

SENATE MEMBERS

Robert Stivers
President, LRC Co-Chair
David Givens
President Pro Tempore
Max Wise
Majority Floor Leader
Gerald A. Neal
Minority Floor Leader
Robby Mills
Majority Caucus Chair
Reginald Thomas
Minority Caucus Chair
Mike Wilson
Majority Whip
Cassie Chambers Armstrong
Minority Whip



LEGISLATIVE RESEARCH COMMISSION

State Capitol 700 Capital Avenue Frankfort KY 40601

502-564-8100

Capitol Fax 502-564-2922

Annex Fax 502-564-6543

legislature.ky.gov

Jay D. Hartz

Director

HOUSE MEMBERS

David W. Osborne
Speaker, LRC Co-Chair
David Meade
Speaker Pro Tempore
Steven Rudy
Majority Floor Leader
Pamela Stevenson
Minority Floor Leader
Suzanne Miles
Majority Caucus Chair
Lindsey Burke
Minority Caucus Chair
Jason Nemes
Majority Whip
Joshua Watkins
Minority Whip

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 3:160. Complaints and disciplinary proceedings.

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

6 STATUTORY AUTHORITY: KRS 324A.035, KRS 324A.050, KRS 324A.052, KRS
7 324A.162, KRS Chapter 13B.

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 324A. 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.050 establishes grounds for disciplinary action for
14 the board. KRS 324A.052 provides for the investigation of complaints, sanctions, hearings, and
15 appeals. KRS 324A.162 provides for disciplinary action against Appraisal Management
16 Companies. This administrative regulation establishes disciplinary proceedings of the board
17 consistent with these authorities.

18 Section 1. Filing a Complaint.

19 (1) A complaint may be submitted against a credential holder or an Appraisal
20 Management Company by the later of:

1 (a) Five (5) years after the date of transmittal of the appraisal report or appraisal review
2 assignment; or

3 (b) Two (2) years after the final disposition of any judicial proceeding in which the
4 appraiser provided testimony related to the assignment.

5 (2) A complaint shall:

6 (a) Be submitted in writing;

7 (b) Identify the person or organization submitting the complaint, unless submitted
8 anonymously;

9 (c) Contain a concise statement of the facts, transaction, or occurrence upon which it is
10 based; and

11 (d) Include exhibits or other documents, if applicable.

12 (3) If the board receives an anonymous complaint, it shall conduct an initial
13 investigation to determine whether a formal investigation is warranted.

14 Section 2. Answer by Respondent.

15 (1) The credential holder or Appraisal Management Company listed by the complainant
16 on the complaint shall be the Respondent. If more than one credential holder or Appraisal
17 Management Company is listed on the complaint, each credential holder and Appraisal
18 Management Company shall be a Respondent.

19 (2) The board shall serve a complaint on each Respondent at the last known address
20 of the Respondent by certified mail, return receipt requested.

21 (3) A Respondent shall submit to the board an answer to the complaint within twenty
22 (20) days after the complaint is certified mailed to the Respondent.

1 (4) The Respondent shall serve a copy of the answer on the complainant, by certified mail,
2 return receipt requested, to the address listed by the complainant on the complaint, unless
3 the complainant is anonymous.

4 (5) A Respondent may submit to the board a written request for an extension of time to
5 answer a complaint for good cause which shall include extenuating circumstances outside the
6 control of the Respondent.

7 (a) For requests of extensions of time up to twenty (20) days, staff may grant an extension
8 of time to answer a complaint up to twenty (20) days for good cause shown; or,

9 (b) For requests of extensions of time longer than twenty (20) days, the request shall be
10 reviewed by the chair of the board whereby the chair of the board shall approve the request, deny
11 the request, or refer the request to the full board at its next meeting for a decision whether to
12 approve or deny the request.

13 Section 3. Formal Investigation.

14 (1) The board shall retain an investigator to commence an investigation of the facts
15 alleged in a complaint:

16 (a) Upon receipt of a complaint and an answer; or

17 (b) Upon expiration of the period established in Section 2(3) of this administrative
18 regulation if an extension is not requested by the Respondent.

19 (2) An investigator for the board shall be a state-certified general appraiser with a
20 minimum of five (5) years of experience.

21 (3) The investigator shall prepare a written investigative report for the board.

