State of California

Board of Equalization
Property and Special Taxes Department

# Memorandum

**To:** Mr. Timothy W. Boyer
Interim Executive Director

**Date:** September 25, 2003

**From:** David J. Gau, Deputy Director
Property and Special Taxes Department

**Subject:** ***Guidelines for Appraiser's Certification and Training (October 15, 2003 Administrative Consent Agenda)***

I am requesting that the *Guidelines for Appraiser's Certification and Training* be approved for publication. Revenue and Taxation Code section 670 requires that any person performing appraisals for property tax purposes as an employee of the state, any county, or any city and county, must hold a valid appraiser's certificate issued by the Board. In addition, section 671 requires that every holder of an appraiser's certificate must complete at least 24 hours of training conducted or approved by the Board (12 hours for holders of advanced appraiser's certificates). Numerous inquires from counties regarding procedures for obtaining and maintaining a valid appraiser's certificate necessitated the creation of the guidelines.

Staff worked closely with the California Assessors' Association and individuals from county assessors' offices throughout the state in creating the guidelines. The guidelines contain language agreed upon by the interested parties who participated in this project.

Please place this item on the Board's October 15, 2003 Administrative Consent Calendar for approval.

DJG:sk
Attachment

cc: Ms. Deborah Pellegrini

Approved: _____
Timothy W. Boyer, Interim Executive Director

BOARD APPROVED
at the _____ Board Meeting

_____
Deborah Pellegrini, Chief
Board Proceedings

Item #BB
Sub-item 4
10/15/03

# GUIDELINES FOR APPRAISER'S CERTIFICATION AND TRAINING

## INTRODUCTION

Under section 670 of the Revenue and Taxation Code,[1] any person performing the duties of an appraiser for property tax purposes as an employee of the state, any county, or any city and county, must hold a valid appraiser's certificate issued by the State Board of Equalization (Board). Sections 670 through 673 and Property Tax Rules 281 through 284[2] govern the issuance of such certificates (see Appendix A).

For property tax purposes, Rule 281 defines an appraiser as one who renders value judgments and/or makes building classification judgments for cost estimating purposes in the administration of the valuation phase of ad valorem property taxation under Article XIII and Article XIII A of the California Constitution.

These guidelines were developed to address: (1) the requirements for *obtaining* an appraiser's certificate, (2) the requirements for *retaining* a certificate once obtained, (3) the procedures for *revoking* a certificate, and (4) the participation of noncertified staff in the appraisal process.

## REQUIREMENTS FOR OBTAINING AN APPRAISER'S CERTIFICATE

### Temporary Appraiser's Certification

Rule 282 requires that the Board issue a qualified applicant, performing the duties of an appraiser, a temporary appraiser's certificate, which is valid for a one-year period. After that time, the appraiser must be permanently certified to continue performing appraisal duties. A temporary appraiser's certificate is also issued to a person duly elected or appointed to the office of assessor (Government Code section 24002.5) no later than 30 days after taking office [Rule 282(c)]. Temporary appraiser's certification allows an appraiser to perform the duties of an appraiser as defined in Rule 281 during a one-year training period.

An applicant must complete a form BOE-740-A, *Application for Temporary Appraiser's Certificate*, which is available from the Board. An applicant employed by an assessor's office must have the approval of the assessor or assistant assessor noted on the form; an applicant employed by the Board must have the approval of the division chief noted on the form.

To be eligible for a temporary appraiser's certificate, an applicant must meet the specific qualifications required for permanent certification that are outlined in Rule 283. That is, the applicant must be currently employed by, or have a bona fide employment offer from, the Board, a county assessor, a city and county assessor, or an appraisal commission. In addition, the applicant must *either* (1) be a graduate of an accredited four-year institution of higher learning; or (2) be a high school graduate (or equivalent) and have four years of "relevant experience," as defined; or (3) have a combination of education and relevant experience totaling four years. When fewer than four years of college education are used to meet the minimum qualifications, the number of qualifying years, or fractions thereof, shall be determined by the number of units

[1] Unless otherwise stated, all statutory references are to the California Revenue and Taxation Code.
[2] All rule references are to California Code of Regulations, Title 18, Public Revenues.

in which passing grades were received. One year of education shall consist of either 30 semester units or 45 quarter units.

Employment experience as a noncertified appraiser aide and/or trainee may be considered "relevant experience" for purposes of meeting the minimum qualifications set forth in Rule 283. The experience of individuals employed in an assessor's office, other than appraisers, appraiser aides, and appraiser trainees, is limited to qualifying for only 2/3 of the four-year experience/education requirement. The remaining 1/3 of time must be accumulated by other relevant experience or through education.

Alternatively, under Rule 282(b), an assessor may request temporary appraiser's certification for an individual whom the assessor believes has equivalent qualifications not specifically contained in Rule 283. In these instances, the completed form BOE-740-A, *Application for Temporary Appraiser's Certificate*, should be submitted to the Board along with a detailed resume from the applicant and a letter from the requesting assessor attesting in detail to the "equivalent" qualifications of the applicant.

