

## **CHAPTER 101-02-02 DEFINITIONS, CRITERIA, AND QUALIFICATIONS**

### **Section**

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### **101-02-02-01. Statutory definitions.**

Unless otherwise defined, or made inappropriate by context, all terms defined in North Dakota Century Code chapter 43-23.3 have the same meanings in this chapter.

**History:** Effective October 1, 1992.

**General Authority:** NDCC 43-23.3-03

**Law Implemented:** NDCC 43-23.3-03

### **101-02-02-02. Appraiser permit definitions, criteria, and qualifications.**

To apply for and maintain any appraiser permit an individual must meet all of the following requirements:

1. Be at least eighteen years of age.
2. Have a high school education or its equivalent.
3. Possess good character.
4. All applicants for permits of apprentice appraiser, licensed appraiser, certified residential appraiser, and certified general appraiser agree to follow the uniform standards of professional appraisal practice and must satisfy the qualification requirements listed in chapter 101-02-02.

**History:** Effective October 1, 1992; amended effective October 1, 1998; January 1, 2008; July 1, 2019.

**General Authority:** NDCC 43-23.3-03

**Law Implemented:** NDCC 43-23.3-08, 43-23.3-18

### **101-02-02-03. Apprentice appraiser.**

1. **Permit.** An apprentice appraiser permit must be issued to an individual who successfully meets all of the requirements for such a permit. An apprentice is the equivalent to a trainee under the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria", appraiser qualifications board, appraisal foundation.

Education, experience, and examination requirements for apprentice are all set by the appraisal foundation, appraiser qualifications board. The board adopts these as its requirements for apprentices. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

2. **Scope of practice.** The apprentice appraiser shall assist a certified appraiser in appraisal work, provided the certified appraiser accepts full responsibility for the appraisal performed. The scope of practice for the apprentice appraiser is the appraisal of those properties that the

supervising appraiser is permitted and qualified to appraise. The apprentice appraiser shall be subject to the uniform standards of professional appraisal practice.

3. **Examination.** An applicant for an apprentice permit shall pass an open-book examination covering North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.
4. **Education.** An applicant for the apprentice appraiser permit shall meet all of the education requirements set by the appraiser qualifications board of the appraisal foundation. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

In addition to the requirements set by the appraiser qualifications board of the appraisal foundation, an applicant for the apprentice appraiser permit must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

5. **Apprentice appraiser responsibilities.** Prior to issuance of an apprentice appraiser permit the applicant for the apprentice level is required to register the name, office, and address of each supervising appraiser with the board on a form prescribed by the board. Registration of a supervising appraiser is effective the day the registration forms from both the supervising appraiser and apprentice appraiser are received and approved. These forms can be obtained by contacting the board office.

The apprentice and supervising appraiser shall notify the board in writing within ten days of terminating supervision.

6. **Supervisor responsibilities.** A supervising appraiser must meet the requirements set by the appraiser qualifications board of the appraisal foundation. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

A certified appraiser who wishes to supervise an apprentice must register with the board on a form prescribed by the board. Registration of a supervising appraiser is effective the day the registration forms from both the supervising appraiser and from the apprentice appraiser are received and approved. These forms can be obtained by contacting the board office.

- a. The apprentice and supervising appraiser shall notify the board in writing within ten days of terminating supervision.
- b. The supervising appraiser must either have or must complete an open-book examination covering North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

**History:** Effective October 1, 1992; amended effective October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015; July 1, 2019; October 1, 2020.

**General Authority:** NDCC 43-23.3-03

**Law Implemented:** NDCC 43-23.3-03, 43-23.3-06, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

#### **101-02-02-04. Transitionally licensed real property appraiser.**

Repealed effective October 1, 1998.

## 101-02-02-05. Licensed appraiser.

1. **Permit.** A licensed appraiser permit must be issued to an individual who successfully meets all of the requirements for such a permit.

