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**LEGISLATIVE RESEARCH COMMISSION**

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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](mailto: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 3:090. Supervision of associates.

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

6 STATUTORY AUTHORITY: KRS 324A.020, KRS 324A.035,

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035

8 require the Real Estate Appraisers Board, with the review of the director of the Division of Real  
9 Property Boards, to promulgate administrative regulations necessary to carry out the provisions of  
10 KRS Chapter 324A. This administrative regulation is necessary to comply with Title XI of the  
11 Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3331 through  
12 12 U.S.C. § 3351), and KRS Chapter 324A. Title XI requires the board to adopt or implement  
13 the minimum requirements for supervisory appraisers set forth in the Real Property Appraiser  
14 Qualification Criteria of the Appraiser Qualifications Board of the Appraisal Foundation. Under  
15 KRS 324A.035, “Requirements established by the board relating to appraisers of federally  
16 related transactions shall not exceed the minimum requirements established by federal law  
17 or regulation.” KRS 324A.035(3)(d) requires the board to establish by administrative  
18 regulations requirements for professional appraisal practice including standards for experience.  
19 This administrative regulation describes how to become a supervisory appraiser, establishes  
20 standards for supervision, and sets scope of practice limitations consistent with these  
21 authorities.

1           Section 1. Associate real property appraiser credit for experience, scope of practice, and  
2 prerequisites for beginning training.

3           (1) All associate real property appraisers must be supervised by a supervisory appraiser to  
4 receive credit toward the experience requirements set forth in 831 KAR 3:040.

5           (2) An associate real property appraiser shall attend a Kentucky-specific seven (7) hour  
6 board-approved course in supervision practices prior to beginning training. The course shall  
7 comply with the specifications for course content established by the AQB regarding the  
8 requirements and responsibilities of supervisory appraisers and their supervisees.

9           (3) To continue receiving experience for credit toward the experience requirements set  
10 forth in 831 KAR 3:040, an associate real property appraiser shall attend the Kentucky-specific  
11 seven (7) hour board-approved course in supervision practices every three (3) years.

12           (4) The board-approved course in subsections (2) and (3) of this section shall not be  
13 eligible for education required by 831 KAR 3:030 Section 5 for licensure as an associate real  
14 property appraiser.

15           (5) An associate real property appraiser may have more than one supervisory appraiser.

16           Section 2. Supervisory appraiser eligibility requirements.

17           (1) To be eligible to serve as the supervisor of an associate real property appraiser, a  
18 certified residential real property appraiser or certified general real property appraiser shall:

19           (a) Have been a state certified real property appraiser for a period of at least three (3) years;

20           (b) Be in good standing and shall not have received a suspension, a revocation, or other  
21 sanction that limited or prohibited that individual's practice of real property appraising within the  
22 three (3) year period immediately prior to applying to become a supervising appraiser;

1 (c) Be responsible for the training and supervision of the associate real property appraiser;  
2 and

3 (d) Shall not be employed by an associate real property appraiser or by a company, firm,  
4 or partnership in which the associate real property appraiser has a controlling interest.

5 (2) A certified general real property appraiser or a certified residential real property  
6 appraiser who satisfies the requirements of a supervisory appraiser in subsection (1) of this  
7 section may supervise a person for experience credit toward a Certified Residential Real Property  
8 Appraiser certificate.

9 (3) Only a certified general real property appraiser who satisfies the requirements of a  
10 supervisory appraiser in subsection (1) of this section may supervise a person for experience credit  
11 toward a Certified General Real Property Appraiser certificate.

12 (4) An individual who holds the credential of licensed residential real property appraiser  
13 or its equivalent shall not be eligible to serve as a supervisory appraiser.

14 (5) A supervisory appraiser shall attend a Kentucky-specific seven (7) hour board-approved  
15 course in supervision practices prior to beginning supervision. The course shall comply with  
16 the specifications for course content established by the AQB regarding the requirements and  
17 responsibilities of supervisory appraisers and their supervisees.

18 (6) To remain eligible to provide supervision, a supervisory appraiser shall attend the  
19 board- approved course in supervision practices every three (3) years.

