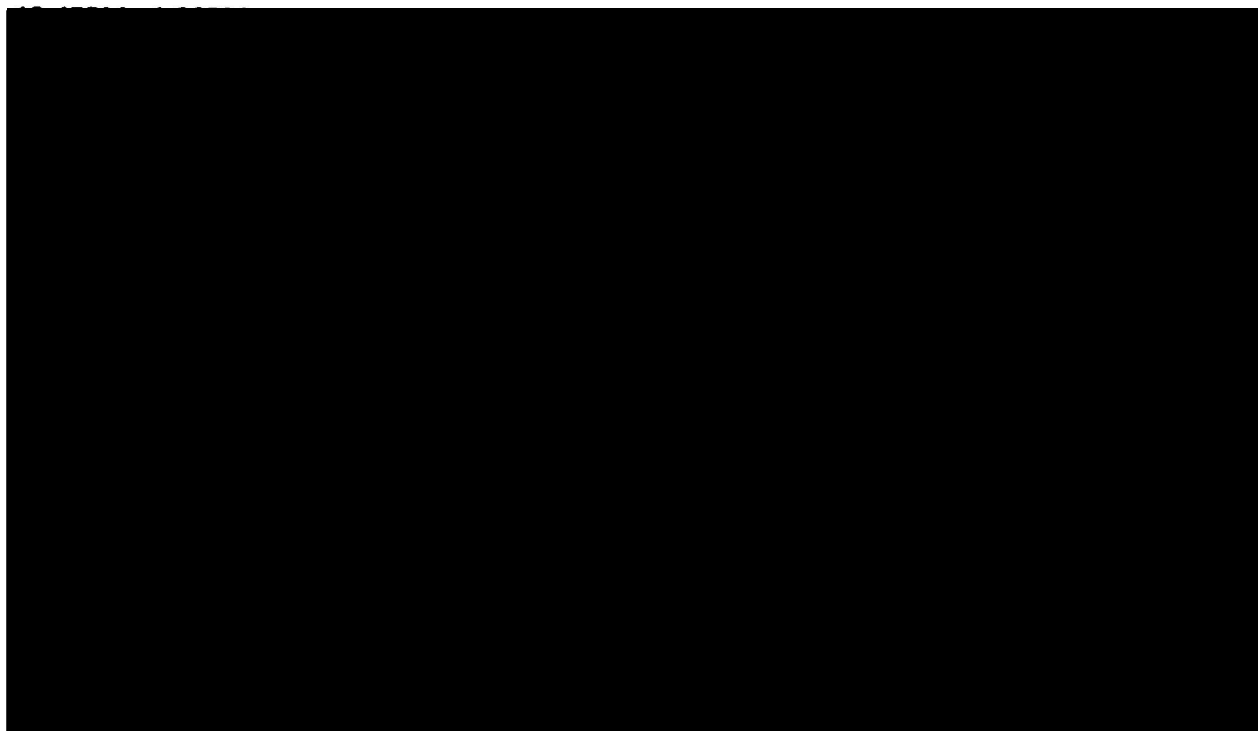
Board Business

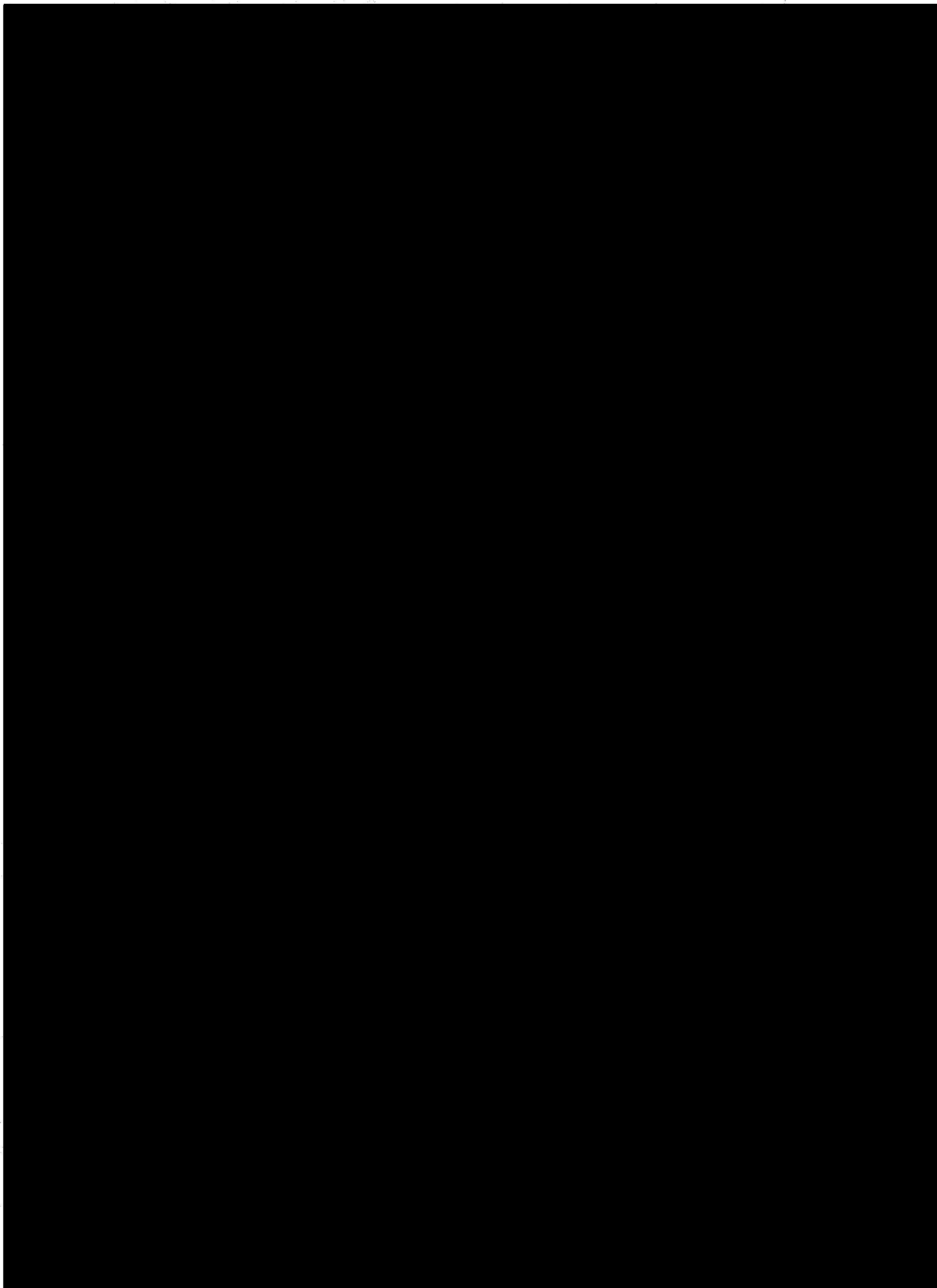
ALASKA STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS
FY 2015 ANNUAL REPORT
IDENTIFICATION OF BOARD

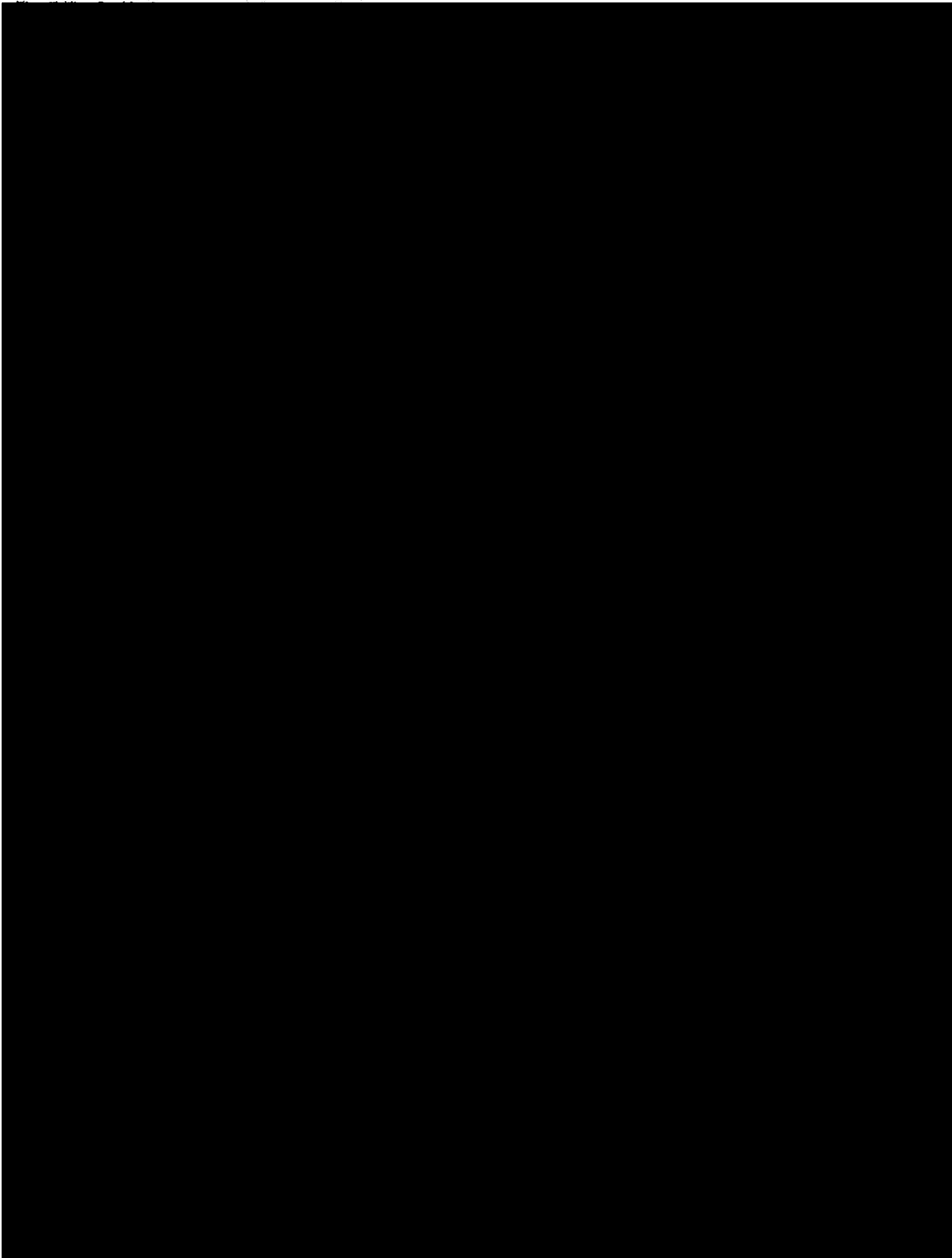
<u>Board Member (CURRENT)</u>	<u>Date Appointed</u>	<u>Term Expires</u>
Alfred J. Ferrara , MAI, SRA – Vice Chair Certified General Real Estate Appraiser	3/1/2014	3/1/2018
David M. Derry , MAI -- Chair Certified General Real Estate Appraiser	3/1/2014	3/1/2018
Lance Cook Certified Residential Real Estate Appraiser	3/1/2012	3/1/2016
Renee Piszczek Mortgage Banking Executive	9/2/2014	3/1/2018
Vacant Public Member	3/3/2014	3/1/2015