When the Board approves a temporary appraiser's certificate, the assessor will be notified of the effective date in writing.

### *Auditor-Appraiser Requirements*

The eligibility requirements for auditor-appraisers who perform the duties authorized by section 670 differ from those for appraisers. In general, an auditor-appraiser performing those duties must hold a four-year degree with a specialization in accounting, be a licensed accountant in the state, or have passed a government civil service or merit system examination. A degree with a specialization in accounting consists of 18 semester units (or quarter equivalent units) in accounting and/or auditing courses. Complementary courses such as business law and/or economics do not count toward the 18 units. If the applicant holds an actual degree in accounting, no further documentation is required; however, if the applicant has a degree with a specialization in accounting, a listing of the accounting and/or auditing courses must be submitted with the application for appraiser's certification.

A certified appraiser who does not qualify to perform mandatory audits under section 469 may, however, assist in the performance of a mandatory audit under the supervision of an auditor-appraiser who does meet those requirements. In addition to assisting with the gathering of audit information, the appraiser may verify the market value of real property pursuant to sections 110 and 110.1, and audit for real property escapes and new construction. The auditor-appraiser who meets the qualifications to perform mandatory audits shall have ultimate responsibility for the valuation of personal property and trade fixtures in the mandatory audit.

A certified appraiser who does not meet the qualifications to perform a mandatory audit may audit accounts that have a reported value of less than that specified in section 469.

## Permanent Appraiser's Certification

Permanent appraiser's certification must be achieved within one year of employment as an appraiser for property tax purposes. A permanent appraiser's certificate is granted when an individual attains a passing grade on an examination, prepared or approved by the Board, that covers fundamental property tax appraisal concepts. Once an individual is permanently certified, he or she holds a valid "appraiser's certificate" for the purposes of section 670.

The Board administers the examination for an appraiser's certificate on an as-needed basis. The examination is generally given following a session of the Board's Course 1, *Introduction to Appraising for Property Tax Purposes*. This course is a 28-hour class conducted over a four-day period. It covers the legal and economic aspects of value, the market value concept, and fundamental appraisal principles.

The certification examination consists of 100 multiple-choice questions prepared by the Board with the advice and assistance of a committee of five assessors selected by the California Assessors' Association. A raw score of 70 percent must be attained to pass the examination. If an individual does not pass the certification examination within one year of temporary certification, the temporary certificate expires and the individual may no longer perform the duties of an appraiser for property tax purposes.

Once granted, the appraiser's certificate remains valid, subject to the annual training requirements set forth in section 671 and Rule 284, for as long as the individual performs the duties of an appraiser for property tax purposes. The certificate is valid for no other purpose.

## Advanced Appraiser's Certification

An appraiser who has held a permanent appraiser's certificate for at least three years is eligible for certification as an advanced appraiser. Advanced appraiser certification is achieved by: (1) successfully completing a course of study prescribed by the Board, (2) holding a designation from a recognized professional appraisal organization, or (3) passing an advanced-level examination developed by the Board. Courses taken prior to certification, if relevant, will be considered for purposes of determining whether the appraiser has completed the required course of study.

The advanced-level certification examination is designed to test the candidate's knowledge of more complex property tax appraisal and value concepts and the ability to apply those concepts in solving appraisal problems. A separate examination is provided for auditor-appraisers.

An applicant for advanced appraiser's certification must complete a form BOE-747-BC, *Application for Advanced Appraiser Certification*, which is available from the Board.

### *Course of Study*

A total of six courses, with a minimum of two advanced courses, are required to obtain the advanced appraiser's certificate. Normally, four basic courses and two advanced-level Board courses, as identified in the Board Course Catalog, are taken to obtain this advanced appraiser's certification. The advanced-level courses should offer specific information on the appraisal of more complex property types. Appraisers should be able to apply the principles taught in these courses in problem-solving exercises.

A sample course of study for Board courses is as follows:

Real Property Appraiser

| | |
|---|---|
| Course 1 | Introduction to Appraising for Property Tax Purposes |
| Course 2A | Replacement Cost Estimating of Residential Structures |
| Course 3 | Residential Appraisal Procedures |

| | |
|---|---|
| Course 5 | Income Approach to Value |
| Course 7 | Appraisal of Agricultural Property (advanced-level course) |
| Course 56 | Advanced Sales Comparison and Income Capitalization Approaches (advanced-level course) |

Auditor-Appraiser

| | |
|---|---|
| Course 1 | Introduction to Appraising for Property Tax Purposes |
| Course 3 | Residential Appraisal Procedures |
| Course 5 | Income Approach to Value |
| Course 8 | Appraisal of Machinery and Equipment |
| Course 18 | Auditing Procedures (advanced-level course) |
| Course 56 | Advanced Sales Comparison and Income Capitalization Approaches (advanced-level course) |

Appraisers may pursue the course of study that best suits their needs. Substitutions from other sources may be made for individual Board courses, subject to Board approval. Proof of successful completion of an examination in conjunction with course attendance is required.

