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November 12, 2015

No. 2015/049

TO COUNTY ASSESSORS:

NOTICE OF BOARD ACTION

GUIDELINES FOR APPRAISER CERTIFICATION AND TRAINING

On October 27, 2015, the State Board of Equalization (BOE) approved the enclosed *Guidelines for Appraiser Certification and Training* (*Guidelines*). These *Guidelines* supersede those that were previously adopted on February 23, 2011 which were distributed in Letter To Assessors 2011/013.

Section 670 of the Revenue and Taxation Code requires that any person performing the duties of an appraiser for property tax purposes and an employee of the state, any county, or any city and county must hold a valid appraiser certificate issued by the BOE. Sections 670 through 673 and Property Tax Rules 281 through 284 govern the issuance of such certificates and requirements to retain them. These *Guidelines* are published to ensure that county assessors and their staff are provided with sufficient information to assist them in obtaining and maintaining appraiser certification.

Primary revisions to the prior *Guidelines* include:

- Revising the discussion on minimum qualifications for property tax auditor-appraisers to accommodate changing educational curriculums at college-level institutions.

- Adding new sections that (1) reflect appraisal training opportunities that the BOE currently offers; and (2) clarifying which documents must be submitted when requesting certification.

- Expanding the discussions regarding (1) the types of non-BOE training that qualify for appraisal training credit; and (2) the various methods by which an advanced appraisal certificate may be obtained by a property appraiser.

- Revising the discussion to reflect amendments to section 469 regarding participation of county appraisal staff, who are not designated as auditor-appraisers, in performing property tax audits.

- Adding a new section outlining the process used when certification must be revoked from an appraiser due to non-compliance with the annual training requirements.

The *Guidelines* are posted on the BOE website at www.boe.ca.gov/proptaxes/castraining.htm. If you have questions, please contact Sherrie Kinkle at 1-916-274-3363 or at sherrie.kinkle@boe.ca.gov.

Sincerely,

/s/ Dean R. Kinnee

Dean R. Kinnee
Deputy Director
Property Tax Department

DRK:sk
Enclosure

GUIDELINES FOR APPRAISER CERTIFICATION AND TRAINING

OCTOBER 2015

CALIFORNIA STATE BOARD OF EQUALIZATION

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GUIDELINES FOR APPRAISER CERTIFICATION AND TRAINING

INTRODUCTION

Under 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 California State Board of Equalization (Board). Sections 670 through 673[2] and Property Tax Rules[3] 281 through 284[4] govern the issuance of such certificates and requirements to retain them.

For property tax purposes, an *appraiser* is defined 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.[5]

These guidelines address:

- Requirements for Obtaining an Appraiser Certificate
- Requirements for Retaining an Appraiser Certificate
- Procedures for Revoking an Appraiser Certificate
- Valuation Activities for Noncertified Staff
- Training Offered by the Board

REQUIREMENTS FOR OBTAINING AN APPRAISER CERTIFICATE

TEMPORARY APPRAISER CERTIFICATION

The Board issues a qualified applicant—one who is employed as an appraiser or performing the duties of an appraiser at either the Board or in a County Assessor's office—a temporary appraiser certificate which is valid for no more than one year.[6] Possession of a temporary appraiser certificate allows one to perform the duties of an appraiser until permanently certified. A temporarily certified appraiser must obtain permanent certification within the one-year period in order to continue performing appraisal duties.[7]

Certification requirements also apply to County Assessors, whether they are elected or appointed to the Office of Assessor. A new Assessor must request a temporary appraiser certificate within

[1] All statutory references are to the Revenue and Taxation Code unless otherwise provided.
[2] www.boe.ca.gov/lawguides/property/current/ptlg/rt/part2-ch3.html.
[3] All references to Rule or Property Tax Rule are to the California Code of Regulations, Title 18, Public Revenues.
[4] www.boe.ca.gov/proptaxes/prop-tax-rules.htm.
[5] Rule 281, *"Appraiser" Defined*.
[6] Section 673 and Rule 282, *Temporary Certification*.
[7] Rule 283, *Permanent Certification*.