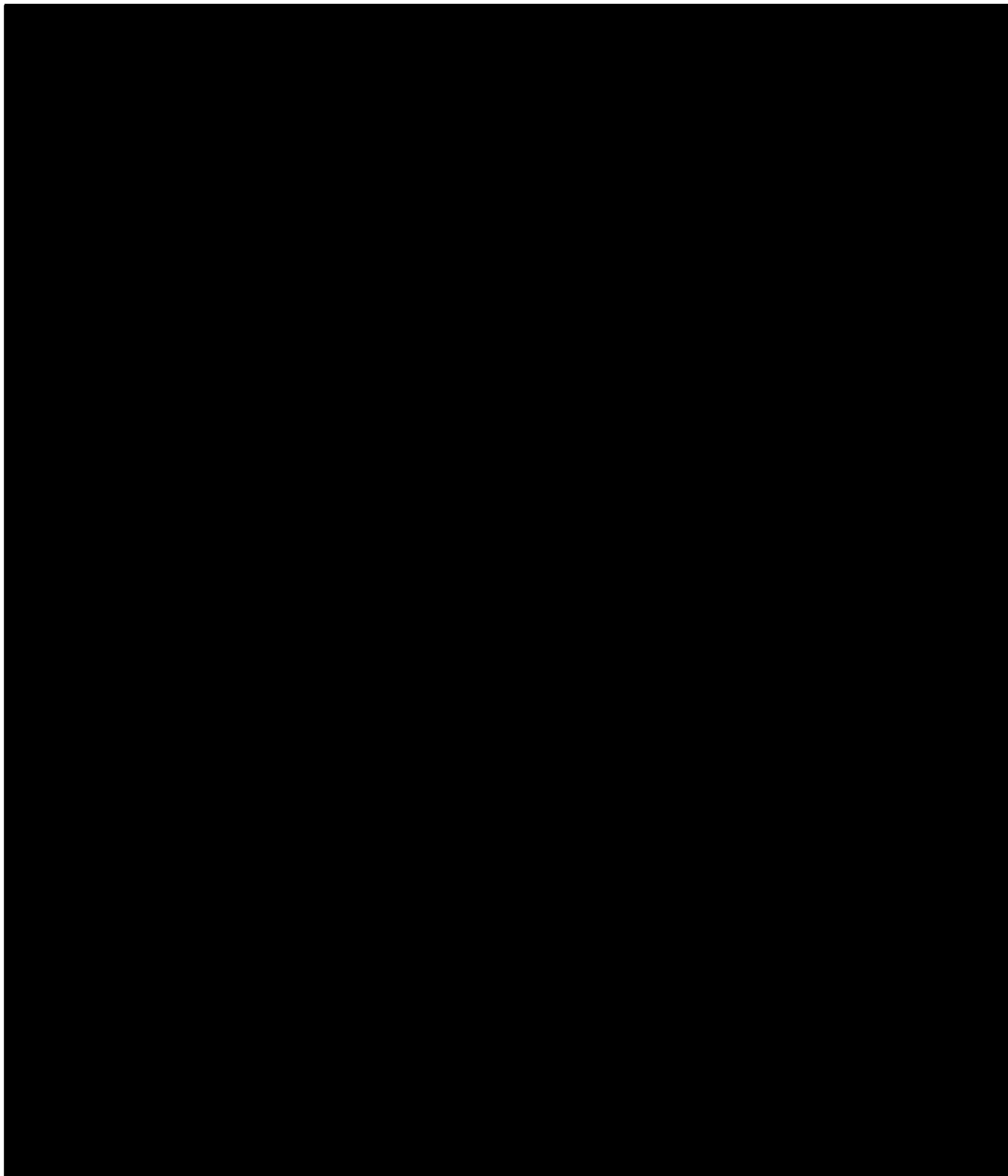












Work Product Reviews Still needed:

(Soldotna was duplicate under #3)

10. [Soldotna](#)
11. [Artic Gardens Apartments](#)
12. [Legislative Affairs Building](#)
13. [Silver Bay Seafoods Valdez Apartments](#)
14. [Silver Bay Seafoods Naknek](#)
15. [Silver Bay Seafoods Sitka](#)
16. [Silver Bay Seafoods Valdez](#)
17. [Marriott Anchorage DT](#)

10. [Soldotna](#)
11. [Artic Gardens Apartments](#)
12. [Legislative Affairs Building](#)
13. [Silver Bay Seafoods Valdez Apartments](#)
14. [Silver Bay Seafoods Naknek](#)
15. [Silver Bay Seafoods Sitka](#)
16. [Silver Bay Seafoods Valdez](#)
17. [Marriott Anchorage DT](#)

WORK LOG VERIFICATION GUIDELINES

Please use the following guide when completing the work verification log. The purpose of this log is for the board to determine the diversity and complexity of work experience and to verify the appropriate number of work hours. **Please note that for EXAMINATION applications, the Board will randomly select a work product to determine USPAP compliance, which must be submitted to the Board before a certificate is issued. The work product will be selected based on these forms.**

Part One Guidelines

Report Date: The month and year the appraisal report was completed.

Subject Property Address: This is the common name/location of the property, i.e., George's Office Tower, Anchorage, Alaska. Please be very clear so the board can understand the property being appraised.

Report Type: Please check appropriate format for report, i.e., Restricted Report, Summary, or Appraisal Report.

Property Classification: Indicate the type of property classification (Key included on next page).

Client Named in Report: Name of client or entity for which the report was prepared.

Work Hours: Indicate total number of hours spent on research, analysis, and preparation of report. Do not include hours which someone else spent.

Part Two Guidelines

Trainee Appraiser: For each criterion (I – X), the trainee appraiser shall indicate whether they contributed to the specific appraisal criteria by writing, "T" in the appropriate line for each property documented.

Supervisory Appraiser: For each criterion (I – X), the supervisory appraiser shall indicated on the appropriate line for each property documented whether they had the following responsibilities:

- Primary Responsibility → Write "P"
- Co-Appraiser → Write "C"
- Reviewed and Approved → Write "R"

For criterion XI indicate the approximate number as described below under experience category.

Criterion Includes:

- I. Inspected property
- II. Developed Building Description and Analysis
- III. Neighborhood Description and Market Analysis
- IV. Developed the Highest and Best Use
- V. Collected, Verified and Analyzed Data
- VI. Developed Income Approach
- VII. Developed Cost Approach
- VIII. Developed Sales Comparison
- IX. Developed Final Reconciliation
- X. Other (attach an explanation on a separate piece of paper)
- XI. Experience Category: Indicate on the line the numeric value associated with each experience type (described below):

- 1.) Fee and Staff Appraisal
- 2.) Ad Valorem Tax Appraisal
- 3.) Review Appraisal
- 4.) Appraisal Analysis
- 5.) Real Estate Counseling
- 6.) Highest and Best Use Analysis
- 7.) Feasibility Analysis
- 8.) Setting forth opinions of value of real property for tax purposes as an employee of a county assessor or Board of Equalization
- 9.) Assistance in preparation of appraisals
- 10.) Real estate valuation experience as a real estate lending officer or real estate broker, but only to the extent that the experience is directly related to the actual performance or professional review of real estate appraisals.

WORK VERIFICATION LOG

PART TWO:

Page # _____ of # _____

65

Assignments for Month of: _____

(Complete a Work Verification Log for each month)

Name: _____ Certificate #: _____

Signature: _____ Date Signed: _____

Hours Requested on This Page _____ Total Hours: _____

PART ONE:

Report Type: Restricted Report = **RR** Summary = **SU** Appraisal Report = **AR**

Property Classification: Commercial Building = **CB** Commercial & Office Land = **CL** Farm/Forest Land = **FL**
FL with Residential/Farm-Use Equipment = **FR** Industrial & Business Campus Land = **IL**
Industrial Warehouse & Manufacturing Building = **IB** Multi-Family Small 2-4 Units = **MFS**
Multi-Family Large 5+ Units = **MFL** Multi-Family Land = **ML** Office Buildings = **OB**
Residential Single-Family Land including Subdivision Potential and Multiple Lot Sales = **RL**
Single-Family Residential = **SFR** Other = **OT** – specify _____

Report Date	Subject Property Address	Report Type	Property Classification	Client Named in Report	Work Hours	T – Trainee S – Supervisor	I. Inspected Property	II. Developed Building Description and Analysis	III. Neighborhood Description & Market Analysis	IV. Developed the Highest & Best Use	V. Collected, Verified and Analyzed Data	VI. Developed Income Approach	VII. Developed Cost Approach	VIII. Developed Sales Comparison	IX. Developed Final Reconciliation	X. Other (please attach explanation)	XI. Experience Category (1-10) on code page
						T											
						S											
						T											
						S											
						T											
						S											
						T											
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						T											
						S											

Trainee Appraiser: For each criterion I through I, indicate to which portions of the assignment you contributed by writing “T” in the line designated for Trainee Appraisers.

Supervisory Appraiser: For criterion I through X, indicate to which portions of the assignment you contributed by writing “P” (Had Primary Responsibility), “C” (Co-appraised), or “R” (Reviewed and Approved) in the line designated for Supervisory Appraisers.

Supervisory Appraiser Name: _____ Certificate Number: _____

Supervisory Appraiser Signature: _____ Date: _____

From: [Gorman, Mike \(CED\)](#)
To: [Carrillo, Laura N \(CED\)](#)
Subject: RE: APR Frequently Asked Documents page
Date: Tuesday, March 01, 2016 9:48:02 AM

Done.

From: Carrillo, Laura N (CED)
Sent: Tuesday, March 01, 2016 9:44 AM
To: Gorman, Mike (CED)
Subject: APR Frequently Asked Documents page

Hi Mike,

Can you please add this question right before the existing #8 question—just adjust the enumeration as necessary.

➤ **Is it required to become *registered* as a trainee in Alaska?**

At its meeting on January 15th, 2016, the Board of Certified Real Estate Appraisers resolved to not require registration as a trainee in order for experience to count for certification as a general or residential appraiser. Documentation of work experience would still need to be completed on the work verification log provided by the Division.

<https://www.commerce.alaska.gov/web/cbpl/ProfessionalLicensing/RealEstateAppraisers/FAQs.aspx>

-

Thank you!!!

Laura Carrillo
 Licensing Examiner
 Board of Certified Real Estate Appraisers
 State of Alaska – DCCED – CBPL
 Phone: 907-465-2588
 E-mail: laura.carrillo@alaska.gov
 Fax: 907-465-2974

Board or Commission: _____

Meeting Date: _____

Agenda Item # _____ Tab # _____ Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

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- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
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- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

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- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #8

New Business

From: [Ward, Charles W \(CED\)](#)
To: [Carrillo, Laura N \(CED\)](#)
Subject: RE: APR CE audits/draft minutes
Date: Wednesday, January 20, 2016 11:07:28 AM

Laura:

Per the Board's request, I found the following:

Prior to the 2009-11 renewal:

I found two consent agreements. Both had a \$2,500 suspended fine, letter of instruction (this would likely be handled differently now) and 2 mandatory audits.

There was also an ALJ decision that imposed a \$1,500 fine with \$500 suspended and 2 mandatory audits, but no reprimand. This was for a licensee who asserted he completed 28 hours, but could only prove 14.

2009-11 renewal:

Three cases were referred to the paralegal. One ended in a license surrender, one was found to be compliant, and one entered into a consent agreement.

The agreement included a \$2,500 suspended fine, letter of instruction and 2 mandatory audits. This was for a licensee who had completed all of his CE online.

2011-13 renewal:

There doesn't seem to be any indication any cases were referred to the paralegal. This was a tumultuous time, as the Board was being reviewed at a federal level, and the paralegal position was inconsistently staffed. There may have been cases that were handled by Investigations, but my review of the records doesn't show any. I can investigate further, if need be.

2013-15 renewal:

Five cases were referred to the paralegal. Two were found to be compliant, and three ended in a consent agreement.

All three agreements included a \$2,500 suspended fine, letter of instruction and 2 mandatory audits. One licensee completed all of her CE online, one took a class that did not meet the requirements, dropping his total hours to 23 and the third took a class she believed should count for 7 hours, but only counted for 5, dropping her total to 27.