Past coursework, including courses that have been discontinued, may be recognized for purposes of advanced appraiser's certification. The Board must approve the courses previously taken. If the courses are not already listed in the Board's official training records, the applicant must provide proof of completion of the course and passage of the course examination.

An appraiser who wishes to receive advanced appraiser's certification on the basis of past training should list on the application form BOE-747-BC the titles, dates, and sources of all courses that appear to qualify for recognition. If the Board finds that the courses constitute an acceptable course of study, advanced appraiser's certification will be approved.

Advanced appraiser's certification will be granted to appraisers who have completed a training program of an assessor's office that has been approved by the Board (e.g., Los Angeles County Assessor's extensive Real Property Appraiser Trainee Certification Program), plus two formal advanced-level courses.

***Professional Designations***

The designations shown in the following table, which are issued by professional appraisal organizations, are recognized for purposes of qualifying for advanced appraiser's certification. The designations listed are not considered to be a complete listing of all designations; rather, they represent the designations that are currently approved. Other designations may qualify after being reviewed and approved by the Board. An appraiser holding one of these professional designations qualifies for advanced appraiser's certification without the requirement of completing a course of study prescribed by the Board or passing the advanced appraiser's certification examination.

A copy of the designation certificate issued by the appraisal organization must accompany the application for advanced appraiser's certification. In some cases, additional information may also be required.

| ORGANIZATION | DESIGNATION |
|---|---|
| Appraisal Institute | MAI (Member, Appraisal Institute) |
| International Association of Assessing Officers | CAE (Certified Assessment Evaluator)<br>CPE (Certified Personalty Evaluator) |
| American Society of Appraisers | ASA (Accredited Senior Appraiser) |
| Office of Real Estate Appraisers | AG (Certified General Appraiser) |

## Termination of Employment

An appraiser's certificate becomes inactive upon the appraiser's termination of employment. The county or Board office in which the appraiser worked should submit a notice of termination of employment for the appraiser on the Board's form BOE-743-A, *Report of Property Appraiser's Change in Employment Status*. Once no longer employed by the Board or an assessor, the appraiser may not imply in any way that he or she is currently certified by the Board. Further, the certificate may not be displayed or referred to in the advertisements or business cards of appraisers seeking fees for their services. A former employee may, however, state that the Board had formerly certified him or her as an appraiser for property tax purposes while employed by an assessor or the Board.

## Re-employment of Permanently Certified Appraisers

A previously certified appraiser can have his or her appraiser certificate activated after leaving the employment of an assessor or the Board if he or she becomes re-employed by an assessor or the Board. The appraiser's certificate will be considered "active" upon the Board's receipt of a notice of re-employment on the Board's form BOE-743-A. The notice must include the current employer, the date of current employment, and the name of the prior employer.

Assessors and the Board occasionally re-employ retired appraisers during peak work periods. The appraiser's certificate will be considered "active" upon the Board's receipt of written notice that the appraiser will be employed between specific dates. The form 743A should also be used in these instances.

## Contract Appraisers

An assessor's office that hires a contract appraiser should submit a form BOE-740-A, *Application for Temporary Appraiser's Certificate*, for the contractor. The Board will grant a temporary appraiser's certificate if the contractor meets the requirements of section 673 and Rule 283. If the contract appraiser is employed to complete mandatory audits, the individual must also meet the requirements for an auditor-appraiser under section 670. The temporary appraiser's certificate is valid for a maximum of one year and is automatically reinstated, upon request, when there is a break in service of less than six months.

In most cases, temporary certification is sufficient for a contract appraiser. However, if the continuous employment period is expected to extend beyond one year, the contract appraiser must obtain a permanent appraiser's certificate and must maintain it by acquiring the required annual training credits.

## REQUIREMENTS FOR RETAINING AN APPRAISER'S CERTIFICATE

### Annual Training Requirements

Section 671 requires that holders of appraiser's certificates receive 24 hours of Board-approved training each year. Training hours are required beginning with the fiscal year following the fiscal year in which the appraiser became permanently certified. Holders of advanced certificates must receive 12 hours of Board-approved training each year. The 12 hour requirement begins in the same fiscal year advanced certification is granted. Each certified appraiser is responsible for meeting his or her annual training requirements.

### Tracking Training Status

Training hours completed during the year of temporary certification may be applied to the annual training requirement for subsequent permanent certification. Courses taken prior to temporary certification will not be counted for purposes of calculating the annual training hour requirement. Training hours in excess of the annual requirements may be applied to any deficits that may occur during the next three years (for permanent appraiser's certification) or two years (for advanced appraiser's certification).