30 days of taking office, and then has one year after election or appointment to become permanently certified.[8]

An applicant for temporary certification must complete form BOE-740-A, *Application for Temporary Appraiser Certificate,* in order to receive such certification from the Board.[9] An applicant employed in an Assessor's office must have the signature of the Assessor on the application. An applicant employed by the Board must have the signature of the applicable Division Chief on the application.

To be eligible for a temporary appraiser certificate, an applicant must be able to meet the employment experience and/or educational requirements for permanent certification.[10] With respect to employment, the applicant must be currently employed by, or have a bona fide employment offer from, the Board, a County Assessor's office, or a City and County Assessor's office. A person who has been elected to the Office of Assessor, but who has not yet taken office, is considered to have a bona fide employment offer from the county where elected.

With respect to education and experience, the applicant must:

1. Have a bachelor's degree from an accredited four-year institution of higher learning; or
2. Be a high school graduate (or equivalent) and have four years of *relevant experience;*[11] or
3. Possess a combination of education and relevant experience totaling four years.

When an applicant has not graduated from a four-year college or university, the amount of education will be calculated based on the number of successfully completed units; one year of education is equivalent to either 30 semester units or 45 quarter units.

Employment experience as an appraiser aide or appraiser trainee in an Assessor's office or at the Board may be considered relevant experience for purposes of meeting the qualifications for certification. The experience of individuals employed in an Assessor's office in positions other than those of appraisers, appraiser aides, or appraiser trainees may also be considered relevant experience; however, that experience will be limited to qualifying for only two-thirds of the four-year experience requirement.[12] The remaining one-third of time must be accumulated by other qualifying relevant experience or appropriate education. For those counties where the Assessor is also the County Recorder or County Clerk, only the duties performed in the Assessor's functions can qualify as relevant experience for purposes of certification as an appraiser.

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[8] Government Code section 24002.5 and Rule 282(c). These provisions do not apply to any person holding the Office of Assessor on January 1, 1997.

[9] All forms pertaining to certification and training of appraisers are posted on the Board's website at www.boe.ca.gov/proptaxes/castraining.htm.

[10] Rule 283.

[11] Rule 283.

[12] Rule 283(a)(3)(D).

Simply ***holding a license*** from the California Bureau of Real Estate Appraisers (BREA) does not equate to relevant experience for temporary certification. The applicant must be licensed and performing the appraisal duties at or above the BREA residential level for the time to count as relevant experience for temporary appraiser certification.

Temporary certification may also be issued to a person if it is the opinion of both the Assessor and Board staff that the applicant has qualifications equivalent to but not specifically contained in Rule 283.[13] In these instances, a comprehensive resume from the applicant, and a letter from the Assessor attesting to the equivalent qualifications of the applicant, must be submitted to Board staff with the *Application for Temporary Appraiser Certification*.

Board staff will review the application and accompanying letter from the Assessor, and advise the Assessor of a final determination in writing. The review will include the:

- Tax Administrator, Assessment Services and Training Unit
- Division Chief, County-Assessed Properties Division
- Deputy Director, Property Tax Department

Auditor-Appraiser Requirements

The eligibility requirements for auditor-appraisers who perform the duties authorized by subdivision (d) of section 670 differ from those for appraisers. In addition to meeting the general requirements for appointment as an appraiser, an auditor-appraiser must:

- Hold a four-year degree with a specialization in accounting from a recognized institution of higher education (accredited); or
- Be a licensed accountant in California; or
- Have passed a government civil service or merit system examination regularly given for the position of accountant or auditor by the testing body of that jurisdiction; or
- Hold the Office of County Assessor.

A degree with a *specialization in accounting* consists of either:

- 18 semester units (or quarter equivalents) of accounting and/or auditing courses from a recognized institution of higher education. Business law and economic classes may not contribute toward the 18 units; or
- 19 semester units (or quarter equivalents), 16 of which must be accounting and/or auditing courses from a recognized institution of higher education, and 3 semester units may be either business law or economic classes.

[13] Rule 282(b).

An applicant possessing a *degree* in accounting need only submit a copy of the degree with the application for temporary certification. However, an applicant possessing a degree with a *specialization* in accounting must provide a copy of a college transcript(s) (transcript need not be a certified copy) showing the accounting/auditing courses completed.

