

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

201 KAR 050:190. Appraisal Management Company duties and prohibitions.

Contact Person: Tom Veit, Executive Director, Kentucky Real Property Appraisers Board

Phone: (502) 564-4000

Email: Tom.Veit@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 duties and prohibitions of an Appraisal Management Company upon registration with the Kentucky Real Property Appraisers Board ("Board").

(b) The necessity of this administrative regulation:

This regulation is necessary to set Appraisal Management Company duties and prohibitions.

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

KRS 324A.020, 324A.035, and KRS 324B.045 require the Real Property Appraisers Board to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 324A. KRS 324A.156 and KRS 324A.158 requires the board to establish by administrative regulation the duties and prohibitions of appraisal management companies. KRS 324A.152(2) requires the board to establish by administrative regulation the application process for appraisal management companies. KRS 324A.152(8) requires the board to establish by administrative regulation standards governing the operation of an appraisal management company and for the implementation and enforcement of KRS 324A.150 to KRS 324A.164.

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

This administrative regulation establishes the duties, operational requirements, and prohibitions for appraisal management companies.

(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 administrative regulation implements the following legislation enacted within the previous five years: H.B. 172, 2021 Ky. Acts ch. 21 (eff. June 29, 2021); H.B. 403, 2024 Ky. Acts ch. 182 (eff. July 15, 2024); and H.B. 355, 2026 Ky. Acts ch. 172 (eff. July 15, 2026).

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

This administrative regulation will affect the 1,281 appraisers, 145 associate appraisers, 2 nonfederal appraisers, and the 99 appraisal management companies ("AMCs") currently licensed by the Board, as well as all new applicants for licensure.

(5) Provide an analysis of how the entities identified in question (4) 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 (4) will have to take to comply with this administrative regulation or amendment:

Licencees will need to follow the duties and prohibitions 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 (4):

This regulation will impose no new costs on registrants or licensees.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (4):

Licensees and prospective registrants will be able to identify the duty and prohibition requirements.

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

(a) Initially:

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

(b) On a continuing basis:

There will be no 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 neither directly nor indirectly increases any fees.

(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 Appraisal Management Companies registered with the Board.