The Board maintains records of training for all certified appraisers. The record for each appraiser consists of a listing of courses and the number of hours of credit received. The record also includes a computation that indicates the appraiser's training status. The computation for each year indicates whether the appraiser's training status is current or deficient at the end of the fiscal year for which the computation was made. The record also shows any surplus of training hours that may exist.

For permanent appraiser certification, an appraiser's training status is based on hours accumulated during the past three years plus the current year. For advanced appraiser's certification, training status is based on hours accumulated during the past two years plus the current year.

Hours are calculated based on a first-in/first-out methodology (the "oldest" training hours are applied first to meet any current year's training requirement). Thus, for purposes of a permanent appraiser's certification, in any given year, a maximum of 72 hours may be carried forward to meet the training requirements of future years. Any hours that were earned more than three years prior are unavailable for this purpose. For purposes of an advanced appraiser's certification, in any given year, a maximum of 24 hours may be carried forward to meet the training requirements of future years. Any hours that were earned more than two years prior are unavailable for this purpose.

### Course Scheduling

Each year, Board staff surveys assessors' offices to identify courses needed by their staff. For any fiscal year, Board courses are scheduled based on the number of requests received and the availability of Board staff to instruct the courses. Training coordinators in the assessors' offices

and at the Board are notified of scheduled courses and are asked to assist in scheduling and enrolling students in those classes.

## Approval and Determination of Training Hours Credited for Formal Courses

### *General Requirements*

Board staff is responsible for approval of the training required by section 671. Appraisers wishing to obtain training credit hours for proposed or completed training must submit information about the training, through their employer, to the Board using form BOE-745-A, *Request for Course Approval.* A copy of the course, seminar, or conference outline, agenda, or detailed description must accompany the form so that Board staff can properly evaluate the relevance of the course and determine the appropriate number of training hours to be credited. It is always best to seek approval prior to taking the training; however, training hours will be credited if the course material is approved after the fact.

Approved training hours generally require classroom exposure, including online instruction and videoconferencing, and do not include time devoted to homework assignments. Training hours may be credited a second time for courses previously taken if at least five years have passed since the student previously completed the course and received training credit for it.

### *Appraisal Courses*

To ensure that the intent of section 671 is met, only appraisal training that may reasonably be expected to improve or maintain an individual appraiser's competence in the field of appraisal will be approved for training credit (e.g., courses in which the central or underlying theme is either the valuation of property that is subject to property taxation or the law bearing on the appraisal of such property). Appraisers attending approved appraisal courses will receive one hour of credit for each hour of instruction.

Training hours credited for courses with examinations will be granted based on the number of instructional hours completed; hours granted for the examination will be calculated separately. If a student receives a score of less than 50 percent on the course examination, training credit will not be granted for the instructional hours or the examination hours. If, however, the student fails the examination but scores 50 percent or higher, training credit will be granted for the instructional hours only; credit will not be given for the hours spent taking the examination.

If the student fails the examination with a score of less than 50 percent, he or she will be required to retake the course before being allowed to retake the examination. If the student fails the examination with a score of 50 percent or higher, he or she can retake the examination without retaking the course. Training hours will be granted for the examination once the examination has been successfully passed.

If the student fails a course with a pass/fail examination, training credit will be granted for the instructional hours only; credit will not be given for the hours spent taking the examination.

An appraiser may receive credit towards the annual training requirement for teaching a course for the first time, provided the teaching materials have been reviewed by Board staff and approved as pertinent for property tax appraisers. Credit will not be given to instructors for teaching repeated sessions of a particular course.

### *Nonappraisal Real Estate Courses*

To encourage appraisers to become familiar with the various aspects of the real estate field, a variety of real-estate-related college-level courses are approved for training credit. Examples of qualifying nonappraisal real estate courses include, but are not limited to, Real Estate Economics, Real Estate Principles, and Real Estate Practices.

Credit for college-level nonappraisal real estate courses will be allowed at a rate of 12 hours per semester unit and 9 hours per quarter unit. For example, an appraiser successfully completing a three-unit semester course would receive 36 hours of credit.

### *Accounting and Auditing Courses*

Basic accounting and auditing courses may be approved for auditor-appraisers and for the cross-training of real property appraisers. As described above, credit for college-level courses will be allowed at a rate of 12 hours per semester unit and 9 hours per quarter unit.

### *Other Courses*

Approval may also be considered for other nonappraisal courses, including computer courses that do not fall into the aforementioned categories, if such courses are relevant to the appraiser's assigned or prospective duties.

Courses in management, business administration, supervision, or public administration may be approved if the appraiser's job duties include management or administration. However, only 25 percent of the appraiser's annual training requirement can include this type of instruction (6 hours per year for permanent appraiser's certification and 3 hours per year for advanced appraiser's certification).