A person who does not meet the qualifications required to perform audits at the time of temporary certification can request that designation at a later time when the qualifications have been met. Form BOE-740-B, *Application for Auditor-Appraiser Designation Following Appraiser Certification*, must be submitted to Board staff along with documentation attesting to the qualifications of the applicant.

Only individuals who meet the educational requirements of section 670, subdivision (d), may perform property tax audits. A certified appraiser who does not qualify to perform audits may assist in gathering information used in an audit; for example, verify the market value of real property or furnish information to the auditor-appraiser on real property escapes and new construction. However, the auditor-appraiser who meets the qualifications to perform audits must ultimately be responsible for conducting the audit.

Documents Submitted with Temporary Certificate Application

Certain documents must be submitted with the *Application for Temporary Appraiser Certificate*. The application must be accompanied by the following:

1. ***Educational documents***. An applicant must attach a copy of his/her degree or college transcript. If the degree or transcript reflects a different name than that shown on the application for temporary certification (for instance, the applicant has changed her name due to marriage), then documentation must be provided to verify the name change (for instance, a copy of a marriage license). If the applicant is seeking designation as an auditor-appraiser and the degree conferred states that the degree is in accounting, no further documentation is required. Otherwise, the applicant must submit a copy of the transcript(s) evidencing attainment of the required number of units in accounting and/or auditing. In the case of an applicant with a bachelor's degree, Board staff will verify that the applicant is a graduate of an accredited four-year institution of higher education.[14]

2. ***Job description***. An applicant must identify work experience and provide a description of duties. If the applicant is seeking appraiser certification on the basis of a combination of education and qualifying relevant experience, the description should be detailed and

[14] Currently, the Council on Higher Education Accreditation coordinates the accreditation agencies; a listing of recognized accredited institutions is available on the organization's website at *www.chea.org*. Accreditation by one of the six regional accrediting agencies defined by the California Education Code is acceptable. If the degree is foreign (outside the United States), it must be evaluated for US equivalency; there are several credential evaluation organizations most of which are members of the National Association of Credential Evaluation Services (NACES). The NACES website at www.naces.org identifies various organizations that provide such services.

identify specific duties and tasks. Board staff will verify that the applicant has experience in one of the qualifying occupations.[15]

3. ***Financial interests disclosure***. As part of the process to attain temporary certification as an appraiser, an applicant must disclose financial interests as required by section 672 which provides:

> 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.
>
> The applicant may either submit form BOE-121, *Statement of Financial Interest*, or a copy of the Form 700 filed with the Fair Political Practices Commission.

PERMANENT APPRAISER CERTIFICATION

As previously discussed, a temporary appraiser certificate is only valid for one year. During that period, the appraiser, or elected/appointed County Assessor, must pass the certification exam in order to receive permanent certification. The Board issues a permanent appraiser certificate when a temporarily certified appraiser attains a passing score of 70 percent or more on the Board examination[16] which covers fundamental property tax appraisal concepts.[17]

The Board administers the certification examination on an as-needed basis. The examination is generally given in various locations throughout the state following a session of the online training course PropTx 310, *Introduction to Appraising for Property Tax Purposes*.[18] Although this course helps prepare an appraiser by providing fundamental appraisal concepts and methodology, it is not required that an appraiser attend this course in order to take the certification examination.

The certification examination consists of 100 multiple-choice questions. If an individual does not successfully pass the examination, the examination may be taken again, but ***only*** when requested

[15] Rule 283.

[16] The appraiser certification examination was developed by Board staff in conjunction with County Assessors designated by the California Assessors' Association to assist in the development of the examination.

[17] Permanent certification may also be attained by receiving a passing score on the examination given by the Los Angeles County Assessor's office at the conclusion of its one-year Real Property Appraiser Trainee Certification Program or Personal Property Appraiser Trainee Certification Program; section 670(c).

[18] Hosted by American River College—a two-year college in the Los Rios Community College District in Sacramento.

by the Assessor's office or Board Division Chief where the individual is employed. 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. Temporary certification may not be extended past the one-year period.

