

PUBLIC PROTECTION CABINET
Real Estate Appraisers Board
(New Administrative Regulation)

831 KAR 3:080. Criminal background checks.

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

STATUTORY AUTHORITY: KRS 324A.100, 324A.152

CERTIFICATION STATEMENT:

NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require the Real Estate Appraisers Board, with the review of the director of the Division of Real Property Boards, to promulgate administrative regulations necessary to carry out the provisions of KRS Chapter 324A. This administrative regulation is necessary to comply with Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (12 U.S.C. § 3331 through 12 U.S.C. § 3351), and KRS Chapter 324A. KRS 324A.100 requires a national and state criminal background check for each initial application to be a licensed or certified real property appraiser. KRS 324A.152 requires national and state criminal background checks for the registration of Appraisal Management Companies. This administrative regulation describes criminal background check requirements for applicants for licensure and certification.

Section 1. National and state criminal background check for initial application to be a licensed or certified real property appraiser.

(1) No more than thirty (30) days prior to submitting an application, each applicant for an initial credential as an associate real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser shall provide the applicant's fingerprints to the Kentucky State Police for a state criminal background check and for submission by the Kentucky State Police to the Federal Bureau of Investigation for a national criminal background check.

(2) The Kentucky State Police may offer a third-party vendor for processing and submission of fingerprints. If a third-party vendor is offered by the Kentucky State Police, applicants shall utilize the third-party vendor services using the application code listed on the board website at kreab.ky.gov.

(3) The results of the national and state criminal background check shall be sent in accordance with KRS 324A.100(1)(b).

(4) Applicants holding a current license or certification from the board shall be required to comply with subsection (1) of this section prior to applying for a different category of license or certification from the board.

(5) Applicants for licensure or certification by reciprocity shall not be required to submit a national or state criminal background check.

Section 2. National and state criminal background check for applicants for registration as an Appraisal Management Company and owners of an Appraisal Management Company.

(1) Each person who submits a certification for registration of an Appraisal Management Company and each person who owns ten (10) percent or more of the Appraisal Management Company applying for registration shall comply with this section:

(a) when applying to the board for registration of an Appraisal Management Company; and

(b) when applying to the board for renewal of the registration of an Appraisal Management Company.

(2) Each person who submits a certification for registration of an Appraisal Management Company and each person who owns ten (10) percent or more of an Appraisal Management Company applying for registration shall provide the person's fingerprints to

the Kentucky State Police for a state criminal background check and for submission by the Kentucky State Police to the Federal Bureau of Investigation for a national criminal background check.

(3) The Kentucky State Police may offer a third-party vendor for submission and processing of fingerprints. If a third-party vendor is offered by the Kentucky State Police, applicants shall utilize the third-party vendor services using the application code listed on the board website at kreab.ky.gov.

(4) The results of the national and state criminal background check shall be sent in accordance with KRS 324A.100(1)(b).

Section 3. Review of background checks and denial of application based on convictions.

(1) The board may delegate investigation and review of background checks to board staff and counsel.

(2) The board shall review the application of, and any report prepared by board staff or counsel regarding, an applicant for an initial credential as an associate real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser, who has been convicted within the past ten (10) years of:

- (a) a misdemeanor involving mortgage lending or real estate appraising;
- (b) any crime involving a breach of trust or fraudulent dealing or dishonest dealing; or
- (c) a felony.

(3) The board may review the application of, and any report prepared by board staff or counsel regarding, an applicant for an initial credential as an associate real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser, who has been convicted of a crime that in the opinion of board staff or counsel directly relates to the practice of appraisal.

(4) The board shall review the application of, and any report prepared by board staff or counsel regarding, an applicant for registration of an Appraisal Management Company, and the application of, and any report prepared by board staff or counsel regarding, an owner of ten (10) percent or more of an Appraisal Management Company, who has been convicted within the past (10) years of:

- (a) a misdemeanor involving mortgage lending or real estate appraising;
- (b) any crime involving a breach of trust or fraudulent dealing or dishonest dealing; or
- (c) a felony.

(5) The board may deny an application based on a conviction if in accordance with KRS Chapter 335B.

(6) For purposes of this section, a conviction shall include disposition by trial, a guilty plea, or a plea of nolo contendere or its equivalent in another jurisdiction.

(7) If the board denies an application solely based on a conviction it shall refer the matter for an administrative hearing in accordance with KRS Chapter 13B and KRS Chapter 335B.

JOHN DEXTER OUTLAW, Board Chairperson

TRACY CARROLL, Director

RAY A. PERRY, Secretary

APPROVED BY AGENCY: March 25, 2026

FILED WITH LRC: March 30, 2026 at 2:50 p.m.

PUBLIC HEARING AND 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

Contact Person:Patrick Riley

Subject Headings:Boards and Commissions, Real Estate, Licensing, Fees

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This regulation establishes the criminal background check process for applicants for certification and licensure by the Kentucky Real Estate Appraisers Board ("Board").

(b) The necessity of this administrative regulation:

This regulation is necessary to establish the criminal background check process for applicants as required by KRS 324A.100 and KRS 324A.152.

(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. KRS 324A.100 requires applicants to submit to a criminal background check as part of the application or registration process. Additionally, KRS 324A.152 requires applicants for registration of an Appraisal Management Company, as well as owners of 10% or more of the Appraisal Management Company, to submit to a criminal background check as part of the application or registration process.

(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 establish the process for appraisers and Appraisal Management Companies, including any owners of 10% or more of the Appraisal Management Company, to procure a background check as part of the application or registration process.

(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 affect an unknown number of prospective applicants for licensure or certification.

(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:

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 licensure or certification will need to follow the background check process set forth in this administrative regulation. Prospective applicants for registration of an Appraisal Management Company will need to follow the background check process 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 licensees.

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

Prospective applicants for licensure will be able to identify requirements for licensure.

(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 or this amendment:

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?

No, tiering is not applied because this administrative regulation applies equally to all applicants for licensure and certification and Appraisal Management Companies.

FISCAL IMPACT STATEMENT

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:

KRS 324A.015, 324A.020, 324A.035, 324A.100, 324A.152, 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

(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, 324A.035, 324A.100, 324A.152

(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. .