Please let me know if you or the Board need any additional information, or if you or the Board have any questions.

Thanks.

Charles Ward
Paralegal II
Division of Corporations, Business and Professional Licensing

charles.ward@alaska.gov
(907) 465-1673 desk
(907) 465-2974 fax (Please note: I do not have a direct fax line. Emailing documents will bring them to my attention sooner. If you do send a fax, please be sure to mark it to my attention.)

Mailing address
Charles Ward
c/o Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
P.O. Box 110806
Juneau, AK 99811-0806

Courier address
Charles Ward
c/o Dept. of Commerce, Community and Economic Development
Div. of Corporations, Business and Professional Licensing
333 W. Willoughby Ave.
Ninth Floor
Juneau, AK 99801

Visit professionallicense.alaska.gov to see if your problem can be resolved online.

From: Carrillo, Laura N (CED)
Sent: Wednesday, January 20, 2016 10:05 AM
To: Ward, Charles W (CED)
Subject: APR CE audits/draft minutes

Hi Charles,

Attached is the draft minutes pertaining to the CE audits.

Laura Carrillo
Licensing Examiner
Board of Certified Real Estate Appraisers
State of Alaska – DCCED – CBPL
Phone: 907-465-2588
E-mail: laura.carrillo@alaska.gov
Fax: 907-465-2974

THE STATE of ALASKA

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

P.O. Box 110806
Juneau, Alaska 99811-0806
Main: 907.465.2550
Fax: 907.465.2974

DATE: February 3, 2016

FROM: Sara Chambers
Division Operations Manager

SUBJECT: New Travel Process Instructions

BACKGROUND & POLICY

On January 5, 2016, Governor Walker issued guidance on restrictions to travel and hiring for state agencies. On January 18, Commissioner Hladick followed with a DCCED-specific process. Our division received additional information from the Deputy Chief of Staff on January 19 regarding in-state board meetings.

These documents are all available in this folder on the division's shared drive:

\\OCCLIC\OTHER\TRAVEL\MASTER TRAVEL FORMS\TRAVEL WAIVERS, MEMOS,
PROCESSES 2016

“As we work toward plugging the \$3.5 billion hole in our budget, it is critical that state employees continue to take every step possible to ensure we are being good stewards of our resources. As we worked on our fiscal plan, the comment my team and I heard most from Alaskans is that we must continue to rein in spending. Much thought and discussion have gone into each cut we have made and will make. Many agencies and departments have already implemented these cost-cutting measures. The announcement I’m making today establishes a consistent standard and process across the administration. These restrictions on hiring and travel won’t fix the deficit, but it’s an important step.”

- Governor Bill Walker, January 5, 2016

NEW STEPS IN THE TRAVEL PROCESS

STEP	Who completes this step	Format required	Where it goes	Details
1	Board staff Investigator Other traveler	Travel Justification Worksheet	Send to CBPL Travel Desk in Step 2	Use this worksheet to help determine whether all or part of the requested meeting can take place via video or teleconference.
2	Board staff Investigator Other traveler	CBPL Travel Approval Request	CBPL Travel Desk	Provide the CBPL Travel Desk with info needed to set up the requested travel approval. Using the Travel Approval Request format as we normally do is a good start. It doesn't need to be perfect—just enough information for the CBPL Travel Desk to complete the necessary elements to move forward. Submit both forms to the CBPL Travel Desk <u>no later than six weeks before the requested travel begins.</u>
3	Travel Desk	CBPL Travel Approval Request Form & all backup documentation	Division Operations Manager	Completes the CBPL Approval request process according to AAM 60. Travel Desk staff may work with staff and board members to confirm necessary details and assure a complete and correct submission for review.

		Travel Justification Worksheet DCCED Travel Approval Request Form		
4	Division Operations Manager	All forms	Director's Secretary	After reviewing all documentation for correctness and confirming the valid need for travel, the DOM will send recommendation for approval to the Director's Secretary.
5	Director's Secretary	All forms	Director	For Director's review and approval.
6	Director	All forms	Director's Secretary	Includes approval, additional questions, or denial.
7	Director's Secretary	DCCED Travel Approval Request Form	Commissioner's Secretary	For Commissioner's review and approval, reviewed on Tuesdays and Fridays. Due <u>no later than three weeks before travel begins</u> , if possible.
8a	Commissioner's Secretary	DCCED Travel Approval Request Form	Director of Boards and Commissions	Additional approval by the Governor's office is required for all out-of-state travel.
8b	Commissioner's Secretary	DCCED Travel Approval Request Form	Director's Secretary	Includes approval, questions, or denial.
9	Director's Secretary	DCCED Travel Approval Request Form	Board staff/investigator/ other traveler CBPL Travel Desk Director Division Operations Manager	Alerts all parties to the status of the approval.
10	Board staff Board member Investigator Other traveler	Travel Cost Savings Report	CBPL Travel Desk Division Director	Submit to the CBPL Travel Desk no later than <u>seven business days</u> after the meeting has concluded. Save a copy in your program files for the end-of-fiscal-year compilation of all travel-related savings and deliverables for your program.
11	Board staff Investigator Other traveler	End-Of-Fiscal-Year Report	CBPL Travel Desk Division Director	<u>Twice each year by June 30 and December 31</u> , each board must submit to the Commissioner and Office of Boards and Commissions (through the Director) an outline of all efforts taken and the amount of money saved in the effort to meet the Governor's objective to reduce state travel costs. Investigative travel is included in this report.

Email for the CBPL Travel Desk: 08occlctravel@alaska.gov

ADDITIONAL (NOT NEW) STEPS TO KEEP IN MIND

Before the Meeting: Communicate the Travel Approval Details to Board Members

Board members need to know the dollar amount for which they have been approved. If they do not know what that amount is, they may risk going over the approved amount, for which they may not be reimbursed. They must also be informed of the travel policies that may commonly apply to them so they do not risk losing money because of their flight schedule, choice of hotel, or use of a rental car.

The CBPL Board Member Training P&P is located on the division's shared drive. The DCCED Intranet has several tools to aid in educating yourself, as well as board members, in travel policies. The Travel Pocket

Guide is a useful tool for board members:

http://doa.alaska.gov/dof/travel/resource/travel_pocket_guide.pdf. Be sure all new board members receive this information and that they are reminded before they book travel for an approved trip.

After the Meeting

1. Provide the Travel Desk with all receipts and travel details, clearly marked for each traveler. This must be completed within five days of completion of travel, so be sure to collect receipts and details as quickly as possible from board members.
2. Travel desk will complete the latest version of the Travel Authorization Form (TA), which can be found on the DCCED Intranet or directly at the Division of Finance's web page: <http://doa.alaska.gov/dof/forms/index.html#trav>. The form is titled "Travel Authorization Form with Request [XLT]."
3. Travel desk will scan a copy of the Travel Authorization Form, Travel Approval Worksheet, CBPL Traveler Profile, and all itineraries and receipts into a PDF and save in the shared drive.
4. Travel desk will provide the paper copies to ASD's travel processor and serve as the primary liaison with that person.

QUESTIONS?

1. **All regular in-state board meetings have been conditionally approved by the Director of Boards and Commissions. Why do we have to follow all of these steps?**

The Commissioner's office takes the Governor's request very seriously and wants to make sure to review that his cost savings objective is met. Taking these steps up front will help make the end-of-year reporting of cost savings easier.

2. **Travel that is completely funded by third-parties is not prohibited. Why does it need this level of approval?**

See answer to question 1, above.

3. **All CBPL travel is receipt supported. It seems like we are moving backward. Why can't board members just travel to the meetings they know are important since it doesn't impact the General Fund?**

In this time of extreme state budget tightening, all agencies are asked to share in looking for ways to reduce and conserve. CBPL's spending authority, which includes all board authority, impacts the overall size of the state budget—regardless of funding source.

4. **Can more than one employee travel to a board meeting?**

No. Only one employee may staff a board meeting. Multiple employees may attend when an agenda item is mission critical and they do not enter travel status, such as via teleconference or when the meeting takes place at their duty station.

5. Will investigators still be able to travel to perform inspections and enforce licensing laws?

Yes. Enforcement activities that are mission critical and inherent to the job may still continue. These steps must be followed when employees are expected to enter travel status. For example: An investigator must follow these steps when traveling to Fairbanks to inspect shops or sites. These steps would not need to be followed when performing inspections within 50 miles of the Atwood since they would not enter travel status.

6. Can multiple board members attend the same out-of-state meeting if it is 100% third-party funded?

The division will make the case to the Commissioner to approve this travel. The ultimate approval is granted by the Governor's office, and all third-party-funded travel will be considered, per the January 19, 2016, memo.

7. Are contractors like proctors and exam developers able to travel on behalf of the division?

Per the Commissioner's memo dated January 18, 2016, such travel is not prohibited. Continuation of this anticipated travel is currently being confirmed.

8. How will this information be provided to board members?

Board staff should always provide board members with essential information as it becomes available. These changes can also be discussed during the Division Update section of an upcoming board meeting.



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

76
Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

P.O. Box 110806
Juneau, Alaska 99811-0806
Main: 907.465.2550
Fax: 907.465.2974

Travel Justification Worksheet

Use this worksheet to help determine whether all or part of the requested meeting can take place via video or teleconference. Submit to the Travel Desk with your Travel Approval Request no later than six weeks before your requested meeting dates.

Board: Dates of Business:

Requester: # of Travelers: *Employees* *Board Members*

Type of Meeting: ☐ Regular board business ☐ Adjudication only
☐ Special board meeting ☐ Subcommittee meeting
☐ On-site Investigation/Inspection ☐ Other:

Scheduled activities:

- ☐ Discuss/adopt regulations
- ☐ Discuss legislation
- ☐ Public comment
- ☐ Review applications
- ☐ Review correspondence
- ☐ Proctor examination
- ☐ Strategic planning/Annual Report
- ☐ Fiscal/other update from staff
- ☐ Investigative report
- ☐ Executive session on adjudicative action
- ☐ Other executive session
- ☐ CE audit reviews
- ☐ Site visitation, per statute, regulation, or contract:
- ☐ In-person applicant interview, per statute or regulation:
- ☐ Other business:

Recommend in-person meeting	Approved by:	Recommend video or teleconference	Approved by:
<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
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<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>
<input type="checkbox"/>	<input type="text"/>	<input type="checkbox"/>	<input type="text"/>

What cost-saving measures have been taken in preparation for this meeting?

How many participants live within 50 miles of the meeting location?

What are the duty stations of the remaining participants?

Other relevant information:



THE STATE
of **ALASKA**

GOVERNOR BILL WALKER

Department of Commerce, Community,
and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING

P.O. Box 110806
Juneau, Alaska 99811-0806
Main: 907.465.2550
Fax: 907.465.2974

Travel Action Summary Report

Submit to the CBPL Travel Desk no later than seven business days after the meeting has concluded. Save a copy in your program files for the end-of-year compilation of all travel-related savings and deliverables for your program.

Board:

Dates of Business:

Person Reporting:

of Travelers: *Employees*

Board Members

Type of Meeting:

☐

Regular board business

☐

Adjudication only

☐

Special board meeting

☐

Subcommittee meeting

☐

On-site Investigation/Inspection

☐

Other:

Cost Savings

What expenses were reduced?

1.

2.

3.

What is the estimated savings?