Education, experience, and examination requirements for licensure are all set by the appraiser qualifications board. The board adopts these as its requirements for licensure. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

2. **Scope of practice.** The licensed appraiser is allowed to appraise noncomplex, one-to-four family residential properties that have a transaction value of up to one million dollars and complex one-to-four family residential properties that have a transaction value of up to two hundred fifty thousand dollars. In addition, a licensed appraiser is allowed to appraise noncomplex, nonresidential properties, that have a transaction value of up to two hundred fifty thousand dollars. The licensed appraiser is bound by the competency provisions of the uniform standards of professional appraisal practice.
3. **Education.** An applicant for a licensed appraiser permit shall meet all of the following education requirements set by the appraiser qualifications board of the appraisal foundation. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

In addition to the requirements set by the appraiser qualifications board of the appraisal foundation, an applicant for a licensed appraiser permit must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

4. **Experience.** The applicant for licensure must submit a log from which a selection of reports will be reviewed. The reports must meet the current uniform standards of professional appraisal practice as of the effective date of the appraisal and must reflect that the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the licensed level.
  - a. Adequate experience will be determined by the actual hours spent on an assignment, subject to a maximum established by the board.
    - (1) Maximum hours are based on the types of appraisals performed and the types of properties appraised.
    - (2) The number of allowable hours assigned for each appraisal type are assigned by the board as detailed in the following table:

Licensed and Certified Residential				
Type of Property Appraised	Full Appraisals	Review Appraisals (With Field Review and Separate Report)	Review Appraisals (Without Field Review and Separate Report)	Condemnation Appraisals
Single family	8	4	2	12
Multifamily (two to four units)	16	8	3	24
Vacant lot (one to four units)	4	2	1	6
Farm (homestead	16	8	3	24

Licensed and Certified Residential				
- less than one hundred acres)				

Certified General				
Type of Property Appraised	Full Appraisals	Review Appraisals (With Field Review and Separate Report)	Review Appraisals (Without Field Review and Separate Report)	Condemnation Appraisals
Land point value may be doubled if all three approaches to value are used	24	12	5	36
Residential multifamily (five to twelve units)	48	24	10	72
Residential multifamily (add sixteen hours for proposed project)	64	32	13	96
Commercial - Single tenant	48	24	10	72
Commercial - Multitenant (add twenty-four hours for proposed project)	80	40	32	120
Industrial or institutional	64	32	13	96

(3) The board may grant exceptions for good cause.

- b. After accumulating a minimum of fifty percent of the required appraisal experience, an applicant for licensure may voluntarily submit work product to the board to be reviewed by a board reviewer for educational purposes only. One report may be submitted for review. The board will not initiate a complaint for violations identified in this review.

If the board determines the reviewed report meets the minimum requirements set forth in the uniform standards of professional appraisal practice and the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the licensed level, the board may allow the applicant to use the educational review as part of the application process for licensure.

**History:** Effective October 1, 1992; amended effective January 1, 1995; October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015; July 1, 2019.

**General Authority:** NDCC 43-23.3-03, 43-23.3-09

**Law Implemented:** NDCC 43-23.3-03, 43-23.3-06, 43-23.3-07, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

#### **101-02-02-05.1. Certified residential appraiser.**

1. **Permit.** A certified residential appraiser permit must be issued to an individual who successfully meets all of the requirements set by the appraiser qualifications board of the appraisal foundation for such a permit.

Education, experience, and examination requirements for certified residential are all set by the appraiser qualifications board. The board adopts these as its requirements for certified residential. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

2. **Scope of practice.** The certified residential appraiser may appraise one-family to four-family family residential properties without regard to value or complexity. In addition, a certified residential appraiser may appraise noncomplex, nonresidential properties, that have a transaction value of up to two hundred fifty thousand dollars. The certified residential appraiser is bound by the competency provision of the uniform standards of professional appraisal practice.
3. **Education.** An applicant for a certified residential appraiser permit shall meet all of the education requirements set by the appraiser qualifications board of the appraisal foundation. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

In addition to the requirements set by the appraiser qualifications board of the appraisal foundation, an applicant for a certified residential appraiser permit must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

4. **Experience.** The applicant for certified residential appraiser must submit a log from which a selection of reports will be reviewed. Collectively the reports must include and demonstrate competence and a working knowledge of all three approaches to value. The reports submitted must meet the current uniform standards of professional appraisal practice as of the effective date of the appraisal and must reflect that the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the certified residential level.
  - a. Adequate experience will be determined by the actual hours spent on an assignment, subject to a maximum established by the board.
    - (1) Maximum hours awarded are based on the types of appraisals performed and the types of properties appraised.
    - (2) The number of allowable hours assigned for each appraisal type are assigned by the board and referenced in paragraph 2 of subsection a of subsection 4 of section 101-02-02-05.
  - b. After accumulating a minimum of fifty percent of the required appraisal experience, an applicant for certified residential may voluntarily submit work product to the board to be reviewed by a board reviewer for educational purposes only. One report may be submitted for review. The board will not initiate a complaint for violations identified in this review.