22 Section 4. Complaint Review by the Board.

1 (1) The board shall dismiss a complaint if the facts stated in the complaint fail to
2 establish a violation of KRS Chapter 324A or 831 KAR Chapter 3.

3 (2) The board shall dismiss a complaint if after review of the complaint, answer, and
4 investigative report, the board finds no grounds for discipline under KRS 324A.050 or KRS
5 324A.162.

6 (3) The board shall notify the complainant and the Respondent in writing if it
7 dismisses the complaint.

8 Section 4. Disciplinary Proceedings.

9 (1) To commence disciplinary action against the Respondent, the board shall
10 issue a notice of administrative hearing to the Respondent in accordance with KRS Chapter 13B.

11 (2) If agreed by the Respondent, the board may authorize board counsel and the board
12 investigator to join a settlement conference with the Respondent.

13 (a) If the parties to a settlement conference agree on a stipulation, proposed term, or
14 condition for an agreed order to resolve the complaint, the agreed order shall be forwarded
15 to the board for consideration.

16 (b) If the proposed agreed order is approved by the board, it shall be forwarded to the
17 director of the Division of Real Property Boards for final review in accordance with KRS
18 324A.020.

19 (3) An administrative hearing shall be conducted in accordance with KRS Chapter 13B
20 by a hearing officer of the Public Protection Cabinet Office of Administrative Hearings or a
21 hearing officer designated by the Public Protection Cabinet.

22 (4) The hearing officer shall issue a recommended order in accordance with KRS Chapter
23 13B.

1 (5) Pursuant to KRS 324A.052(5) and KRS 13B.120(7), and in accordance with KRS
2 Chapter 13B, the board shall review the recommended order of the hearing officer and shall
3 issue a recommended order of the board. The board shall forward the recommended order to the
4 director of the Division of Real Property Boards for review in accordance with KRS 324A.020.

5 Section 5. Incorporation by Reference.

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

7 (a) "Complaint Form-Appraiser," KREAB Form 014, March 2026; and

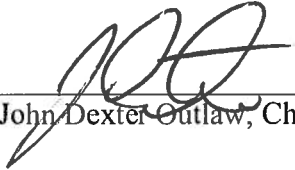
8 (b) "Complaint Form-Appraisal Management Company," KREAB Form 015, March 2026.

9 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law,
10 at the Kentucky Real Estate Appraisers Board, 500 Mero Street, Frankfort, Kentucky 40601, (502)
11 564-4000, Monday through Friday, 8 a.m. to 4:30 p.m. Eastern Time, and is available on the board
12 website, kreab.ky.gov.

13

14


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 3:160. Complaints and disciplinary proceedings.

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 processes for disciplinary proceedings against individuals or entities certified or licensed by the Kentucky Real Estate Appraisers Board (“Board”).

(b) The necessity of this administrative regulation:

This regulation is necessary to establish disciplinary processes in accordance with KRS Chapters 324A and 13B and federal requirements for state boards that regulate appraisers and appraisal management companies.

(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; continuing education of appraisers; and disciplinary actions for appraisers who fail to meet these requirements. KRS 324A.050 establishes grounds for disciplinary action for the board. KRS 324A.052 provides for the investigation of complaints, sanctions, hearings, and appeals. KRS 324A.162 provides for disciplinary action against Appraisal Management Companies.

(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 and appraisal management companies by establishing processes for discipline.

(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 licensees.

(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. Current licensees and appraisal management companies will need to be aware of the processes and procedures for complaints and disciplinary proceedings.

(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):

Current licensees and prospective applicants for certification and licensure will be able to identify processes and procedures for complaints and disciplinary proceedings.

(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 3:160. Complaints and disciplinary proceedings.

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 324A.052, KRS 324A.162, KRS Chapter 324A, KRS Ch. 13B, 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 3:160. Complaints and disciplinary proceedings.

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, KRS 324A.050, KRS 324A.052, KRS 324A.162, KRS Chapter 13B

(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 3:160. Complaints and disciplinary proceedings.

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

Phone: (502) 782-2618

Email: patrick.riley@ky.gov

“Complaint Form-Appraiser,” KREAB Form 014, March 2026, is a 2-page form for individuals or companies seeking to file a complaint against an appraiser with the board.

“Complaint Form-Appraisal Management Company,” KREAB Form 015, March 2026, is a 2-page form for individuals or companies seeking to file a complaint against an Appraisal Management Company with the board.