Meeting Deliverables

Information gained:

Action recommended:

Primary Motion

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #10

Budget Report/Division Update

Board of Certified Real Estate Appraisers
Schedule of Revenues and Expenditures

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY16 1st Qtr
Licensing Revenue	22,875	203,055	42,190	269,948	56,250	279,525	7,625
Allowable Third Party Reimbursement*	-	-	-	-	1,499	-	-
Total Revenue	22,875	203,055	42,190	269,948	57,749	279,525	7,625
Direct Expenditures							
Personal Services	50,733	65,321	78,181	46,148	34,915	53,294	13,320
Travel	10,479	10,138	8,534	3,759	2,920	2,217	1,668
Contractual	59,383	87,668	56,720	44,699	14,955	33,616	224
Supplies	425	150	233	61	24	42	-
Equipment	-	-	-	-	-	-	-
Total Direct Expenditures	121,020	163,276	143,668	94,667	52,815	89,170	15,212
Indirect Expenditures**	14,166	11,311	15,739	18,583	20,937	33,105	8,276
Total Expenses	135,186	174,587	159,407	113,250	73,752	122,274	23,488
Annual Surplus (Deficit)	(112,311)	28,468	(117,217)	156,697	(16,002)	157,251	(15,863)
Beginning Cumulative Surplus (Deficit)	101,666	(10,645)	17,823	(99,395)	57,302	41,300	198,551
Ending Cumulative Surplus (Deficit)	(10,645)	17,823	(99,395)	57,302	41,300	198,551	182,688

*The allocation of the \$20,000 in allowable third party reimbursements will be completed at year-end

**Current year indirect costs are based on the prior fiscal year's total budgeted amount. These costs are averaged over the current fiscal year, then adjusted after the close of the year.

Activity Name	Board of Certified Real Estate Appraisers
---------------	---

Object Code	Object Name	Sum of Expenditures
0102	Regular Pay	7,322
0147	Holiday Pay	197
0150	Annual Leave	9
0151	Personal Leave	268
1028	AK Supplemntl Beneft	479
1029	Pers DB	98
1030	Pers DCR	384
1034	Pers DCR HRA	322
1035	Pers DCR RMP	124
1037	Pers DB Unf'D Liab	788
1039	Unemplmnt Insurance	25
1040	Group Hlth Insurance	2,795
1041	Basic Life & Travel	7
1042	Workers' Comp Ins	104
1047	Leave Cashin Empr Ch	176
1048	Terminal Lv Empr Chg	90
1053	Medicare Tax	108
1077	ASEA Legal Trust	15
1079	ASEA Injury Lv Usage	9
1080	Supervsrs Legal Trst	0
2000	In-State Employee Airfare	682
2001	In-State Employee Surface Transportation	83
2002	In-State Employee Lodging	371
2003	In-State Employee Meals and Incidentals	246
2009	In-State Non-EmployeeTaxable Per Diem	60
2010	In-State Non-Employee Non-Taxable Reimbursement	222
2036	Cash Advance Fee	4
3044	Courier	4
3046	Advertising	179
3057	Structure, Infrastructure and Land - Rentals/Leases	23
3069	Commission Sales	18
Grand Total		15,212

Grand Total Equals Direct Expenditures on Board Report

Board of Certified Real Estate Appraisers
Schedule of Revenues and Expenditures

	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15	FY16 1st & 2nd Qtr
Licensing Revenue	22,875	203,055	42,190	269,948	56,250	279,525	25,320
Allowable Third Party Reimbursement*	-	-	-	-	1,499	-	-
Total Revenue	22,875	203,055	42,190	269,948	57,749	279,525	25,320
Direct Expenditures							
Personal Services	50,733	65,321	78,181	46,148	34,915	53,294	25,123
Travel	10,479	10,138	8,534	3,759	2,920	2,217	10,342
Contractual	59,383	87,668	56,720	44,699	14,955	33,616	1,749
Supplies	425	150	233	61	24	42	-
Equipment	-	-	-	-	-	-	-
Total Direct Expenditures	121,020	163,276	143,668	94,667	52,815	89,170	37,214
Indirect Expenditures**	14,166	11,311	15,739	18,583	20,937	33,105	16,552
Total Expenses	135,186	174,587	159,407	113,250	73,752	122,274	53,766
Annual Surplus (Deficit)	(112,311)	28,468	(117,217)	156,697	(16,002)	157,251	(28,446)
Beginning Cumulative Surplus (Deficit)	101,666	(10,645)	17,823	(99,395)	57,302	41,300	198,551
Ending Cumulative Surplus (Deficit)	(10,645)	17,823	(99,395)	57,302	41,300	198,551	170,105

*The allocation of the \$20,000 in allowable third party reimbursements will be completed at year-end

**Current year indirect costs are based on the prior fiscal year's total budgeted amount. These costs are averaged over the current fiscal year, then adjusted after the close of the year.

Activity Name	Board of Certified Real Estate Appraisers
---------------	---

Object Code	Object Name	Sum of Expenditures
1011	Regular Compensation	12,931
1016	Other Premium Pay	49
1023	Leave Taken	1,670
1028	Alaska Supplemental Benefit	900
1029	Public Employee's Retirement System Defined Benefits	132
1030	Public Employee's Retirement System Defined Contribution	733
1034	Public Employee's Retirement System Defined Cont Health Reim	598
1035	Public Employee's Retirement Sys Defined Cont Retiree Medical	236
1037	Public Employee's Retirement Sys Defined Benefit Unfnd Liab	1,524
1039	Unemployment Insurance	47
1040	Group Health Insurance	5,379
1041	Basic Life and Travel	14
1042	Worker's Compensation Insurance	173
1047	Leave Cash In Employer Charge	330
1048	Terminal Leave Employer Charge	168
1053	Medicare Tax	203
1077	ASEA Legal Trust	24
1079	ASEA Injury Leave Usage	9
1080	SU Legal Trst	2
2000	In-State Employee Airfare	682
2001	In-State Employee Surface Transportation	83
2002	In-State Employee Lodging	371
2003	In-State Employee Meals and Incidentals	246
2005	In-State Non-Employee Airfare	203
2008	In-State Non-Employee Meals and Incidentals	92
2009	In-State Non-Employee Taxable Per Diem	60
2010	In-State Non-Employee Non-Taxable Reimbursement	439
2012	Out-State Employee Airfare	1,312
2013	Out-State Employee Surface Transportation	50
2014	Out-State Employee Lodging	3,445
2015	Out-State Employee Meals and Incidentals	776
2017	Out-State Non-Employee Airfare	727
2020	Out-State Non-Employee Meals and Incidentals	349
2022	Out-State Non-Employee Non-Taxable Reimbursement	1,490
2036	Cash Advance Fee	17
3000	Training/Conferences	1,425
3044	Courier	4
3046	Advertising	226
3057	Structure, Infrastructure and Land - Rentals/Leases	23
3067	Honorariums/Stipend	16
3069	Commission Sales	54
Grand Total		37,214

Grand Total Equals Direct Expenditures on Board Report

Board or Commission: _____

Meeting Date: _____

Agenda Item # _____

Tab #_____

Topic: _____

Primary Motion

Motion:

[illegible]

Subsidiary Motion or Amendment

Motion:

[illegible]

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
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MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; **OR**
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; **OR**
- (3) matters which by law, municipal charter, or ordinance are required to be confidential; **OR**
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

**Board staff is requested to remain during the session OR
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Agenda Item #11

Administrative Business

Task List

Derry

- Dave Derry will complete a voting ballot for Shane Smith
- Mr. Derry will send Ms. Carrillo revisions for the work log verification form.
- Will send a revised work log to Ms. Carrillo

Ferrara

- Fred Ferrara will complete a voting ballot for Tyler Barth.
- Mr. Ferrara will complete the remaining continuing education ballots and submit them to Ms. Carrillo
- Mr. Ferrara will draft a position statement regarding the Board's collective agreement on trainee registration, which will be presented to the Board for final approval at the subsequent meeting.

Piszczek

- Renee Piszczek will complete a voting ballot for Tyler Barth.

Examiner

- Laura Carrillo with follow-up with Charles Ward as to how the fee was established.
- Ms. Carrillo will forward Mr. Derry's e-mail regarding trainee registration to Mr. Ferrara.
- Ms. Carrillo will send Mr. Ferrara a template for the position statement.
- Ms. Carrillo will send Mr. Ferrara the log-on information for the secure site.

All

- All Board members will continue to seek individuals to fill the public member position and the at-large residential appraiser position

Primary Motion

EXECUTIVE SESSION MOTION

Sec. 44.62.310. Government meetings public.

(c) The following subject may be considered in an executive session:

- (1) matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity;
- (2) subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion;
- (3) matters which by law, municipal charter, or ordinance are required to be confidential;
- (4) matters involving consideration of government records that by law are not subject to public disclosure.

MOTION WORDING:

“In accordance with the provisions of Alaska Statute 44.62.310 (c), I move to go into executive session for the purpose of discussing (select the appropriate statutory citation for the situation):

- (1) **matters, the immediate knowledge of which would clearly have an adverse effect upon the finances of the public entity; *OR***
- (2) **subjects that tend to prejudice the reputation and character of any person, provided the person may request a public discussion; *OR***
- (3) **matters which by law, municipal charter, or ordinance are required to be confidential; *OR***
- (4) **matters involving consideration of government records that by law are not subject to public disclosure.**

**Board staff is requested to remain during the session *OR*
Board only to remain during session.”**

Staff will then state **“The board is off the record at _____(time).”**

Statutes and Regulations **Certified Real Estate** **Appraisers**

July 2015

(Centralized Statutes and Regulations not included)



DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT

***DIVISION OF CORPORATIONS, BUSINESS
AND PROFESSIONAL LICENSING***

NOTE: The official version of the statutes in this document is printed in the Alaska Statutes, copyrighted by the State of Alaska. The official version of the regulations in this document is published in the Alaska Administrative Code, copyrighted by the State of Alaska. If any discrepancies are found between this document and the official versions, the official versions will apply.

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**CHAPTER 87.
REAL ESTATE APPRAISERS.**

Article

- 1. Board of Certified Real Estate Appraisers**
(§§ 08.87.010, 08.87.020)
- 2. Certification** (§§ 08.87.100—08.87.120)
- 3. Prohibited Practices and Disciplinary Proceedings**
(§§ 08.87.200, 08.87.210)
- 4. General Provisions** (§§ 08.87.300—08.87.900)

**ARTICLE 1.
BOARD OF CERTIFIED REAL ESTATE APPRAISERS.**

Section

- 10. Board created**
- 20. Powers and duties of board**

Sec. 08.87.010. Board created. There is created in the Department of Commerce, Community, and Economic Development the Board of Certified Real Estate Appraisers. The board is composed of five members appointed by the governor. At least one member shall be a person certified under this chapter as a general real estate appraiser, at least one member shall be a person certified under this chapter as a residential real estate appraiser, at least one member shall be an executive in a mortgage banking entity, and at least one member shall represent the public. The board shall elect a chair from among its membership.

Sec. 08.87.020. Powers and duties of board. In addition to the powers and duties conferred on the board by AS 08.01, the board shall

- (1) establish the examination specifications for certification as a general real estate appraiser, as a residential real estate appraiser and as an institutional real estate appraiser;
- (2) adopt rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and
- (3) adopt regulations necessary to carry out the purposes of this chapter, including regulations necessary to comply with the requirements of 12 U.S.C. 3331 – 3351 (Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989), as amended by 12 U.S.C. 5301 – 5641 (Dodd-Frank Wall Street Reform and Consumer Protection Act); the regulations adopted by the board under AS 08.87.110, 08.87.120, and 08.87.310 may not be more stringent than the corresponding minimum requirements for receiving approval of the state's program of certification of real estate appraisers under 12 U.S.C. 3331 – 3351 or other federal law.