## Approval and Determination of Training Hours Credited for Other Training

### *Seminars and Workshops*

Seminars and workshops sponsored by various appraisal organizations will be approved for training credit hours if the objectives and content of the programs are specifically designed to develop and/or enhance the skill and expertise of appraisers or auditor-appraisers. Only those portions of a program aimed at this goal will be counted as approved time for training credit. Time devoted to topics that do not relate to appraisal activities will not be counted toward training hour credit.

Some appraisal seminars are "annual events." The number of hours approved for a program in one year does not ensure approval for the same number of hours for the same or similar programs in subsequent years. The program for each seminar must be separately evaluated.

Board approval for training of this type should be obtained in advance to ensure that credit will be granted. Students will receive credit only if they attend the entire session and provide proof of attendance, unless provisions are made in advance for partial credit.

The Appraisal Institute has formalized a series of one- and two-day seminars for presentation in various locations. Normally, these are approved for training credit. To ensure training credit will be allowed, however, advance approval is recommended.

### *California Assessors' Association and Affiliated Organizations Conferences and Meetings*

The California Assessors' Association (CAA) conferences and meetings, including those of organizations affiliated with the CAA (e.g., chief appraisers meetings or subcommittee meetings), are approved for training credit on the same basis as seminars and workshops presented by appraisal organizations.

Such conferences or meeting are approved for training credit when they are designed to improve assessment practices in the offices of assessors and/or the Board. The conference or meeting must follow a prescribed agenda that includes speakers on specific assessment topics.

The host agency is responsible for submitting the request for approval and submitting the list of attendees, along with each appraiser's certificate number, to the Board.

### *Programmed Instruction*

A programmed instruction course may be approved for training hours after the Board has reviewed course materials or a detailed outline for the specific course. This includes Internet courses, videoconferences, correspondence courses, and training videos.

### *Challenging Examinations*

Training hours are not granted for a course when an appraiser successfully challenges it by taking the examination only. However, training hours will be granted for the examination time, if a passing score is attained, and the course will qualify for recognition as part of the required training for advanced appraiser's certification.

## PROCEDURES FOR REVOKING AN APPRAISER'S CERTIFICATE

Under Rule 284, *Retention and Revocation of Appraiser Certificate*, the training requirement for an appraiser's certificate or advanced appraiser's certificate shall be met for each fiscal year, commencing July 1 and ending June 30. Failure to obtain the required training constitutes grounds for revocation of an appraiser's or advanced appraiser's certificate. It is the responsibility of each appraiser or auditor-appraiser to see to the completion of his or her annual educational requirements.

Rule 284 (c) and (d) contain the informal and formal procedures that must be followed in revoking an appraiser's or advanced appraiser's certificate.

## PARTICIPATION OF NONCERTIFIED STAFF IN VALUATION ACTIVITIES

### Real Property

A noncertified appraiser trainee or appraiser aide (assistant) may or may not participate in an appraisal of real property to the following extent:

- Replacement Cost Estimate

  The assistant may:

  1. Record property characteristics, but not make a judgment as to the quality of the characteristics.
  2. Measure and draw a diagram of a structure.
  3. Make computations of the area of the structure.

4. List items not covered by the cost factor.
5. Obtain or verify the cost and provide a description of items that were removed, replaced, or added in the case of an addition or remodel.
6. Calculate a manual or automated cost value for review by a certified appraiser, but not make a judgment as to the quality of characteristics.

- Sales Comparison Approach

  The assistant may:

  1. Obtain or verify sale information, including price, terms, and conditions, of the subject and comparable properties.
  2. Array the sales information and descriptions of the properties on a sales comparison worksheet.

  The assistant may not:

  1. Make adjustments to the sale prices of either the subject property or comparable properties.
  2. Further process information into value indicators.

- Income Approach

  The assistant may request income and expense information using approved forms.

In all cases, an appraiser must review all information that would affect the final value conclusion and verify the following before concluding the appraisal:

- An appraisal event has occurred.
- The correct property was inventoried.
- The description of the property is accurate.
- The computations are accurate.
- The comparisons are reasonable.

Finally, the appraiser must make the final value conclusion.

## Business Property

Non-certified assistants who input year-of-acquisition and cost information from source documents may also select and apply factors, as instructed, from percent good tables. Assistants must, however, refer exceptional items and those with taxpayer comments to an appraiser for resolution. Assistants may not make decision as to property classifications.

Assistants may aid in the valuation of vessels and aircraft by selecting and applying information from a valuation guide deemed appropriate by an appraiser. An appraiser must first verify that the items are properly described and assessable. An appraiser must also review the resulting value estimate.

# APPENDIX A

## REVENUE AND TAXATION CODE SECTIONS

**670. Appraiser's certificate.** (a) No person shall perform the duties or exercise the authority of an appraiser for property tax purposes as an employee of the state, any county or city and county, unless he or she is the holder of a valid appraiser's or advanced appraiser's certificate issued by the State Board of Equalization.