20 Section 3. How to apply to become a supervisory appraiser.

21 (1) To apply for approval to serve as a supervisory appraiser, an individual meeting  
22 the requirements of Section 2 of this regulation shall submit a Supervisory Appraiser Application  
23 to the board.

1 (2) The board shall approve an application for supervisory appraiser if the applicant  
2 meets the requirements of Section 2 of this regulation.

3 (3) A supervisory appraiser shall not commence supervision until receiving notice of  
4 board approval.

5 Section 4. Duties of a supervisory appraiser.

6 (1) A supervisory appraiser shall:

7 (a) Review all appraisal reports prepared by the supervisee associate real property  
8 appraiser;

9 (b) Accompany the supervisee associate real property appraiser on all inspections, inspect  
10 each appraised property and the comparable sales on the supervisee's appraisal assignments,  
11 until the supervisee:

12 1. Is competent to conduct inspections independently;

13 2. Has met all specific requirements pertaining to property inspection established by KRS  
14 Chapter 324A and 831 KAR Chapter 3; and

15 3. The supervisory appraiser ensures the supervisee is acting in accordance with the  
16 competency provision of the Uniform Standards of Professional Appraisal Practice for the  
17 property type being appraised; and

18 (c) Accept responsibility for an appraisal report completed by the supervisee associate real  
19 property appraiser by signing the appraisal report and certifying that the appraisal report is in  
20 compliance with the Uniform Standards of Professional Appraisal Practice.

21 (2) A supervisory appraiser shall not supervise more than three (3) associate real property  
22 appraisers at a time, except as in (3) of this section.

1 (3) A supervisory appraiser may apply to the board for permission to supervise one or more  
2 additional associate real property appraisers, provided:

3 (a) The supervisory appraiser submits a written plan of supervision to describe how  
4 the supervisory appraiser will adequately supervise additional associate real property  
5 appraisers; and

6 (b). The board approves the written plan of supervision.

7 Section 5. Appraisal log and general requirements for supervision.

8 (1) An associate real property appraiser shall maintain an appraisal log for each  
9 supervisory appraiser of the associate real property appraiser.

10 (2) An appraisal log shall be maintained on the Appraisal Log form provided by the board.

11 (3) The appraisal log shall include:

12 (a) Type of property;

13 (b) Date of appraisal report;

14 (c) Address of appraised property;

15 (d) Description of work performed by the associate real property appraiser and scope of  
16 the review and supervision of the supervisory appraiser;

17 (e) Number of actual work hours by the associate real property appraiser on the  
18 assignment; and

19 (f) The signature and the credential number and state of the supervisory appraiser.

20 (4) Both supervisory appraisers and associate real property appraisers must ensure the  
21 accuracy, currentness, and compliance of an Appraisal Log with this administrative regulation.

22 (5) The associate real property appraiser, as well as the supervisory appraiser, shall be  
23 entitled to obtain copies of appraisal reports and shall be permitted to access work files for

1 appraisals in which the associate real property appraiser participated, in accordance with the  
2 recordkeeping rule of the USPAP.

3 Section 6. Termination of supervision.

4 (1) An associate real property appraiser shall, within five (5) business days, notify the  
5 board and each supervisory appraiser in writing of the termination of a supervision relationship.

6 (2) A supervisory appraiser shall, within five (5) business days, notify the board and each  
7 associate real property appraiser in writing of the termination of a supervision relationship.

8 Section 7. Revocation of supervisory appraiser status.

9 (1) The board may revoke supervisor appraiser status if:

10 (a) A supervisory appraiser fails to comply with the requirements of this regulation; or

11 (b) A supervisory appraiser has been disciplined by the board under KRS 324A.050 and  
12 831 KAR 3:160.

13 (2) If the board seeks to revoke supervisory appraiser status, it shall issue a notice  
14 to the supervisory appraiser with the opportunity for a supervisory appraiser to request  
15 an administrative hearing pursuant to KRS Chapter 13B within thirty (30) days of receipt of the  
16 notice.