**ARTICLE 2.
CERTIFICATION.**

Section

- 100. Certificate required**
- 110. General, residential, and institutional real estate appraiser certificates**
- 120. Continuing education requirements for renewal of certificate**

Sec. 08.87.100. Certificate required. A person is guilty of a class B misdemeanor who

- (1) does not hold a certificate issued by the board, whose certificate is suspended or revoked, or whose certificate has lapsed or terminated, and holds out as a certified real estate appraiser in any way, orally or in writing, directly or by implication;
- (2) is certified as a residential real estate appraiser and holds out as certified to appraise real estate other than
 - (A) residential real property of four or fewer units; or
 - (B) residential real property of 12 or fewer units when a net income capitalization analysis is not required by the terms of the appraisal assignment and a secondary mortgage market form is used; or
- (3) is certified as an institutional real estate appraiser and
 - (A) holds out as certified to appraise real estate other than
 - (i) residential real property of four or fewer units having a transaction value of less than \$1,000,000; or
 - (ii) commercial property having a transaction value of less than \$250,000;
 - (B) holds out as performing real estate appraisal services for a fee or for the public at large;
 - (C) accepts a fee for real estate appraisal services other than for services conducted as a full-time employee of a financial institution with offices in the state and other than a salary received as a full-time employee of the financial institution; or

(D) performs a real estate appraisal for other than the portfolio of the financial institution for which the person is employed.

Sec. 08.87.110. General, residential, and institutional real estate appraiser certificates. (a) The board shall issue a general real estate appraiser certificate to a person who presents evidence satisfactory to the board that the person

(1) has successfully completed classroom instruction in subjects related to real estate appraisal, as required by the board in regulation, from an appraisal organization or academic institution approved by the board;

(2) has successfully completed classroom instruction related to standards of professional practice as a real estate appraiser, as required by the board in regulation;

(3) successfully completes an examination prescribed by the board;

(4) has not been convicted of a crime involving moral turpitude; and

(5) has paid the required fees.

(b) The board shall issue a residential real estate appraiser certificate to a person who presents evidence satisfactory to the board that the person

(1) meets the requirements of (a)(2)(5) of this section; and

(2) has successfully completed classroom instruction in subjects related to residential real estate appraisal, as required by the board in regulation, from an appraisal organization or academic institution approved by the board.

(c) Notwithstanding (a) and (b) of this section, the board shall issue a general real estate appraiser or residential real estate appraiser certificate to a person who does not reside in this state and who

(1) applies on the form required by the department;

(2) pays the required fee; and

(3) holds a valid certificate or license from a state whose requirements for real estate appraiser certification or licensing

(A) meet or exceed the appraiser certification standards in this chapter; and

(B) comply with 12 U.S.C. 3331 – 3351 (Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989), as amended by 12 U.S.C. 5301 – 5641 (Dodd-Frank Wall Street Reform and Consumer Protection Act).

(d) A certificate may be issued to a natural person only. A certified real estate appraiser may sign an appraisal report on behalf of a corporation, partnership, firm, or group practice.

(e) The board shall issue an institutional real estate appraiser certificate to a person who presents evidence satisfactory to the board that the person meets the educational and testing requirements of 12 U.S.C. 3331 – 3351 (Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989), as amended by 12 U.S.C. 5301 – 5641 (Dodd-Frank Wall Street Reform and Consumer Protection Act) and as implemented by the board, and that the person is a full-time employee of a financial institution with offices in the state. A person receiving certification under this subsection may perform an appraisal only

(1) for and as an employee of a financial institution with offices in the state;

(2) for the financial institution's own portfolio; and

(3) of

(A) commercial property with a transaction value of less than \$250,000; or

(B) residential property of four or fewer units having a transaction value of less than \$1,000,000.

(f) A certificate issued under (e) of this section terminates when the person certified leaves the full-time employment of the financial institution with offices in the state for whom the person was employed when the certificate was issued.

(g) A person certified under (e) of this section as an institutional real estate appraiser may not perform real estate appraisal services for the general public or for a fee other than the salary the person receives as a full-time employee of a financial institution with offices in the state.

(h) Notwithstanding (a) – (c) of this section, the board may issue a general or residential real estate appraiser certificate to a person who does not meet the requirements of (a) – (c) of this section and who

(1) applies on a form required by the department;

(2) pays the required fee; and

(3) successfully completes the National Uniform Licensing and Certification Examination issued or endorsed by the Appraiser Qualifications Board of the Appraisal Foundation, has previous real estate appraiser experience acceptable to the board, or successfully completes courses approved by the board.

Sec. 08.87.120. Continuing education requirements for renewal of certificate. (a) The board may not renew a certificate issued under this chapter unless the person applying for renewal presents evidence satisfactory to the board that the person has, within the two years preceding the application for renewal, attended classroom instruction, as required by the board in regulation, in courses or seminars that have received the approval of the board.

(b) The board may grant credit toward some or all of the requirements of (a) of this section to a person who has

(1) successfully completed a program of study determined by the board to be equivalent for continuing education purposes to a course or seminar approved by the board for continuing education credit; or

(2) participated, other than as a student, in educational programs that related to real estate analysis or real property appraisal theory, practice, or technique, including teaching, program development, and preparation of textbooks, monographs, articles, and other instructional materials.

(c) The board shall adopt regulations on continuing education to ensure that persons applying for renewal of certificates have thorough knowledge of current theories, practices, and technique of real estate analysis and appraisal. The regulations must provide for

(1) procedures for the sponsor of a course or seminar to apply for board approval for continuing education credit; the regulations must require the sponsor to show that claimed attendance at a course or seminar can be verified; and

(2) procedures for evaluating equivalency claims for applicants for certificate renewal under (b) of this section.

(d) In considering whether to approve courses and seminars under this section, the board shall give special consideration to courses, seminars, and other appraisal education programs developed by or under the auspices of organizations or associations of professional real estate appraisers that are utilized by those organizations or associations for the purposes of awarding real estate appraisal designations or of indicating compliance with the continuing education requirements of the organizations or associations.

(e) An amendment or repeal of a regulation adopted by the board under this section shall not operate to deprive a person holding a certificate under this chapter of credit toward renewal of the person's certificate for a course of instruction or seminar that had been completed by the person before the amendment or repeal of the regulation.

ARTICLE 3. PROHIBITED PRACTICES AND DISCIPLINARY PROCEEDINGS.

Section

200. Prohibited practices

210. Disciplinary proceedings

Sec. 08.87.200. Prohibited practices. A certified real estate appraiser may not

(1) act negligently or incompetently or fail without good cause to exercise reasonable diligence in developing an appraisal, preparing an appraisal report, or communicating an appraisal;

(2) wilfully disregard or violate a provision of this chapter or of a regulation adopted by the board under this chapter;

(3) fail to comply with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board of the Appraisal Foundation;

(4) accept a fee for an appraisal assignment that is contingent upon the appraiser reporting a predetermined estimate, analysis, or opinion or upon the opinion, conclusion, or valuation reached, or upon the consequences resulting from the appraisal assignment;

(5) knowingly make a false statement, submit false information, or fail to provide complete information in response to a question in an application for certification or for renewal of a certificate; or

(6) violate the confidential nature of government records to which the person gains access through retention as an appraiser by the government agency.

Sec. 08.87.210. Disciplinary proceedings. The board may exercise its disciplinary powers under AS 08.01.075 if, after hearing, the board finds a certified real estate appraiser has

(1) violated a provision of this chapter or a regulation adopted by the board under this chapter;

(2) been convicted of a crime that involves moral turpitude; or

(3) committed, while acting as a real estate appraiser, an act or omission involving dishonesty, fraud, or misrepresentation with the intent to benefit the appraiser or another person or to injure another person.

ARTICLE 4. GENERAL PROVISIONS.

Section

300. Retention of records

310. Trainee appraiser; supervisory appraiser

320. Actions by uncertified real estate appraisers prohibited

330. Exemptions

340. Appraisals by uncertified appraisers permitted

900. Definitions

Sec. 08.87.300. Retention of records. (a) A certified real estate appraiser shall retain copies of all written contracts engaging the appraiser's services for real property appraisal work, and all reports and supporting data

assembled and formulated by the appraiser in preparing the reports, for at least five years after the date of the contract engaging the appraiser's services, five years after the date of the submittal of the appraisal reports to the client, or at least two years after the final disposition of litigation in which the appraiser provided testimony related to the engagement, whichever is longer.

(b) *[Repealed, Sec. 9 ch 42 SLA 2014.]*

(c) All records that a certified appraiser must maintain under (a) of this section shall be made available to the board or department for inspection and copying upon reasonable notice to the appraiser.

Sec. 08.87.310. Trainee appraiser; supervisory appraiser. The board may establish requirements for trainee appraisers and supervisory appraisers. The board shall ensure that the requirements conform with 12 U.S.C. 3345.

Sec. 08.87.320. Actions by uncertified real estate appraisers prohibited. A person may not bring an action in a court of this state for compensation for an act done or service rendered as a certified real estate appraiser if the person did not hold a certificate under this chapter at the time that the person performed the act or service or offered to perform the act or service.

Sec. 08.87.330. Exemptions. This chapter does not apply to a person who appraises real estate as part of the tax assessment process of a municipality.

Sec. 08.87.340. Appraisals by uncertified appraisers permitted. Nothing in this chapter precludes a person who is not certified as a real estate appraiser from appraising real estate for compensation if the person does not hold out to be a certified appraiser and if appraisal by a certified appraiser is not required by federal law.

Sec. 08.87.900. Definitions. In this chapter

(1) "analysis assignment" means an analysis, opinion, or conclusion prepared by a real estate appraiser that relates to the nature, quality, or utility of certified real estate or real property;

(2) "appraisal" means an analysis, opinion, or conclusion prepared by a real estate appraiser relating to the nature, quality, value, energy efficiency, or utility of specified interests in, or aspects of, identified real estate, and includes a valuation appraisal, an analysis assignment, and a review assignment;

(3) "appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested person rendering an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility or specified interests in, or aspects of, identified real estate;

(4) "appraisal report" means any communication, written or oral, of an appraisal;

(5) "board" means the Board of Certified Real Estate Appraisers;

(6) "department" means the Department of Commerce, Community, and Economic Development;

(7) "general real estate appraiser" means a real estate appraiser certified to appraise all types of real property;

(8) "real estate" means an identified parcel or tract of land, including improvements, but excluding subsurface natural resource values;

(9) "real property" means one or more defined interests, benefits, and rights inherent in the ownership of real estate;

(10) "residential real estate appraiser" means a real estate appraiser certified to appraise residential real property, subject to the limitations of AS 08.87.100(2);

(11) "review assignment" means an analysis, opinion, or conclusion prepared by a real estate appraiser that forms an opinion as to the adequacy and appropriateness of a valuation appraisal or an analysis assignment;

(12) "valuation appraisal" means an analysis, opinion, or conclusion prepared by a real estate appraiser that estimates the value of an identified parcel of real estate, or identified real property at a particular time;

(13) "institutional real estate appraiser" means a real estate appraiser employed full-time by a financial institution with offices in the state.

CHAPTER 70.
BOARD OF CERTIFIED REAL ESTATE APPRAISERS.

Article

- 1. Application and Examination Requirements**
(12 AAC 70.100—12 AAC 70.150)
- 2. Continuing Education Requirements**
(12 AAC 70.200—12 AAC 70.220)
- 3. (Repealed)**
- 4. General Provisions** (12 AAC 70.900—12 AAC 70.990)

ARTICLE 1.
APPLICATION AND EXAMINATION REQUIREMENTS.