(b) The board shall provide for the examination of applicants for these certificates and may contract with the State Personnel Board to give the examinations. Examinations shall be prepared by the board with the advice and assistance of a committee of five assessors selected by the State Association of County Assessors for this purpose. No certificate shall be issued to any person who has not attained a passing grade in the examination and demonstrated to the board that he or she is competent to perform the work of an appraiser as that competency is defined in regulations duly adopted by the board. However, any applicant for a certificate who is denied the same shall have a right to a review of that denial in accordance with the State Administrative Procedure Act contained in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(c) Passage of a civil service or merit system examination for appraiser given by the state, or any county or city and county, shall suffice to meet the requirements of this section. The scope of the examination shall be approved by the State Board of Equalization.

(d) No employee of the state, or any county or city and county shall perform the duties or exercise the authority of an auditor or an auditor-appraiser under Section 469 or Section 15624 of the Government Code, unless he or she holds a degree with a specialization in accounting from a recognized institution of higher education, or is a licensed accountant in the State of California, or has passed the state, or a county, or city and county, or city civil service or merit system examination regularly given for the position of accountant or auditor by the testing body, or holds the office of assessor.

(e) Except for persons holding the office of assessor, this section does not apply to elected officials.

(f) No charge shall be made to counties or to applicants for examinations and certifications under this section or for training conducted by the board under Section 671.

**671. Appraiser training.** (a) In order to retain a valid appraiser's certificate every holder shall complete at least 24 hours of training conducted or approved by the State Board of Equalization in each one-year period.

Any excess in training time over the 24-hour minimum accumulated in any one year shall be carried over as credit for future training requirements with a limit of three years in which the carryover time may be credited.

Failure to receive such training shall constitute grounds for revocation of an appraiser's certificate; provided, however, that proceedings to revoke shall be conducted in accordance with the Administrative Procedure Act contained in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

Training shall include, but not be limited to, new developments in the case and statutory law and administrative rules.

(b) An advanced appraiser's certificate shall be issued by the board after an applicant has held an appraiser's certificate for at least three years and:

(1) Has successfully completed a course of study; or

(2) Has passed an advanced level examination; or

(3) Holds a valid professional designation from a recognized professional organization.

The board, with the advice and assistance of five assessors selected by the State Association of County Assessors of California, shall prescribe the course of study, prepare the advanced level examination, and approve the professional designation.

In order to retain a valid advanced appraiser's certificate, every holder shall complete at least 12 hours of training in each one-year period.

Any excess in training time for the advanced appraiser's certificate over the 12-hour minimum accumulated in any one year shall be carried over as a credit for future training requirements with a limit of two years in which the carryover time may be credited.

Failure to receive such training shall constitute grounds for revocation of an advanced appraiser's certificate; provided, however, that proceedings to revoke shall be conducted in accordance with the Administrative Procedure Act contained in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

Training to retain the advanced appraiser's certificate shall include, but not be limited to, new developments in the case and statutory law and administrative rules.

**672. Disclosure of financial interest.** At the time of certification, each applicant shall disclose, on forms provided by the Board of Equalization, his or her financial interest in any corporation. Thereafter, the form shall be completed annually.

If the applicant is also required to annually file with the Fair Political Practices Commission pursuant to Article 3 (commencing with Section 87300) of Chapter 7 of Title 9 of the Government Code, then a duplicate of that filing shall be deemed to meet the requirements of this section.

**673. Temporary certificate.** The State Board of Equalization may issue a temporary certificate to a person who is newly employed by the state, any county, city and county, or appraisal commission in order to afford the person the opportunity to apply for and take an examination the successful passage of which would qualify the person for an appraiser' s certificate. A temporary certificate shall not be issued to exceed one year's duration and shall be issued only to a person who has demonstrated eligibility to take a civil service examination pursuant to subdivision (c) of Section 670, or who is found by the board to possess qualifications by reason of education and experience so that he or she may be reasonably expected to be competent to perform the work of an appraiser, or who has been duly elected or appointed to the office of assessor. A temporary certificate shall not be renewed.

# PROPERTY TAX RULES

## Rule 281. "APPRAISER" DEFINED.

*Authority Cited:* Section 15606, Government Code.
*Reference:* Sections 670, 673, and 1716, Revenue and Taxation Code.

An appraiser for property tax purposes within the meaning of sections 670 through 673 of the Revenue and Taxation Code is a person employed by the state, a county, a city and county, or an appraisal commission who renders value judgments and/or who makes building classification judgments for cost estimating purposes in the administration of the valuation phase of ad valorem property taxation under Article XIII and Article XIII A of the California Constitution.

History: Adopted April 10, 1968, effective May 12, 1968.
Amended December 17, 1975, effective January 25, 1976.
Amended January 9, 2003, effective June 27, 2003.

