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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 3:150. Standards of professional conduct.

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

6 STATUTORY AUTHORITY: KRS 324A.020, KRS 324A.035, 324A.050(1)(j), 12 C.F.R.

7 225.62-225.67, 12 U.S.C. 3331, 3336, 3339.

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require
9 the Real Estate Appraisers Board, with the review of the director of the Division of Real Property
10 Boards, to promulgate administrative regulations necessary to carry out the provisions of KRS
11 Chapter 13A. This administrative regulation is necessary to comply with Title XI of the Financial
12 Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3331 through 12 U.S.C.
13 § 3351), and KRS Chapter 324A. KRS 324A.035(3)(d) requires the board to establish by
14 administrative regulation standards of professional appraisal practice. 12 U.S.C. §§ 3331, 3336,
15 and 3339 and 12 C.F.R. §§ 225.64 and 225.65 require that real estate appraisals in connection with
16 federally related transactions be performed in accordance with appraisal standards promulgated by
17 the Appraisal Standards Board of the Appraisal Foundation. This administrative regulation
18 establishes standards of professional conduct for appraisers consistent with these authorities.

19 Section 1. Scope of Practice.

20 (1) A certified general real property appraiser may perform appraisals of all types of real
21 property.

1 (2) A certified residential real property appraiser may perform residential appraisals on
2 improved sites with up to four (4) residential units and on unimproved sites for which the highest
3 and best use under the Uniform Standards of Professional Appraisal Practice (USPAP) is one (1)
4 to four (4) residential units, without regard to value or complexity, and shall not perform appraisal
5 of subdivisions for which a development analysis is necessary.

6 (3) A licensed residential real property appraiser may perform appraisals of:

7 (a) Non-complex, one (1) to four (4) residential units with a transaction value less than
8 \$1,000,000; and

9 (b) Complex, one (1) to four (4) residential units with a transaction value less than
10 \$400,000.

11 (4) An associate real property appraiser may perform an appraisal of property:

12 (a) Which the supervising appraiser is permitted by the credential issued by the board or
13 by another state appraisal program; and

14 (b) That the supervisory appraiser is competent to appraise.

15 Section 2. USPAP Compliance.

16 (1) An individual holding any credential listed in paragraphs (a) through (f) of this subsection
17 shall comply with the USPAP:

18 (a) Certified general real property appraiser;

19 (b) Certified residential real property appraiser;

20 (c) Licensed residential real property appraiser;

21 (d) Associate real property appraiser;

22 (e) Licensed nonfederal real property appraiser; and

23 (f) Temporary practice permit.

1 (2) The board shall evaluate an appraisal report in accordance with the USPAP in effect
2 when the certificate holder or licensee signed the certification of the report, or when the report
3 was prepared if the report was unsigned.

4 (3) The requirements of the USPAP shall not apply to the board, its agents, and
5 employees while conducting an appraisal review for purposes of confirming an applicant's
6 experience pursuant to this administrative regulation.

7 (4) The requirements of the USPAP shall not apply to the board, its agents, and employees
8 while preparing an investigation for enforcement and disciplinary cases pursuant to this
9 administrative regulation.

10 Section 3. Appraisal Reporting Requirements. For each appraisal assignment that
11 includes an appraisal management company reference as the client or agent for the client, an
12 appraiser shall identify within the appraisal report:

13 (1) The name that is on file with the board for the appraisal management company;

14 (2) The license number that is on file with the board for the appraisal management
15 company; and

16 (3) The fee that will be paid to the appraiser for each appraisal assignment ordered by an
17 appraisal management company, unless the appraiser is a W-2 employee of the appraisal
18 management company.

19 Section 4. Licensed Nonfederal Real Property Appraiser Advertising.

20 (1) In a written or broadcast communication, a licensed nonfederal real property appraiser
21 shall include the following statement: "Not licensed or certified to perform appraisals for any
22 transactions requiring a licensed or certified appraiser pursuant to federal law or regulations."

23 (2) A written or broadcast communication shall include:

1 (a) Appraisal reports;

2 (b) Advertisements; and

3 (c) Business cards and stationery.

4 (3) In a print advertisement, the statement shall be in letters at least fifty (50) percent the
5 size of the largest letter in the advertisement.

6 (4) In a radio or television advertisement, the statement shall be stated clearly and
7 understandably.

8

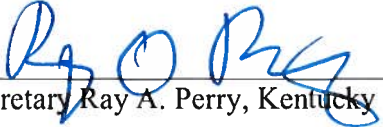
APPROVED: March 25, 2026



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 3:150. Standards of professional conduct.

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 standards of professional conduct for individuals certified or licensed by the Kentucky Real Estate Appraisers Board (“Board”).

(b) The necessity of this administrative regulation:

This regulation is necessary to establish standards of professional conduct in accordance with federal requirements for state boards.

(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, for certification or licensure of appraisers of real property in nonfederally related transactions, classifications of appraisers; certification and licensure; renewal, suspension, or revocation of certification or licensure; standards of professional appraisal practice, including experience, education, and ethics; examination of applicants for certification or licensure; an continuing education of appraisers. Specifically, KRS 324A.035(3)(d) requires the board to establish by administrative regulation standards of professional appraisal practice. 12 U.S.C. §§ 3331, 3336, and 3339 and 12 C.F.R. §§ 225.64 and 225.65 require that real estate appraisals in connection with federally related transactions be performed in accordance with appraisal standards promulgated by the Appraisal Standards Board of the Appraisal Foundation.

(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 appraisers by establishing standards of professional conduct.

(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. All current and prospective licensees of the Board will be impacted by this regulation.

(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. This regulation is a new regulation and recodification of prior 201 KAR Chapter 30. Prospective applicants for certification and licensure will need to adhere to these standards.

(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 certification and licensure and current licensees will be able to identify standards of professional conduct.

(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 individuals licensed or certified by the Board.

FISCAL IMPACT STATEMENT

831 KAR 3:150. Standards of professional conduct.

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.020, KRS 324A.035, KRS 324A.050, KRS Chapter 324A, 12 U.S.C. § 3350, 12 U.S.C. §§ 3331, 3336, and 3339 and 12 C.F.R. §§ 225.64 and 225.65

(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 3:150. Standards of professional conduct.

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. 3331, 12 U.S.C. 3336, 12 U.S.C. 3339, 12 U.S.C. 3345, 12 U.S.C. 3347, 12 C.F.R. 225.62-225.67
- (2) State compliance standards.
KRS 324A.020, KRS 324A.035, KRS 324A.050
- (3) Minimum or uniform standards contained in the federal mandate.
12 U.S.C. 3331, 12 U.S.C. 3336, 12 U.S.C. 3339, 12 U.S.C. 3345, 12 U.S.C. 3347, 12 C.F.R. 225.62-225.67
- (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.