17 (3) Revocation of supervisory status shall be effective on the later of:

18 (a) Thirty (30) days after the board issues a notice; or

19 (b) If a request for an administrative hearing is filed with the board, the date of the final  
20 order of the Kentucky Division of Real Property Boards pursuant to KRS 13B.120(7) and KRS  
21 324B.045(2).

22 Section 8. Incorporation by Reference.

23 (1) The following material is incorporated by reference:

1 (a) “Supervisory Appraiser Application,” KREAB Form 008, March 2026; and

2 (b) “Appraisal Log,” KREAB Form 009, March 2026.

3 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law,  
4 at the Kentucky Real Estate Appraisers Board, 500 Mero Street, Frankfort, Kentucky 40601, (502)  
5 564-4000, Monday through Friday, 8 a.m. to 4:30 p.m. Eastern Time, and is available on the board  
6 website, [kreab.ky.gov](http://kreab.ky.gov).

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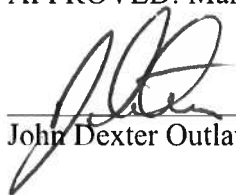
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APPROVED: March 25, 2026



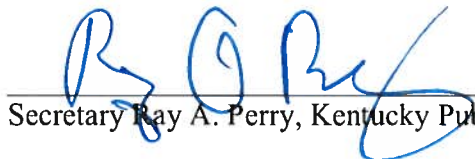
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John Dexter Outlaw, Chairperson, Kentucky Real Estate Appraisers Board



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Tracy Carroll, Director, Division of Real Property Boards



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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](mailto:patrick.riley@ky.gov), Tel. (502) 782-2618.

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

831 KAR 3:090. Supervision of associates.

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 establishes requirements for the supervision of associates licensed by the Kentucky Real Estate Appraisers Board (“Board”).

(b) The necessity of this administrative regulation:

This regulation is necessary to establish standards for the supervision of associates in accordance with federal requirements for state boards that license or certify appraisers for federally related transactions.

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

Under KRS 324A.035, “Requirements established by the board relating to appraisers of federally related transactions shall not exceed the minimum requirements established by federal law or regulation.” Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3331 through 12 U.S.C. § 3351) requires a state appraiser program to adopt or implement the minimum requirements for supervisory appraisers set forth in the Real Property Appraiser Qualification Criteria of the Appraiser Qualifications Board of the Appraisal Foundation. KRS 324A.035(3)(d) requires the board to establish by administrative regulations requirements for professional appraisal practice including standards for experience.

(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 assist the Board in effective oversight of supervision of associates.

(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 and current licensees who wish to engage in a supervisor relationship.

(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 associate real property appraisers and supervisory appraisers will need to familiarize themselves with the provisions of this regulation regarding registration and supervision requirements. This regulation is a new regulation and partial recodification of 201 KAR 30:040 Section 5. The board shall notify stakeholders prior to the effective date of this regulation to remind current associate real property appraisers and supervisory appraisers of the requirements of this regulation and the necessity to register with the board.

(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):

Associate real property appraisers and supervisory appraisers will have clear guidelines in conformity with federal requirements. Members of the public who receive appraisal services performed by associate real property appraisers will benefit from increased effectiveness of board monitoring and tracking of supervisory appraisers.

(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 and enforce 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 supervisors and associates.

## FISCAL IMPACT STATEMENT

831 KAR 3:090. Supervision of associates.

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 3:090. Supervision of associates.

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.

STATEMENT OF MATERIAL INCORPORATED BY REFERENCE

831 KAR 3:090. Supervision of associates.

Contact Person: Patrick Riley, General Counsel, Kentucky Real Estate Appraisers Board

Phone: (502) 782-2618

Email: patrick.riley@ky.gov

“Supervisory Appraiser Application,” KREAB Form 008, March 2026, is a 2-page form for individuals seeking board approval for supervisory appraiser status in Kentucky.

“Appraisal Log,” KREAB Form 009, March 2026, is a 1-page form for associate appraisers to log their appraisal activities for the supervisor appraiser and the board in Kentucky.