## Rule 282. TEMPORARY CERTIFICATION.

Authority Cited: *Section 15606, Government Code.*
Reference: *Section 24002.5, Government Code; and Sections 670 and 673, Revenue and Taxation Code.*

(a) A person shall not perform the duties of an appraiser, as defined in regulation 281, unless the person has been issued a temporary or permanent certificate by the Board, nor shall the person continue to perform such duties for more than a year (excluding any break in service as an appraiser of less than six months which is reported to the Board) without having been permanently certified.

(b) The board shall issue a temporary certificate to any other person employed to perform the duties of an appraiser for property tax purposes in the service of the state, a county, a city and county, or an appraisal commission if the person meets the minimum qualifications set out in subsection (a) of regulation 283 or has equivalent qualifications which, in the opinion of both the assessor and the Board, demonstrate that the person is competent to perform the work of an appraiser. The assessor shall submit such qualifications to the Board on a form supplied by the Board.

(c) No later than 30 days after taking office, any person who has been elected or appointed as assessor shall request and the Board shall issue a temporary certificate to such individual.

(d) A temporary certificate is suspended when the person to whom it was issued ceases to perform the duties of an appraiser for property tax purposes but is automatically reinstated when the person again performs such duties with less than a six months' break in service. When there is a break in service of six months or more, another temporary certificate must be issued, under the provisions of subsection (b), and such certificate shall be valid for one year thereafter.

History: Adopted April 10, 1968, effective May 12, 1968.
Amended December 17, 1975, effective January 25, 1976.
Amended January 14, 1985, effective February 13, 1985.
Amended February 4, 1997, effective July 6, 1997.
Amended January 9, 2003, effective June 27, 2003.

## Rule 283. PERMANENT CERTIFICATION.

Authority Cited: Section 15606, Government Code.
*Reference*: Sections 670 and 673, Revenue and Taxation Code; and Section 24002.5, Government Code.

(a) The Board shall issue a permanent certificate to any person employed to perform the duties of an appraiser for property tax purposes in the service of the state, a county, a city and county, or an appraisal commission who, within one year of employment, attains a passing grade on a certification examination prepared or approved by the Board and who meets the following minimum qualifications:

(1) The person is currently employed by, or has a bona fide employment offer from, the Board, a county assessor, a city and county assessor, or an appraisal commission, and

(2) Either the person is a graduate of an accredited four-year institution of higher education, or

(3) The person has graduated from high school (or has the equivalent of a high school education as determined by the taking of a general educational development test approved by the California Department of Education) and has four years of relevant experience. "Relevant experience" means employment experience within the last ten years in any of the following occupations:

(A) an accountant, auditor, real property appraiser, building cost estimator, engineer, real estate loan agent, real estate loan underwriter, right-of-way agent, licensed building contractor, or

(B) a real estate licensee, licensed by the California Department of Real Estate, engaged in buying, selling, leasing, or managing real estate, or

(C) an appraiser aide or appraiser trainee in an assessor's office or in the property taxes department of the Board, or

(D) an employee, other than an appraiser, appraiser aide, or appraiser trainee, of an assessor's office or of the property taxes department of the Board, except that such employment time shall be limited to qualifying for only 2/3 of the four-year experience requirement. The remaining 1/3 of time shall be accumulated by other relevant experience as described in subparagraphs (A), (B), and (C) above or by education in an accredited institution of higher education.

Four years of relevant experience or any combination of relevant experience and education in an accredited institution of higher education totaling four years can be substituted for the educational requirement in subsection (a)(2). When fewer than four years of education in an accredited institution of higher education are used to meet the minimal qualifications, the number of qualifying years or fractions thereof shall be determined by the number of units in which passing grades were received. One year of education requirement shall consist of either 30 semester units or 45 quarter units. The qualifications of the person seeking permanent certification in this manner shall be submitted on a form supplied by the Board when the person files the application.

(b) When a person has been temporarily certified under subsection (b) of regulation 282 by reason of equivalent qualifications or under subsection (c) of regulation 282 by reason of election or appointment as assessor, the person shall be admitted to the examination referred to in subsection (a). Upon receiving a passing grade in the examination, the person shall be issued a permanent certificate by the Board.

(c) A permanent certificate is suspended when the person to whom it was issued terminates employment with the Board, a county assessor, a city and county assessor, or an appraisal commission, but it is automatically reinstated when the person is again employed to perform the duties of an appraiser for property tax purposes in the service of any of these offices.

History: Adopted April 10, 1968, effective May 12, 1968.
Amended January 7, 1970, effective February 8, 1970.
Amended December 20, 1971, effective January 19, 1972.
Amended January 14, 1985, effective February 13, 1985.
Amended February 4, 1997, effective July 6, 1997.
Amended January 9, 2003, effective June 27, 2003.

## Rule 284. RETENTION AND REVOCATION OF APPRAISER CERTIFICATE.

*Authority Cited:* Section 15606, Government Code.
*Reference:* Sections 670 and 671, Revenue and Taxation Code.