ADVANCED APPRAISER CERTIFICATION

An appraiser who has held a permanent appraiser certificate for at least three years is eligible for certification as an advanced appraiser. Advanced appraiser certification is achieved through one of the following methods:[19]

1. Successfully completing a course of study prescribed by the Board; or
2. Passing the advanced-level certification examination; or
3. Holding a qualifying designation from a recognized professional appraisal organization.

An applicant for advanced appraiser certification must complete form BOE-747-BC, *Application for Advanced Appraiser Certification*.

Prescribed Course of Study—Advanced Certification

The *prescribed course of study* is a planned series of courses that assists beginning and journeymen appraisers in acquiring the knowledge and skills to attain the designation of advanced appraiser. The designation of *advanced appraiser* means that the appraiser has significant knowledge and ability to understand and apply the cost approach, the comparable sales approach, and the income approach to value properties under the provisions of California law. There is no designation of advanced auditor-appraiser. Auditor-appraisers may attain the designation of advanced appraiser—meaning that they have both the advanced knowledge and ability to value property, and they meet the requirements to perform audits under section 469 or Government Code section 15624.

The selection of courses include, in breadth and depth, value and appraisal concepts, techniques, and procedures for applying the three approaches to value, and specific appraisal information for complex types of property. In order to attain a designation of advanced appraiser, a minimum of ***six appraisal courses*** must be successfully completed. As part of the six required courses, all appraisers and auditor-appraisers must complete the ***three core*** appraisal courses which consist of:

Course 2A	*Replacement Cost Estimating of Residential Structures*
Course 3	*Residential Appraisal Procedures*
Course 5	*Income Approach to Value*

[19] Section 671(b).

In addition to the three core appraisal courses, two of the remaining six courses required must be designated as advanced courses. See Appendix A for a listing of Board-conducted appraisal courses and workshops.

An appraiser or auditor-appraiser may choose to *challenge* one of the Board-conducted appraisal courses, including the core courses, by taking the final exam that is given during classroom sessions of the course being challenged. If the appraiser or auditor-appraiser successfully passes the exam, he or she will only be given training hours for the time allotted for the exam. However, successful challenge of a course will qualify that course toward the requirements for advanced certification.

Courses that are conducted by an organization other than the Board may also qualify toward the requirements for advanced certification. These courses must relate to complex appraisal topics and must include an examination at the conclusion of the training session. A listing of professional organizations that offer educational opportunities in appraising is posted on the Board's website.[20] This listing is not all-inclusive; courses by other providers can be submitted to Board staff for analysis and may be considered toward the prescribed course of study. If courses submitted as part of the prescribed course of study are not Board-conducted courses, then the appraiser must submit form BOE-747-CC, *Application for Advanced Appraiser Certification Supplemental Schedule of Non-BOE Courses.*

Appraisers may pursue the course of study that best suits their needs. Board staff may approve substitutions of courses from sources other than the Board, but to receive credit, proof of relevance of the course curriculum and successful completion of an examination is required for each course. [21] Duplicative or repetitive courses are not considered in completing the required six courses for the prescribed course of study regardless of whether the course was taken from the Board or another source.

Past coursework may be recognized for purposes of advanced appraiser certification, including courses that have been discontinued. However, past courses not conducted by the Board must be approved by the Board (see later discussion regarding training hours). If the course is already listed in the Board's training database, then the appraiser need only provide proof of completion of the course and passage of the course examination.

An appraiser who wishes to receive advanced appraiser certification on the basis of the prescribed course of study must complete Section A on form BOE-747-BC listing the course names, numbers, source, and dates. Board staff will analyze the courses taken, and determine if they constitute an acceptable course of study. If they meet the qualifications, an advanced appraiser certificate will be issued.

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[20] www.boe.ca.gov/proptaxes/castraining.htm.

[21] Completion of the Real Property Appraiser Trainee Certification Program or the Personal Property Appraiser Trainee Certification Program conducted by the Los Angeles County Assessor's office satisfies completion of courses PropTx 310, 2A, 3, and 5.

Advanced Certification Examination

The second method by which an appraiser can receive advanced appraiser certification is by passing an advanced-level examination developed by the Board in consultation with the California Assessors' Association. The 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. This examination may be taken by an appraiser who has held a permanent appraiser certificate for at least three years. Approval by the applicable Assessor's office or Board Division Chief is required before this examination will be scheduled. This examination is given on an as-requested basis.

