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MEMORANDUM

TO: Patrick Riley, General Counsel, Public Protection Cabinet for Real Estate Appraisers Board

FROM: Ange Darnell, Regulations Compiler

RE: Proposed New Administrative Regulations – 831 KAR 003:001; 831 KAR 003:010; 831 KAR 003:020; 831 KAR 003:030; 831 KAR 003:040; 831 KAR 003:050; 831 KAR 003:060; 831 KAR 003:070; 831 KAR 003:080; 831 KAR 003:090; 831 KAR 003:100; 831 KAR 003:110; 831 KAR 003:120; 831 KAR 003:130; 831 KAR 003:140; 831 KAR 003:150; 831 KAR 003:160; 831 KAR 003:170; 831 KAR 003:180; 831 KAR 003:190; 831 KAR 003:200 & 831 KAR 003:210.

DATE: March 30, 2026

A copy of each administrative regulation listed above is enclosed for your files. If these administrative regulations follow the standard KRS Chapter 13A timeline, they would be tentatively scheduled for a full review by the Administrative Regulation Review Subcommittee at its **JULY 2026** meeting.

Pursuant to KRS 13A.280, **if** comments are received during the public comment period, a Statement of Consideration or a one-month extension request for these regulations would be due **by noon on July 15, 2026**. Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures

1 PUBLIC PROTECTION CABINET

2 Kentucky Real Estate Appraisers Board

3 (New Administrative Regulation)

4 831 KAR 3:040. Appraisal experience requirements for certification and licensure.

5 RELATES TO: KRS Chapter 324A, 12 U.S.C. § 3350

6 STATUTORY AUTHORITY: KRS 324A.035

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require
8 the Real Estate Appraisers Board, with the review of the director of the Division of Real Property
9 Boards, to promulgate administrative regulations necessary to carry out the provisions of KRS
10 Chapter 324A. This administrative regulation is necessary to comply with Title XI of the Financial
11 Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3331 through 12 U.S.C.
12 § 3351), and KRS Chapter 324A. KRS 324A.035(3)(a), (b), and (d) require the board to establish
13 by administrative regulations requirements for classifications of appraisers, certification and
14 licensure, and standards of experience. This administrative regulation describes experience
15 requirements for certification and licensure.

16 Section 1. Required appraisal experience.

17 (1) No appraisal experience is required for licensure as an associate real property appraiser.

18 (2) Licensure as a residential real property appraiser shall require 1,000 hours of appraisal
19 experience, which shall not be acquired in a period of fewer than six (6) calendar months.

1 (3) Certification as a residential real property appraiser shall require 1,500 hours of
2 appraisal experience, which shall not be acquired in a period of fewer than twelve (12) calendar
3 months.

4 (4) Certification as a general real property appraiser shall require:

5 (a) 3,000 hours of appraisal experience, which shall not be acquired in a period of fewer
6 than eighteen (18) calendar months; and

7 (b) At least 1,500 hours of appraisal experience that is nonresidential.

8 Section 2. How to receive credit for appraisal experience.

9 (1) Real property appraisal assignments submitted for appraisal experience credit shall be
10 completed:

11 (a) In compliance with the requirements of USPAP as incorporated by reference in 831
12 KAR 3:020 and defined in KRS 324A.010(7);

13 (b) In compliance with the requirements for supervisors and associates set forth in 831
14 KAR 3:030.

15 (c) Under the supervision of a certified residential real property appraiser for experience of
16 one (1) to four (4) unit residential properties; and

17 (d) Under the supervision of a certified general real property appraiser for experience of all
18 property uses other than one (1) to four (4) unit residential properties.

19 (2) To receive credit for appraisal experience, an applicant must submit an appraisal log
20 completed in accordance with 831 KAR 3:030.

21 (3) The appraisal experience required by Section 1 may have been acquired in any calendar
22 years, whether or not the calendar years are consecutive, except all appraisal experience must be

1 obtained after January 30, 1989. Hours may be treated as cumulative in order to achieve the
2 necessary hours of appraisal experience.

3 (4) For an appraisal to qualify for experience, there need not be a client in a traditional
4 sense (e.g., a client hiring an appraiser for a business purpose). Experience gained for work without
5 a traditional client can meet any portion of the total experience requirement.