If the board determines the reviewed report meets the minimum requirements set forth in the uniform standards of professional appraisal practice and the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the certified residential level, the

board may allow the applicant to use the educational review as part of the application process for certified residential.

**History:** Effective January 1, 2008; amended effective July 1, 2012; January 1, 2015; July 1, 2019.

**General Authority:** NDCC 43-23.3-03

**Law Implemented:** NDCC 43-23.3-03, 43-23.3-06, 43-23.3-07, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

#### **101-02-02-06. Certified general appraiser.**

1. **Permit.** A certified general appraiser permit must be issued to an individual who successfully meets all of the requirements for such a permit.

Education, experience, and examination requirements for certified general are all set by the appraiser qualifications board. The board adopts these as its requirements for certified general. These requirements may be found in the "Real Property Appraiser Qualification Criteria and Interpretation of the Criteria, Effective May 1, 2018", appraiser qualifications board, appraisal foundation.

2. **Scope of practice.** The certified general appraiser may appraise all types of properties. The certified general appraiser is bound by the competency provision of the uniform standards of professional appraisal practice.
3. **Education.** An applicant for a certified general appraiser permit shall meet all of the education requirements set by the appraiser qualifications board of the appraisal foundation.

In addition to the requirements set by the appraiser qualifications board of the appraisal foundation, an applicant for a certified general appraiser permit must be familiar with North Dakota Century Code chapter 43-23.3 and North Dakota Administrative Code title 101.

4. **Experience.** The applicant for certification must submit a log from which a selection of reports will be reviewed. Collectively the reports must include and demonstrate competence and a working knowledge of all three approaches to value. The reports submitted must meet the current uniform standards of professional appraisal practice as of the effective date of the appraisal and must reflect that the applicant has an acceptable level of competency and understanding of the principles, practices, and procedures consistent with the body of knowledge for the certified general level.
  - a. Adequate experience will be determined by the actual hours spent on an assignment, subject to a maximum established by the board.
    - (1) Maximum hours awarded are based on the types of appraisals performed and the types of properties appraised.
    - (2) The number of allowable hours assigned for each appraisal type are assigned by the board and referenced in paragraph 2 of subdivision a of subsection 4 of section 101-02-02-05.
  - b. After accumulating a minimum of fifty percent of the required appraisal experience, an applicant for certified general may voluntarily submit work product to the board to be reviewed by a board reviewer for educational purposes only. One report may be submitted for review during the experience portion of the certification process. The board will not initiate a complaint for violations identified in this review.

If the board determines the reviewed report meets the minimum requirements set forth in the uniform standards of professional appraisal practice and the applicant has an acceptable level of competency and understanding of the principles, practices, and

procedures consistent with the body of knowledge for the certified general level, the board may allow the applicant to use the educational review as part of the application process for certified general.

**History:** Effective October 1, 1992; amended effective January 1, 1995; October 1, 1998; February 1, 2003; January 1, 2008; July 1, 2012; January 1, 2015; July 1, 2019.

**General Authority:** NDCC 43-23.3-03, 43-23.3-09

**Law Implemented:** NDCC 43-23.3-03, 43-23.3-06, 43-23.3-07, 43-23.3-08, 43-23.3-09, 43-23.3-17, 43-23.3-18

**101-02-02-07. Inactive status.**

1. A licensed or certified appraiser may be assigned to inactive status upon written request.
2. A licensed or certified appraiser on inactive status may not directly or indirectly engage in, advertise, conduct the business of, or act in any capacity as a licensed or certified appraiser.
3. A licensed or certified appraiser on inactive status must renew a permit as required by North Dakota Century Code section 43-23.3-12 and section 101-02-04-01, except a licensed or certified appraiser on inactive status is not required to complete the continuing education required by North Dakota Century Code sections 43-23.3-12 and 43-23.3-19 and North Dakota Administrative Code section 101-04-01-01.
4. A licensed or certified appraiser on inactive status may be removed from inactive status upon written request and proof of completion of all the continuing education that would have been required if the licensed or certified appraiser was not on inactive status, including the most recent edition of the seven-hour national uniform standards of professional appraisal practice update course or its equivalent.

**History:** Effective October 1, 1992; amended effective January 1, 2008; July 1, 2012.

**General Authority:** NDCC 43-23.3-03, 43-23.3-12

**Law Implemented:** NDCC 43-23.3-12, 43-23.3-19, 43-23.3-20