Section

- 100. Application for general real estate appraiser certification by examination**
- 105. Application for residential real estate appraiser certification by examination**
- 106. Application for general real estate appraiser or residential real estate appraiser certification by reciprocity**
- 107. Application for institutional real estate appraiser certification by examination**
- 108. Work experience requirements for real estate appraiser certification**
- 110. Verification of work experience**
- 115. Education requirements for real estate appraiser certification**
- 120. Application for certification by endorsement**
- 125. Application for approval as a trainee appraiser**
- 126. Application for approval as a supervisory appraiser**
- 130. Real estate appraiser examinations**
- 140. Approved appraiser organizations and academic institutions**
- 145. Approval of course or seminar for initial certification or trainee registration**
- 150. Application deadline**

12 AAC 70.100. APPLICATION FOR GENERAL REAL ESTATE APPRAISER CERTIFICATION BY EXAMINATION. (a) The board will issue a certification by examination to practice as a general real estate appraiser to an applicant who meets the requirements of AS 08.87.110(a) and this section.

(b) An applicant for certification under this section must

(1) submit a completed application, on a form provided by the department; the completed application must include

(A) the personal identification information requested on the form;

(B) official transcripts, notarized copies of certificates of completion, or other evidence of course completion acceptable to the board, that verify the classroom hours of instruction required in 12 AAC 70.115(a) or (b), as applicable;

(C) work experience verification forms and a log of completed appraisals, on a form provided by the department, that meet the requirements of 12 AAC 70.110 and that verify the real estate appraisal experience required in 12 AAC 70.108(a); and

(D) subject to the penalties of unsworn falsification as defined in AS 11.56.210, a list of crimes described in AS 08.87.110 and AS 08.87.210 for which the applicant has been convicted; and

(2) pay any fees required in 12 AAC 02.370.

Authority: AS 08.87.020 AS 08.87.110

12 AAC 70.105. APPLICATION FOR RESIDENTIAL REAL ESTATE APPRAISER CERTIFICATION BY EXAMINATION. (a) The board will issue a certification by examination to practice as a residential real estate appraiser to an applicant who meets the requirements of AS 08.87.110(b) and this section.

(b) An applicant for certification under this section must

(1) submit a completed application, on a form provided by the department; the completed application must include

(A) the personal identification information requested on the form;

(B) official transcripts, notarized copies of certificates of completion, or other evidence of course completion acceptable to the board, that verify the classroom hours of instruction required in 12 AAC 70.115(c) or (d), as applicable;

(C) work experience verification forms and a log of completed appraisals that meet the requirements of 12 AAC 70.110 and that verify the real estate appraisal experience required in 12 AAC 70.108(b); and

(D) subject to the penalties of unsworn falsification as defined in AS 11.56.210, a list of crimes described in AS 08.87.110 and AS 08.87.210 for which the applicant has been convicted; and

(2) pay any fees required in 12 AAC 02.370.

Authority: AS 08.87.020 AS 08.87.110

12 AAC 70.106. APPLICATION FOR GENERAL REAL ESTATE APPRAISER OR RESIDENTIAL REAL ESTATE APPRAISER CERTIFICATION BY RECIPROCITY. (a) The board will issue a certification to practice as a general real estate appraiser or residential real estate appraiser by reciprocity to an applicant who meets the requirements of AS 08.87.110(c) and this section.

(b) An applicant for certification under this section must

(1) submit a completed application, on a form provided by the department; the completed application must include the personal identification information requested on the form;

(2) pay any fees required in 12 AAC 02.370; and

(3) submit verification of current certification or licensure from another state on a form provided by the department.

Authority: AS 08.87.020 AS 08.87.110

12 AAC 70.107. APPLICATION FOR INSTITUTIONAL REAL ESTATE APPRAISER CERTIFICATION BY EXAMINATION. (a) The board will issue a certification by examination to practice as an institutional real estate appraiser to an applicant who meets the requirements of AS 08.87.110(e) and this section.

(b) An applicant for certification under this section must

(1) submit a completed application, on a form provided by the department; the completed application must include

(A) the personal identification information requested on the form;

(B) official transcripts, notarized copies of certificates of completion, or other evidence of course completion acceptable to the board, that verify the classroom hours of instruction required of general real estate appraisers in 12 AAC 70.115(a) or (b), as applicable; and

(C) proof of full-time employment with a financial institution with offices in this state; and

(2) pay any fees required in 12 AAC 02.370.

Authority: AS 08.87.020 AS 08.87.110

12 AAC 70.108. WORK EXPERIENCE REQUIREMENTS FOR REAL ESTATE APPRAISER CERTIFICATION. (a) An applicant for certification as a general real estate appraiser shall submit verification of 3,000 hours of appraisal work obtained continuously over a period of not less than 30 months. At least 1,500 hours of the appraisal work must be in nonresidential appraisal work. The board will only accept work experience that was obtained after January 30, 1989 and was performed in compliance with Standard 1 and Standard 2 of the Uniform Standards of Professional Appraisal Practice (USPAP) in effect at the time that the work experience was obtained.

(b) An applicant for certification as a residential real estate appraiser shall submit verification of 2,500 hours of appraisal experience obtained continuously over a period of not less than 24 months. The board will only accept work experience that was obtained after January 30, 1989 and was performed in compliance with Standard 1 and Standard 2 of the USPAP in effect at the time that the work experience was obtained.

(c) An applicant may not receive credit for more than 1,250 hours of experience in real property appraisal in a 12-month period.

(d) In this section, a residential property is one to four residential units.

Authority: AS 08.87.020

Editor's note: A copy of the Uniform Standards of Professional Appraisal Practice, developed by the Appraisal Foundation, is available for inspection at the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing, P.O. Box 110806, Juneau, AK 99811 or for purchase from the Appraisal Foundation, 1155 15th Street, N.W., Suite 1111, Washington, D.C. 20005.

12 AAC 70.110. VERIFICATION OF WORK EXPERIENCE. (a) An applicant's qualifying work experience must be verified by a combination of at least three different individuals, on forms provided by the department, and, for an applicant for certification as a general real estate appraiser or a residential real estate appraiser, a log submitted by the applicant of appraisal work performed. If an applicant cannot, for good cause, provide work experience verification forms from at least three different individuals, the board may consider and approve other kinds of work experience verification.

(b) The board will accept a work experience verification form only if it is notarized and has been completed by

(1) a licensed construction contractor;

(2) a federal or state regulated lender;

- (3) a present or former employer of the applicant;
- (4) an officer of a state or federal agency; or
- (5) an officer of a company that customarily uses the services of a real estate appraiser who has recent knowledge of the applicant's experience on that company's behalf.

(c) *Repealed 12/13/94.*

(d) *Repealed 12/13/94.*

(e) At the request of the board, an applicant for certification as a general real estate appraiser or a residential real estate appraiser shall submit a copy of the work product from any appraisal performed by the applicant and included in the log of appraisals submitted under (a) of this section.

Authority: AS 08.87.020

12 AAC 70.115. EDUCATION REQUIREMENTS FOR REAL ESTATE APPRAISER CERTIFICATION. (a) An applicant for certification as a general real estate appraiser must document satisfactory completion of 300 creditable classroom hours of instruction that meet the requirements in 12 AAC 70.140 with emphasis on appraisal of nonresidential properties, and a bachelor's degree or higher in any field from an accredited college or university.

(b) An applicant for the Appraiser Qualification Board approved examination for certification as a general real estate appraiser shall document satisfactory completion of 300 creditable classroom hours as specified in the following core curriculum, of which at least 150 hours must be completed not later than the five years immediately preceding the date of a complete application:

- (1) basic appraisal principles, 30 hours;
- (2) basic appraisal procedures, 30 hours;
- (3) the 15-hour National USPAP course or its equivalent, 15 hours;
- (4) general appraiser market analysis and the principle of the highest and best use of the property, 30 hours;
- (5) statistics, modeling, and finance, 15 hours;
- (6) general appraiser sales comparison approach, 30 hours;
- (7) general appraiser site valuation and cost approach, 30 hours;
- (8) general appraiser income approach, 60 hours;
- (9) general appraiser report writing and case studies, 30 hours;
- (10) appraisal subject matter electives, 30 hours.

(c) An applicant for certification as a residential real estate appraiser must document satisfactory completion of 200 creditable classroom hours of instruction that meet the requirements in 12 AAC 70.140 with emphasis on appraisal of residential properties, and a bachelor's degree or higher in any field from an accredited college or university.

(d) An applicant for the Appraiser Qualification Board examination for certification as a residential real estate appraiser shall document satisfactory completion of 200 creditable classroom hours as specified in the following core curriculum, of which at least 100 hours must be completed not later than five years immediately preceding the date of a complete application:

- (1) basic appraisal principles, 30 hours;
- (2) basic appraisal procedures, 30 hours;
- (3) the 15-hour national USPAP course or its equivalent, 15 hours;
- (4) residential market analysis and the principle of the highest and best use of the property, 15 hours;
- (5) residential appraiser site valuation and cost approach, 15 hours;
- (6) residential sales comparison and income approaches, 30 hours;
- (7) residential report writing and case studies, 15 hours;
- (8) statistics, modeling and finance, 15 hours;
- (9) advanced residential applications and case studies, 15 hours;
- (10) appraisal subject matter electives, 20 hours.

(e) In this section, "residential property" means property with one to four residential units.

Authority: AS 08.87.020 AS 08.87.110

12 AAC 70.120. APPLICATION FOR CERTIFICATION BY ENDORSEMENT. (a) The board may issue a certification by endorsement to practice as a general real estate appraiser or residential real estate appraiser to an applicant who meets the requirements of AS 08.87.110(h) and this section.

(b) An applicant for certification under this section must

- (1) submit a completed application, on a form provided by the department; the completed application must include the personal identification information requested on the form; and
- (2) pay any fees required in 12 AAC 02.370.

Authority: AS 08.87.020 AS 08.87.110

12 AAC 70.125. APPLICATION FOR APPROVAL AS A TRAINEE APPRAISER. (a) The board will issue a certification approving a person as a trainee appraiser to an applicant who meets the requirements of 12 AAC 70.935 and this section.

(b) An applicant for certification under this section must

(1) submit a completed application, on a form provided by the department; the completed application must include

(A) the personal identification information requested on the form; and

(B) proof that the applicant has successfully completed and passed 75 classroom hours of instruction that meet the requirements in 12 AAC 70.140(a) and the required courses that are specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers, and that comply with the specifications for course content established by the Appraiser Qualifications Board of the Appraisal Foundation; the course must be completed by the trainee appraiser before obtaining a trainee appraiser credential; all qualifying education must be completed within the five year period before the date of submission of a trainee appraiser application; and

(2) pay any fees required in 12 AAC 02.370.

(c) To renew a certification as a real estate appraiser trainee, the applicant must

(1) submit an application for renewal on a form provided by the department; and

(2) provide evidence of satisfactory completion of 14 hours of continuing education credit.

Authority: AS 08.87.020

AS 08.87.310

12 AAC 70.126. APPLICATION FOR APPROVAL AS A SUPERVISORY APPRAISER. (a) The board will issue a certification approving a person as a supervisory appraiser to an applicant who is certified to practice as a general real estate appraiser or residential real estate appraiser and who meets the requirements of 12 AAC 70.935 and this section.

(b) An applicant for certification under this section must

(1) submit a completed application, on a form provided by the department; the completed application must include

(A) the personal identification information requested on the form;

(B) proof that the applicant has successfully completed and passed the required courses that are specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers, and that comply with the specifications for course content established by the Appraiser Qualifications Board of the Appraisal Foundation; the course must be completed by the supervisory appraiser before obtaining a supervisory appraiser credential; and

(2) pay any fees required in 12 AAC 02.370.