6 (5) Up to 100 percent of the required appraisal experience may be obtained in a board-
7 approved practicum course that requires students to:

8 (a) Produce credible appraisals that utilize an actual subject property;

9 (b) Perform market research containing sales analysis;

10 (c) Perform assignments that require problem solving skills for a variety of property types;

11 and

12 (d) Apply and report the appraisal approaches in compliance with the Uniform Standards
13 of Professional Appraisal Practice (USPAP), incorporated by reference in 831 KAR 3:020 and
14 defined in KRS 324A.010(7).

15 Section 3. Practical Applications of Real Estate Appraisal.

16 (1) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the
17 AQB use simulated experience training and shall be accepted by the board as an alternative to the
18 traditional supervisor-associate experience model for obtaining experience required for
19 certification or licensure set forth in Sections 1 and 2.

20 (2) Only PAREA programs approved by the AQB shall satisfy the requirements of this
21 administrative regulation.

22 (3) Participants successfully completing approved PAREA programs will receive the
23 following experience credit toward the appraisal experience requirements set forth in Section 1:

1 (a) For participants completing an approved licensed residential PAREA program:

2 1. Up to 1,000 hours of the required experience hours for credit toward licensure as a
3 residential real property appraiser.

4 2. Up to 1,000 hours of the required experience hours for credit toward certification as a
5 certified residential real property appraiser.

6 3. Up to 1,000 hours of the total required residential experience hours, none of which is
7 eligible towards the required non-residential hours, for certification as a general real property
8 appraiser.

9 (b) For participants completing an approved certified residential PAREA program:

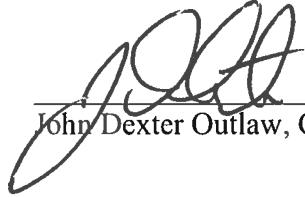
10 1. Up to 1,000 hours of the required experience hours for credit toward licensure as a
11 licensed residential real property appraiser.

12 2. Up to 1,500 hours of the required experience hours for credit toward certification as a
13 certified residential real property appraiser.

14 3. Up to 1,500 hours of the total required residential experience hours, none of which is
15 eligible towards the required non-residential hours, for certification as a general real property
16 appraiser.

17 (4) To receive credit for completion of PAREA, an applicant shall submit proof of
18 completion of one or more PAREA courses.

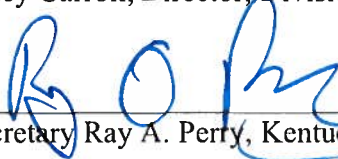
APPROVED: March 25, 2026



John Dexter Outlaw, Chairperson, Kentucky Real Estate Appraisers Board



Tracy Carroll, Director, Division of Real Property Boards



Secretary Ray A. Perry, Kentucky Public Protection Cabinet

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on June 24, 2026, at 1:00 P.M. Eastern Time at the Mayo-Underwood Building, Room 133CE, 500 Mero Street, Frankfort, Kentucky 40601. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be canceled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through June 30, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board, 500 Mero Street, Frankfort, Kentucky 40601, Email patrick.riley@ky.gov, Tel. (502) 782-2618.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

831 KAR 3:040. Appraisal experience requirements for certification and licensure.
Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board
Phone: (502) 782-2618
Email: patrick.riley@ky.gov

Subject Headings: Boards and Commissions, Real Estate, Licensing, Fees

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This regulation provides definitions for terms used throughout the Kentucky Real Estate Appraisers Board's ("Board's") administrative regulations.

(b) The necessity of this administrative regulation:

This regulation is necessary to establish requirements for certification and licensure.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 324A.035 authorizes and requires the Board to promulgate administrative regulations for certification or licensure of appraisers who perform appraisals of real property in federally related transactions, including experience requirements.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

The Board is charged with licensing and regulating the practice of appraisal in Kentucky. This administrative regulation will clarify the standards for certification and licensure of appraisers in Kentucky.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

Not applicable.

(b) The necessity of the amendment to this administrative regulation:

Not applicable.

(c) How the amendment conforms to the content of the authorizing statutes:

Not applicable.

(d) How the amendment will assist in the effective administration of the statutes:

Not applicable.

(3) Does this administrative regulation or amendment implement legislation from the previous five years?