(a) A person who holds a permanent certificate to perform the duties of an appraiser for property tax purposes in the service of the state, a county, a city and county, or an appraisal commission shall adhere to the annual training requirements as set forth in section 671 of the Revenue and Taxation Code. The training requirement for an appraiser's certificate or advanced appraiser's certificate shall be met for each fiscal year, commencing July 1 and ending June 30. Failure to obtain such training shall constitute grounds for revocation of the appraiser's certificate or advanced appraiser's certificate.

(b) In calculating the number of training hours completed for the current fiscal year, any excess hours earned from attending training in prior years shall be counted first.

(1) To retain an appraiser's certificate, excess training hours over the 24-hour annual requirement may be carried forward as a credit a maximum of three years, with a maximum of 72 training hours available for carryover into future years.

(2) To retain an advanced appraiser's certificate, excess training hours over the 12-hour annual requirement may be carried forward as a credit a maximum of two years, with a maximum of 24 training hours available for carryover into future years.

Excess training hours carried forward from prior years shall be applied on a first in/first out basis, such that training hours available from the earliest year of carryover shall be credited first.

(c) The Board shall initiate informal revocation procedures if, upon review of an individual's annual training report, the appraiser appears to be deficient in meeting the annual training requirement. The steps of the informal revocation process are as follows:

(1) A letter will be sent to the appraiser who appears to have deficient training hours and to the assessor of the county or the city and county where the appraiser is employed or to the appropriate Board division chief. The assessor or division chief shall indicate whether or not the person is still employed by that office as an appraiser and, if applicable, should note whether the appraiser has transferred to another county, city and county, or Board division or if the person is no longer employed by any of these offices as an appraiser.

(2) The letter sent to the appraiser will be accompanied by a report of the training and respective hours completed by the individual so that the appraiser will have an opportunity to reconcile his or her records with the report. If training has been completed but has not been included on the training report, the name of the course, date and proof of completion, and training hours earned must be submitted. For non-Board provided courses, a course outline or seminar agenda must also be submitted. Written corrections and/or changes to the report must be submitted no later than 30 calendar days after receipt of the letter advising the appraiser of the deficiency in training hours. No later than 30 calendar days after the receipt of this information, Board staff will review the information submitted and make necessary changes to the appraiser's training hours, if warranted, and notify the appraiser whether or not the corrections and/or changes have been accepted. A copy of the revised training report will be sent to the appraiser.

(3) If the appraiser is, in fact, deficient in training hours, a written plan on resolving the deficiency, as well as a plan for meeting the training requirements for the current fiscal year, must be submitted by the appraiser to the Board within 30 calendar days of receiving the above notification. The plan shall be submitted to the Board after the appraiser has consulted with and provided a copy of the plan to the assessor or Board division chief.

(4) If the Board does not receive a response by the specified date, Board staff will contact the appraiser to determine the reason for the lack of a response. If the written plan is not received within 10 calendar days from this follow-up contact date, a certified letter will be mailed to the appraiser advising him or her of a conference call or meeting with a panel of Board staff to remedy the deficiency. This letter will also be sent to the assessor or Board division chief and will indicate the date, time, and location (if applicable) of the conference call or meeting.

(5) During the conference call or meeting, the appraiser and the panel will discuss the training deficiencies and establish a plan to make up the deficiency and to satisfy the annual training requirements for the current fiscal year. The assessor or Board division chief, or their representative, may participate in the conference call or meeting. If the appraiser is unable to participate in the conference call or attend the meeting on the scheduled date, the appraiser must reschedule the conference call or meeting with the panel for a date within 30 calendar days of the originally scheduled date.

(6) If the appraiser presents an acceptable plan to the panel to make up the deficiencies, the Board shall notify the appraiser and the assessor or Board division chief. No further action will be taken unless the appraiser fails to meet the requirements of the plan by the deadline agreed upon by the parties.

(7) If the appraiser fails to participate in the conference call or attend the meeting with the panel or fails to follow the established plan, as set forth in subparagraphs (5) and (6) above, and remains delinquent at the end of the time frame specified, the panel will inform the Deputy Director of the Board's Property and Special Taxes Department, or his or her designee, that proceedings should be initiated to revoke the appraiser's certificate. A certified letter will be sent to the appraiser and the assessor or division chief by the Deputy Director, or his or her designee, regarding the Board's decision to initiate formal revocation proceedings.

(d) Formal revocation proceedings shall be initiated if the foregoing informal revocation process could not satisfactorily resolve the appraiser's deficiency in training hours. Formal revocation proceedings shall be conducted in a hearing before an administrative law judge in accordance with the Administrative Procedure Act contained in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(e) Holders of certificates shall report to the Board the training and respective hours completed for each fiscal year ending June 30. Reporting required by this subsection shall be effective as of the fiscal year commencing July 1, 2003.

History: Adopted January 9, 2003, effective June 27, 2003