Authority: AS 08.87.020

AS 08.87.310

12 AAC 70.130. REAL ESTATE APPRAISER EXAMINATIONS. (a) To be certified as a real estate appraiser by examination, an applicant must pass the following examination within the 24 months immediately preceding the date of certification:

(1) for general or institutional certification, the Uniform State General Certification Examination endorsed by the Appraiser Qualifications Board of The Appraisal Foundation; or

(2) for residential certification, the Uniform State Residential Certification Examination endorsed by the Appraiser Qualification Board of The Appraisal Foundation.

(b) *Repealed 1/16/2005.*

Authority: AS 08.87.020

AS 08.87.110

12 AAC 70.140. STANDARDS FOR ACCEPTABLE EDUCATION. (a) To comply with the real estate appraisal education requirements of 12 AAC 70.115 for initial certification, or the registered trainee education requirements of 12 AAC 70.125, an applicant's classroom hours of instruction, as defined in 12 AAC 70.910, must relate directly to real estate appraisal theory or practices and must be obtained through

(1) a member organization of the Appraisal Foundation;

(2) a junior college, college, or university;

(3) a course approved by the Appraiser Qualifications Board Educational Course Review Program;

(4) a real estate appraisal or real estate related organization;

(5) a state or federal agency or commission;

(6) a proprietary school; or

(7) another organization or academic institution approved by the board.

(b) The board will credit only a course approved under 12 AAC 70.145 toward the classroom hours of instruction required for certification or registration.

(c) An applicant's classroom hours of education for certification as a general or residential real estate appraiser must include coverage of all topics listed in the applicable Appraiser Qualification Criteria developed by the

Appraiser Qualifications Board of the Appraisal Foundation, *The Real Property Appraiser Qualification Criteria* effective January 1, 2008, located in the Appendix of *The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria*, dated January 2012, and adopted by reference.

(d) *Repealed 1/16/2005.*

(e) *Repealed 6/28/2015.*

(f) The board will award credit toward the classroom hour requirement for initial certification or trainee registration for completion of a course by distance education if the course

(1) meets the requirements of this section and 12 AAC 70.145(d);

(2) requires successful completion of a written final examination that is proctored by an official approved by the presenting college or university, or by the sponsoring organization;

(3) is presented to an organized group in an institutional setting with

(A) a person qualified and available to answer questions, provide information, and monitor student attendance;

(B) a minimum of two classroom hours;

(4) meets the requirements for courses established by the Appraiser Qualifications Board;

(5) has been presented by a college or university accredited by the Commission on Colleges or a regional accreditation association that offers distance education programs in other disciplines; and

(6) has received approval

(A) *repealed 1/16/2005*; or

(B) of the International Distance Education Certification Center's (IDECC) for the course design and delivery mechanism and either the approval of the

(i) Appraiser Qualifications Board through the AQB Course Approval Program; or

(ii) licensing or certifying jurisdiction where the course is being offered, for the content of the course.

(g) The board will not award credit for noninstructional course time except for a maximum of 20 hours spent writing appraisal reports for a course on that subject. The number of hours credited under this subsection may not exceed 50 percent of the total classroom hours awarded for the course for which the appraisal reports were written. The board will award credit under this subsection for no more than one course during an applicant's total classroom hours of instruction.

(h) An applicant's classroom hours of instruction must include coverage of the full scope of the fundamentals of appraisal theory, principles, and practices. A course that is highly specialized or narrow in focus will not be credited toward an applicant's required classroom hours of instruction unless the applicant has also completed sufficient courses to cover the fundamental aspects of appraisal theory, principles, and practices.

(i) The board will not award credit for more than eight classroom hours of instruction per day. If no breakdown of instructional, assignment, and examination hours is given for a course or seminar, the board will award three and one half classroom hours of instruction for the last day of the course or seminar and seven classroom hours of instruction for all other days of the course or seminar.

(j) The board will require additional information if necessary to determine if an applicant's classroom hours of instruction meet the requirements in this section.

Authority: AS 08.87.020

AS 08.87.110

AS 08.87.310

Editor's note: Copies of the Appraiser Qualification Criteria adopted by reference in 12 AAC 70.140 are available from the Appraisal Qualifications Board of the Appraisal Foundation, 1155 15th Street, NW, Suite 1111, Washington, DC 20005-3517; phone: (202) 347-7722; website at www.appraisalfoundation.org.

12 AAC 70.145. APPROVAL OF COURSE OR SEMINAR FOR INITIAL CERTIFICATION OR TRAINEE REGISTRATION. (a) The board will use the standards established in this section to determine if a course or seminar is in a subject related to real estate appraisal and will be credited toward an applicant's total classroom hours of instruction.

(b) The board will review each course or seminar submitted with an individual's application for certification or registration and approve a course or seminar that meets the requirements of this section. The board will require an applicant to submit additional information, including the information required in (e)(3) - (10) of this section, if necessary to determine if a course or seminar meets the requirements in this section.

(c) The board will review and preapprove a course or seminar that meets the requirements of this section if an individual or organization submits the course or seminar to the board for preapproval under (e) of this section.

(d) To be approved by the board, a course or seminar must meet the following requirements:

(1) the primary focus of the course or seminar must be directly related to the theories, concepts, principles, practices, techniques, methods, or problems applicable to one or more aspects of real property appraisal;

(2) the course or seminar must be a minimum of 15 classroom hours in duration and include successful completion of a final examination; except as provided in 12 AAC 70.140(g), time spent on

(A) the final examination will be counted toward the minimum course duration or credited toward the total classroom hours of instruction required for certification or registration;

(B) an assignment will not be counted toward the minimum course duration or credited toward the total classroom hours of instruction required for certification or registration;

(3) the number of hours of instruction must be sufficient for quality instruction on the subject matter covered by the course or seminar.

(e) An individual or organization wishing to receive preapproval of a course or seminar shall submit to the board

- (1) a completed application form for course approval;
 - (2) the course approval fee in 12 AAC 02.370;
 - (3) the name of the course or seminar provider;
 - (4) a complete course description, including the course title and a description of the learning objectives;
 - (5) a course syllabus;
 - (6) an outline of the major topics covered by the course or seminar and the number of classroom hours allowed for each topic;
 - (7) a list of texts and instructional materials used in the course or seminar;
 - (8) *repealed 6/22/2005*;
 - (9) the instructor's résumé that includes the instructor's
 - (A) name;
 - (B) recognition in the real estate appraisal industry; and
 - (C) professional designations and affiliations; and
 - (10) a copy of the attendance policy and a description of the procedures used for keeping a record of attendance.
- (f) An individual or organization that has received preapproval of a course or seminar shall notify the board of any change in the information submitted under (e) of this section for an approved course or seminar.
- (g) Course and seminar approval under this section is valid for three years from the date of approval.
- (h) The board will maintain a list of courses and seminars approved under this section.

Authority: AS 08.87.020 AS 08.87.110 AS 08.87.310

12 AAC 70.150. APPLICATION DEADLINE. To be scheduled for board review, an application for certification or course approval must be complete and filed with the department, as defined in 12 AAC 02.920, at least 15 days before the scheduled date of the board's application review.

Authority: AS 08.87.020

ARTICLE 2. CONTINUING EDUCATION REQUIREMENTS.

Section

- 200. Application for continuing education course or seminar approval**
- 210. Approved continuing education courses and seminars**
- 215. Approved online courses**
- 220. Hours of continuing education required**

12 AAC 70.200. APPLICATION FOR CONTINUING EDUCATION COURSE OR SEMINAR APPROVAL. (a) A person or an organization wishing to sponsor a real estate appraisal continuing education course or seminar shall apply for board approval of that course or seminar by submitting

- (1) a completed application on forms provided by the department;
 - (2) any fees required in 12 AAC 02.370;
 - (3) the following information:
 - (A) a complete course description, including the course or seminar title and a description of the learning objectives;
 - (B) an outline of the major topics covered by the course or seminar and the number of classroom hours allowed for each topic;
 - (C) the name of the course or seminar provider;
 - (D) *repealed 6/22/2005*;
 - (E) a copy of the attendance policy and a description of the procedures used for keeping a record of attendance;
 - (F) a course syllabus;
 - (G) a list of texts and instructional materials used in the course or seminar;
 - (H) the instructor's résumé that includes the instructor's
 - (i) name;
 - (ii) recognition in the real estate appraisal industry; and
 - (iii) professional designations and affiliations.
- (b) An applicant for renewal may petition the board for approval of a course or seminar that the applicant believes will meet the requirements of 12 AAC 70.210.

(c) The board will award up to 10 hours of continuing education credit for nonstudent participation in an educational program as provided for in AS 08.87.120(b)(2). To receive credit under this subsection, an applicant for renewal shall provide the documentation necessary to substantiate the applicant's participation and experience, including

- (1) information on the topics covered and the hours spent in the program; and
- (2) documentation that the applicant's involvement in the program was in the technical and professional aspects of real estate appraisal and that the primary focus of the program was directly related to the theories, concepts, principles, practices, techniques, methods, or problems applicable to one or more aspects of real property appraisal.

(d) Course and seminar approval under this section is valid for three years from the date of approval.

Authority: AS 08.87.020 AS 08.87.120

12 AAC 70.210. APPROVED CONTINUING EDUCATION COURSES AND SEMINARS. (a) To be approved by the board, the primary focus of a continuing education course or seminar must be directly related to the theories, concepts, principles, practices, techniques, methods, or problems applicable to one or more aspects of real property appraisal.

(b) The board will approve a course or seminar on the following topics if the course or seminar meets the requirements of (a) of this section:

- (1) *repealed 9/14/2012*;
- (2) construction cost estimating;
- (3) ethics and standards of professional appraisal practice;
- (4) land use planning, zoning, and taxation;
- (5) property development;
- (6) real estate appraisal (including valuations and evaluations);
- (7) real estate financing and investment;
- (8) real estate law;
- (9) real estate litigation;
- (10) real estate appraisal related computer applications;
- (11) other topics related to real estate appraisal that are approved by the board.

(c) In addition to the courses approved by the board under 12 AAC 70.200, the following courses are approved for continuing education when they are consistent with (a) of this section and an application provided by the department for course approval is submitted with the appropriate application fee and is approved by the board:

- (1) courses offered by a member organization of The Appraisal Foundation;
- (2) courses offered by a regionally accredited junior college, college, or university; or
- (3) courses approved by the Appraiser Qualifications Board Course Approval Program of the Appraisal Foundation.

(d) To be approved by the board, a continuing education course or seminar must include a minimum of two classroom hours, that meet the requirements of (a) of this section.

(e) The board will award continuing education credit for completion of a course by distance education if the course meets the requirements of 12 AAC 70.140(f).

(f) Course and seminar approval under this section is valid for three years from the date of approval.

Authority: AS 08.87.020 AS 08.87.120

12 AAC 70.215. APPROVED ONLINE COURSES. (a) To be approved by the board to meet the continuing education requirements of 12 AAC 70.220, the primary purpose of an online course must be directly related to the theories, concepts, principles, practices, techniques, methods, or problems applicable to one or more aspects of real property appraisal.

(b) The board will approve an online course on the following topics if the online course meets the requirements of (a) of this section:

- (1) *repealed 6/28/2015*;
- (2) construction cost estimating;
- (3) ethics and standards of professional appraisal practice;
- (4) land use planning, zoning, and taxation;
- (5) property development;
- (6) real estate appraisal, including valuations and evaluations;
- (7) real estate financing and investment;
- (8) real estate law;
- (9) real estate litigation;
- (10) real estate appraisal related computer applications;
- (11) other topics related to real estate appraisal that are approved by the board.

(c) In addition to the online courses approved by the board under (b) of this section, the following online courses are approved for continuing education if they are consistent with (a) of this section:

- (1) courses presented by a regionally accredited junior college, college, or university that offers distance education programs in other disciplines;
- (2) *repealed 1/16/2005*;
- (3) distance education courses approved by the Appraiser Qualifications Board Course Approval Program of the Appraisal Foundation;
- (4) *repealed 6/28/2015*.