Yes, this regulation implements the following legislation from the previous five years.

HB 172 (Acts Chapter 21) "AN ACT relating to the Kentucky Real Estate Appraisers Board;" effective June 29, 2021.

HB 403 (Acts Chapter 182) "AN ACT relating to real property boards;" effective July 15, 2024.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

As of October 22, 2025, the Board licenses and regulates over 1,564 individual appraisers and 106 appraisal management companies ("AMCs") that will be affected by this administrative regulation, as follows: 721 Certified General Real Property Appraisers, 664 Certified Residential Real Property Appraiser, 13 Licensed Residential Real Property Appraisers, and 166 Associate Real Property Appraisers. This regulation will impact an unknown number of prospective applicants for certification and licensure. Further, an unknown number of current licensees who are applying for an upgraded certification will also be impacted.

(5) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Current licensees will not need to take any new steps to comply with this regulation, unless they are using PAREA as a substitute for certain experience requirements. This regulation is a new regulation and recodification of prior 201 KAR Chapter 30. Prospective applicants for licensure will need to follow the requirements set forth in this administrative regulation.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

This regulation will impose no new costs on licensees.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Prospective applicants for licensure will be able to identify requirements for licensure.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

There will be no additional cost to the Board to implement this administrative regulation initially.

(b) On a continuing basis:

There will be no additional cost to the Board to implement this administrative regulation on a continuing basis.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

There is no additional funding necessary to implement this administrative regulation.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

The implementation of this administrative regulation requires no increase in fees or funding.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This administrative regulation does not establish any fees and neither directly nor indirectly increases any fees.

(10) TIERING: Is tiering applied? (Explain why or why not):

No, tiering is not applied because this administrative regulation applies equally to all applicants for certification and licensure.

FISCAL IMPACT STATEMENT

831 KAR 3:040. Appraisal experience requirements for certification and licensure.
Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board
Phone: (502) 782-2618
Email: patrick.riley@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 324A.015, KRS 324A.020, KRS 324A.035, KRS Chapter 324A, 12 U.S.C. § 3350

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The Kentucky Real Estate Appraisers Board (“Board”) is the agency responsible for implementing this regulation. No other divisions of state or local government entities should be affected.

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: There is no cost to administer this administrative regulation for the first year.

For subsequent years: There is no cost to administer this administrative regulation for subsequent years.

2. Revenues:

For the first year: This administrative regulation is not intended to generate revenue for any state or local government agency for the first year.

For subsequent years: This administrative regulation is not intended to generate revenue for any state or local government agency for subsequent years.

3. Cost Savings:

For the first year: There are no cost savings to administer this administrative regulation for the first year.

For subsequent years: There are no cost savings to administer this administrative regulation for subsequent years.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): None

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): N/A

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: N/A

For subsequent years: N/A

2. Revenues:

For the first year: N/A

For subsequent years: N/A

3. Cost Savings:

For the first year: N/A

For subsequent years: N/A

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: None.

(b) Methodology and resources used to reach this conclusion: Methodology and resources used are the fiscal department within the Public Protection Cabinet, Division of Real Property Boards.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): This administrative regulation is not intended or anticipated to have a major economic impact as defined by KRS 13A.010(14).

(b) The methodology and resources used to reach this conclusion: Methodology and resources used are the fiscal department within the Public Protection Cabinet, Division of Real Property Boards.

FEDERAL MANDATE ANALYSIS COMPARISON

831 KAR 3:040. Appraisal experience requirements for certification and licensure.
Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board
Phone: (502) 782-2618
Email: patrick.riley@ky.gov

- (1) Federal statute or regulation constituting the federal mandate.
12 U.S.C. 3345, 12 U.S.C. 3347
- (2) State compliance standards.
KRS 324A.020, KRS 324A.035
- (3) Minimum or uniform standards contained in the federal mandate.
12 U.S.C. 3345, 12 U.S.C. 3347
- (4) Will this administrative regulation impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate?
This administrative regulation does not impose stricter requirements, or additional or different responsibilities or requirements, than those required by the federal mandate.
- (5) Justification for the imposition of the stricter standard, or additional or different responsibilities or requirements.
This administrative regulation does not impose a stricter standard, or additional or different responsibilities or requirements.