PUBLIC PROTECTION CABINET
Kentucky Real Property Appraisers Board
(Amended After Comments)

201 KAR 50:040. Appraisal experience requirements for certification and licensure.

RELATES TO: KRS Chapter 324A, 12 U.S.C. § 3350
STATUTORY AUTHORITY: KRS 324A.035
CERTIFICATION STATEMENT:
NECESSITY, FUNCTION, AND CONFORMITY: KRS 324A.020 and 324A.035 require the Real Property Appraisers Board 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.035(3)(a), (b), and (d) require the board to establish by administrative regulations requirements for classifications of appraisers, certification and licensure, and standards of experience. This administrative regulation describes experience requirements for certification and licensure.

Section 1. Required appraisal experience.

(1) No appraisal experience is required for licensure as an associate real property appraiser.

(2) Licensure as a residential real property appraiser shall require 1,000 hours of appraisal experience, which shall not be acquired in a period of fewer than six (6) calendar months.

(3) Certification as a residential real property appraiser shall require 1,500 hours of appraisal experience, which shall not be acquired in a period of fewer than twelve (12) calendar months.

(4) Certification as a general real property appraiser shall require:

(a) 3,000 hours of appraisal experience, which shall not be acquired in a period of fewer than eighteen (18) calendar months; and

(b) At least 1,500 hours of appraisal experience that is nonresidential.

Section 2. How to receive credit for appraisal experience.

(1) Real property appraisal assignments submitted for appraisal experience credit shall be completed:

(a) In compliance with the requirements of USPAP as incorporated by reference in 201 KAR 050:020 and defined in KRS 324A.001(11);

(b) In compliance with the requirements for supervisors and associates set forth in 201 KAR 050:030.

(c) Under the supervision of a certified residential real property appraiser for experience of one (1) to four (4) unit residential properties; and

(d) Under the supervision of a certified general real property appraiser for experience of all property uses other than one (1) to four (4) unit residential properties.

(2) To receive credit for appraisal experience, an applicant must submit an appraisal log completed in accordance with 201 KAR 050:090 Section 5.

(3) The appraisal experience required by Section 1 may have been acquired in any calendar years, whether or not the calendar years are consecutive, except all appraisal experience must be obtained after January 30, 1989. Hours may be treated as cumulative in order to achieve the necessary hours of appraisal experience.

(4) For an appraisal to qualify for experience, there need not be a client in a traditional sense (e.g., a client hiring an appraiser for a business purpose). Experience gained for work without a traditional client can meet any portion of the total experience requirement.

(5) Up to 100 percent of the required appraisal experience may be obtained in a board-approved practicum course that requires students to:

(a) Produce credible appraisals that utilize an actual subject property;

(b) Perform market research containing sales analysis;

(c) Perform assignments that require problem solving skills for a variety of property types; and

(d) Apply and report the appraisal approaches in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP), incorporated by reference in 201 KAR 050:020 and defined in KRS 324A.001(11).

Section 3. Practical Applications of Real Estate Appraisal.

(1) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the AQB use simulated experience training and shall be accepted by the board as an alternative to the traditional supervisor-associate experience model for obtaining experience required for certification or licensure set forth in Sections 1 and 2.

(2) Only PAREA programs approved by the AQB shall satisfy the requirements of this administrative regulation.

(3) Participants successfully completing approved PAREA programs will receive the following experience credit toward the appraisal experience requirements set forth in Section 1:

(a) For participants completing an approved licensed residential PAREA program:

1. ~~[Up to]~~ 1,000 hours of the required experience hours for credit toward licensure as a residential real property appraiser.

2. ~~[Up to]~~ 1,000 hours of the required experience hours for credit toward certification as a certified residential real property appraiser.

3. ~~[Up to]~~ 1,000 hours of the total required residential experience hours, none of which is eligible towards the required non-residential hours, for certification as a general real property appraiser.

(b) For participants completing an approved certified residential PAREA program:

1. ~~[Up to]~~ 1,000 hours of the required experience hours for credit toward licensure as a licensed residential real property appraiser.

2. ~~[Up to]~~ 1,500 hours of the required experience hours for credit toward certification as a certified residential real property appraiser.

3. ~~[Up to]~~ 1,500 hours of the total required residential experience hours, none of which is eligible towards the required non-residential hours, for certification as a general real property appraiser.

(4) To receive credit for completion of PAREA, an applicant shall submit proof of completion of one or more PAREA courses.

COMPILER'S NOTE: 2025 RS HB 6, enacted by the General Assembly on March 27, 2025, altered the information to be provided at the time an administrative regulation is filed. Aside from formatting changes necessary to upload the regulation into the LRC's publication application, this regulation has been published as submitted by the agency.

201 KAR 050:040
TOM VEIT, Executive Director

APPROVED BY AGENCY: October 12, 2026
FILED WITH LRC: October 14, 2026 at 11:30 a.m.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

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 administrative regulation describes experience requirements for certification and licensure.

(b) The necessity of this administrative regulation:
This regulation is necessary to establish requirements for certification and licensure.

(c) How this administrative regulation conforms to the content of the authorizing statutes:
KRS 324A.035 requires the Board to promulgate administrative regulations for certification or licensure of appraisers who perform appraisals of real property in federally related transactions, including experience requirements.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:
This administrative regulation will clarify the standards for certification and licensure of appraisers in Kentucky.

(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:

Prospective applicants for licensure will need to follow the 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 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 certification and licensure.

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, KRS 324A.020, KRS 324A.035, KRS 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:

This regulation is expressly authorized by the following acts of the Kentucky General Assembly: created 1990 Ky. Acts ch. 383, secs. 2, 3, and 6, effective July 13, 1990, and subsequently amended by 1992 Ky. Acts ch. 247, secs. 2 and 4, effective April 7, 1992; 2013 Ky. Acts ch. 46, secs. 8 and 10, effective June 25, 2013; 2017 Ky. Acts ch. 178, secs. 27 and 39, effective April 11, 2017; 2021 Ky. Acts ch. 21, secs. 1 and 2, effective June 29, 2021; 2024 Ky. Acts ch. 182, secs. 10 and 11, effective July 15, 2024; and 2026 Ky. Acts ch. 172, secs. 4 and 17, effective July 15, 2026.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

The Kentucky Real Property Appraisers Board is the promulgating agency. 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 expected to generate revenue for any state or local government agency for the first year.

For subsequent years:This administrative regulation is not expected 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:
This administrative regulation is not anticipated to have a fiscal impact.

(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 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, KRS 324A.035

(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.