Authority: AS 08.87.020 AS 08.87.120

12 AAC 70.220. HOURS OF CONTINUING EDUCATION REQUIRED. (a) At the time of certificate renewal, an applicant for renewal who has been certified for

- (1) 24 months or more shall document satisfactory completion of at least 28 hours of continuing education;
- (2) at least 185 days, but less than 24 months, shall document satisfactory completion of at least 14 hours of continuing education;

(3) less than 185 days is not required to meet continuing education requirements for that renewal.

(b) The board will not recognize continuing education hours claimed by an applicant for renewal for taking the same, or substantially identical, course more than once during a certification period.

(c) Except as provided in (d) of this section, credit is given for classroom and examination hours only and not for hours devoted to class preparation or completion of assignments. A classroom hour is defined in 12 AAC 70.910.

(d) Up to one-half of the hours required by this section may be obtained through distance education approved under 12 AAC 70.210 or online courses approved under 12 AAC 70.215.

(e) As part of the requirements of (a)(1) of this section, an applicant for renewal of a certificate shall document satisfactory completion of a seven-hour National USPAP Update Course, taught by an Appraiser Qualifications Board certified instructor who is a certified appraiser. The board will accept courses determined as equivalent by the Appraiser Qualifications Board Course Approval Program of the Appraisal Foundation. Completion of the 15-hour national USPAP course used for certification under 12 AAC 70.115 may not be used to satisfy the continuing education renewal requirements of the seven-hour USPAP Update Course required in this subsection.

Authority: AS 08.87.020 AS 08.87.120

Editor's note: A list of certified instructors by the Appraisal Foundation, Appraiser Qualification Board, may be obtained from the Appraisal Foundation, 1155 15th Street, N.W., Suite 1111, Washington, D.C. 20005.

ARTICLE 3. LIMITED CERTIFICATION.

Section

- 300. Scope of limited real estate appraiser (*Repealed*)**
- 310. Qualifications for limited real estate appraiser certification (*Repealed*)**

12 AAC 70.300. SCOPE OF LIMITED REAL ESTATE APPRAISER. (*Repealed 4/15/94*)

12 AAC 70.310. QUALIFICATIONS FOR LIMITED REAL ESTATE APPRAISER CERTIFICATION. (*Repealed 4/15/94*)

ARTICLE 4. GENERAL PROVISIONS.

Section

- 900. Standards of practice**
- 910. Definition of classroom hours**
- 920. Courtesy License**
- 930. Federal Registry**
- 935. Supervision of trainee appraisers**
- 940. Retention of records**
- 990. Definitions**

12 AAC 70.900. STANDARDS OF PRACTICE. The standards of practice for certified real estate appraisers practicing in the state are those specified in AS 08.87.200(3).

Authority: AS 08.87.020 AS 08.87.200

Editor's note: *The standards of practice referred to in 12 AAC 70.900 (Uniform Standards of Professional Appraisal Practice) are available from the Appraisal Foundation, publications department, 1029 Vermont Avenue, N.W., Suite 900, Washington, DC 20005-3517. Phone no. (202) 347-7722.*

12 AAC 70.910. DEFINITION OF CLASSROOM HOUR. For the purposes of this chapter,

- (1) except as provided in 12 AAC 70.145(d)(2)(A) and 12 AAC 70.220(c), one classroom hour equals a minimum of 50 minutes of instruction;
- (2) one academic semester credit hour equals 15 classroom hours; and
- (3) one academic quarter credit hour equals 10 classroom hours.

Authority: AS 08.87.020 AS 08.87.110 AS 08.87.120

12 AAC 70.920. COURTESY LICENSE. (a) The board or the board's designee in the department will issue a courtesy license to a nonresident who is a certified or credentialed real estate appraiser in another state and who meets the requirements of this section.

(b) *Repealed 12/13/94.*

(c) A courtesy license is valid for one appraisal assignment, not to exceed 180 consecutive days. However, upon request the board will grant one 30-day extension. A person may be issued no more than two courtesy licenses in a 12-month period.

(d) An applicant for a courtesy license shall submit

- (1) a completed application on the forms provided by the department;
- (2) any fees required in 12 AAC 02.370;
- (3) evidence of a certificate or an applicant's credentials as a real estate appraiser in good standing from another state; and
- (4) an address for service of process.

(e) A courtesy license holder shall submit to the board a copy of the report prepared for the appraisal assignment for which the courtesy license was issued within 30 days of the completion of the assignment.

(f) The board's designee in the department shall issue a courtesy license within five days after receipt of the materials and fees required in (d) of this section unless those application materials indicate disciplinary action in another state.

(g) The board's designee in the department shall forward any courtesy license application and accompanying materials that indicate disciplinary action in another state to the board for its consideration to grant or deny the courtesy license.

(h) In compliance with 12 U.S.C. 331-3351 (Title XI, Financial Institutions Reform, Recovery and Enforcement Act of 1989), the board or the board's designee in the department will issue a courtesy license to a credentialed nonresident of this state for the purpose of providing appraisal services for federally-related transactions in this state.

(i) In this section, "credentialed" means a licensed or certified appraiser in good standing in another state.

Authority: AS 08.01.062 AS 08.87.020

12 AAC 70.930. FEDERAL REGISTRY. (a) In compliance with 12 U.S.C. 3338 (Financial Institutions Reform, Recovery, and Enforcement Act of 1989), the board will annually send to the Federal Financial Institutions Examination Council, Appraisal Subcommittee,

- (1) a roster of all real estate appraisers certified in Alaska at that time; and
- (2) an amount equal to the amount collected from each certified real estate appraiser listed on the roster identified in paragraph (1) of this section.

(b) At the time of initial certification and at the time of certificate renewal, a certified real estate appraiser shall submit to the department any annual federal registry fee established in 12 AAC 02.

Authority: AS 08.01.065 AS 08.87.100 AS 08.87.110

12 AAC 70.935. SUPERVISION OF TRAINEE APPRAISERS. (a) A supervisory appraiser shall

(1) be in good standing in this state and not subject to any disciplinary action within any jurisdiction within the last three years that affects the supervisory appraiser's legal eligibility to engage in appraisal practice; a supervisory appraiser subject to a disciplinary action is in good standing three years after the successful completion or termination of the sanction imposed against the appraiser;

(2) have been a state-certified appraiser for at least three years before being eligible to become a supervisory appraiser; and

(3) comply with the Competency Rule of the Uniform Standards of Professional Appraisal Practice for the property type and geographic location for which the trainee supervisor is being supervised.

(b) A supervisory appraiser may not supervise more than three trainee appraisers at one time.

(c) A supervisory appraiser shall be responsible for the training, guidance, and direct supervision of the trainee appraiser by

(1) accepting responsibility for a trainee appraiser's appraisal reports by signing each report and certifying that the report is in compliance with the Uniform Standards of Professional Appraisal Practice;

(2) reviewing the trainee appraisal reports; and

(3) personally inspecting each appraised property with the trainee appraiser until the supervisory appraiser determines that the trainee appraiser is competent, in accordance with the Competency Rule of the Uniform Standards of Professional Appraisal Practice, for the property type; the supervisory appraiser shall make the determination of competency in writing on a form provided by the department and shall submit the determination to the department not later than 10 days after the date of the determination.

(d) A trainee appraiser shall report to the department, on a form provided by the department, the identity of any supervisory appraiser. A trainee appraiser may have more than one supervisory appraiser. If a trainee appraiser has more than one supervisory appraiser, the trainee appraiser shall report the identity of each supervisory appraiser as required under this subsection.

(e) A supervisor-trainee relationship becomes effective on the date of receipt by the department of the original required form with original signatures.

(f) The supervisory appraiser and the trainee appraiser shall jointly maintain an appraisal log that for each appraisal includes at least

(1) identification of the type of property;

(2) the date of the report;

(3) the address of the appraised property;

(4) a description of work performed by the trainee appraiser and the scope of the review and supervision of the supervisory appraiser;

(5) the number of actual work hours by the trainee appraiser on the assignment; and

(6) the signature and state certification number of the supervisory appraiser; separate appraisal logs shall be maintained for each supervisory appraiser, if applicable.

(g) Before supervising a trainee appraiser, a supervisory appraiser shall complete a course that

(1) complies with the specifications for course content established by the Appraiser Qualifications Board of the Appraisal Foundation; and

(2) is specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers.

(h) The course that an applicant for certification under 12 AAC 70.125 as a trainee appraiser must take

(1) must

(A) comply with the specifications for course content established by the Appraiser Qualifications Board of the Appraisal Foundation; and

(B) be specifically oriented to the requirements and responsibilities of supervisory appraisers and trainee appraisers; and

(2) is not eligible towards the 75 hours of qualifying education required under 12 AAC 70.125.

Authority: AS 08.87.020

AS 08.87.310

12 AAC 70.940. RETENTION OF RECORDS. (a) An appraiser must prepare a work file for each appraisal, appraisal review, or appraisal consulting assignment. A work file must be in existence before the issuance of a written or oral report. A written summary of an oral report must be added to the work file within a reasonable time after the issuance of the oral report.

(b) The work file must include

(1) the name of the client and the identity, by name or type, of any other intended users;

(2) true copies of any written reports, documented on a type of media; a photocopy or an electronic copy of the entire signed report transmitted to the client satisfies the requirements of a true copy;

(3) summaries of any oral reports or testimony, or transcripts of testimony, including the appraiser's signed and dated certification; and

(4) all other data, information, and documentation necessary to support the appraiser's opinions and conclusions and to show compliance with USPAP, or reference to the locations of the documentation.

(c) An appraiser must retain the work file for a period of at least five years after preparation or at least three years after final disposition of any judicial proceeding in which the appraiser provided testimony related to the assignment, whichever period expires later.

(d) An appraiser must have custody of the appraiser's work file, or make appropriate work file retention, access, and retrieval arrangements with the party having custody of the work file.

(e) An appraiser having custody of a work file must allow other appraisers with work file obligations related to an assignment appropriate access and retrieval for the purpose of

(1) submission to state appraiser regulatory agencies;

(2) compliance with due process of law;

(3) submission to a duly authorized professional peer review committee; or

(4) compliance with retrieval arrangements.

Authority: AS 08.87.020

AS 08.87.300

12 AAC 70.990. DEFINITIONS. In this chapter and in AS 08.87

(1) “appraisal experience” includes fee and staff appraisals, ad valorem tax appraisals, appraisal reviews, appraisal analysis, real estate counseling, and feasibility analysis and study, all of which must have been performed in accordance with Standard 1 and Standard 2 of the Uniform Standards of Professional Appraisal Practices described in 12 AAC 70.900;

(2) “board” means the Board of Certified Real Estate Appraisers;

(3) “certified real estate appraiser” means a real estate appraiser who is certified in Alaska under AS 08.87; it does not include persons certified by another licensing jurisdiction or organization;

(4) “department” means the Department of Commerce, Community, and Economic Development;

(5) “holds out as a certified real estate appraiser in any way” includes anyone who performs appraisal services on real estate located in Alaska;

(6) “transaction value” means the amount of the federally-related transaction and is not necessarily the value of the property being appraised;

(7) “institutional real estate appraiser” means a real estate appraiser employed full-time by a financial institution with an office in the state subject to the limitations set out in AS 08.87.110(e) - (g);

(8) “complete application” means an application that includes all documentation and fees required for certification in this chapter;

(9) “distance education” means an educational process where a geographical separation exists between the provider and student;

(10) “CLEP” means the College-Level Examination Program;

(11) “USPAP” means the Uniform Standards of Professional Appraisal Practice, developed by the Appraisal Foundation.

Authority: AS 08.87.020