An appraiser seeking advanced appraiser certification on the basis of the advanced-level examination must complete Section C on form BOE-747-BC attesting to passing the examination. A copy of the letter from the Board notifying the applicant that he or she passed the examination must accompany the *Application for Advanced Appraiser Certification*. Board staff will verify that the applicant successfully completed the examination and an advanced appraiser certificate will be issued.

Professional Designations

The third method by which an appraiser can receive advanced appraiser certification is through the holding of certain appraisal designations (or classifications). The Board recognizes the designations listed in the following table for purposes of qualifying for advanced appraiser certification. This listing is not inclusive of all designations; rather, it reflects the designations that are currently approved by Board staff as qualifying for advanced certification. For each of the designations listed in below, candidates pass a comprehensive appraisal examination in addition to completing a specified number of hours of work experience in order to attain the professional designation.

ORGANIZATION	DESIGNATION/CLASSIFICATION
Appraisal Institute	MAI (Member, Appraisal Institute)[22]
International Association of Assessing Officers (IAAO)	CAE (Certified Assessment Evaluator) CPE (Certified Personalty Evaluator)
American Society of Appraisers	ASA (Accredited Senior Appraiser)
California Bureau of Real Estate Appraisers (formerly Office of Real Estate Appraisers)	AG (Certified General Appraiser)

Other designations from professional appraisal organizations may qualify after being reviewed and approved by Board staff. However, the designation of "General Appraiser" issued in states other than California would not qualify toward advanced certification. The designation of Certified General Appraiser issued by the California Bureau of Real Estate Appraisers involves training in areas specific to California such as ethics, standards, and compliance with California Business and Professional Code sections 11300, et seq., and California Code of Regulations sections 3500, et seq.

An appraiser seeking advanced appraiser certification on the basis of a professional appraisal designation must complete Section B on form BOE-747-BC identifying the designation held. A copy of the designation certificate issued by the appraisal organization or other relevant evidence must accompany the *Application for Advanced Appraiser Certification*. Board staff will review the information submitted and issue an advanced appraiser certificate to a qualified applicant.

VALIDITY OF AN APPRAISER CERTIFICATE

Once an individual is certified (permanent or advanced), he or she holds a valid appraiser certificate for purposes of section 670. The certificate is issued as a condition of employment in an Assessor's office or at the Board in the performance of appraisal duties. The appraiser certificate is valid for no other purpose. The following language is included on the bottom of the certificate issued to each appraiser:

> This certificate is the property of the State of California, and in the event of its suspension, revocation or invalidation for any reason, it must, upon demand, be returned to the State Board of Equalization.

An appraiser certificate is suspended or invalidated when the individual holding the certificate:

- Is no longer an employee of an Assessor's officer or of the Board; or

[22] The Appraisal Institute previously had a designation for Senior Real Estate Analyst and Senior Real Property Appraiser; these designations will also be recognized for purposes of advanced certification.

- Is no longer performing the duties of an appraiser for property tax purposes in an Assessor's office or at the Board.

Once a person is no longer employed by an Assessor or the Board as an appraiser, that individual is prohibited from stating or implying that he or she is a certified property tax appraiser or holds an appraiser certificate issued by the Board. Further, the certificate may not be displayed or referred to in an advertisement or on business cards of appraisers seeking fees for their services. However, a former employee may 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.

If the Board demands the return of a certificate that has been suspended or invalidated, the former appraiser must comply with the request from the Board.

CHANGE IN EMPLOYMENT STATUS

When an appraiser has a change in employment status with a County Assessor's office or at the Board—where they are no longer an active appraiser (terminated, retired, deceased, inactive, leave of absence)—that information must be sent to the Board using form BOE-743-A, *Report of Property Appraisers' Change in Employment Status*. This change will be entered in the Board's training database.

RE-EMPLOYMENT OF PERMANENTLY CERTIFIED APPRAISERS

A previously certified appraiser can have his or her appraiser certificate reinstated after leaving the employment of an Assessor or the Board if he or she:

- Becomes re-employed as an appraiser in an Assessor's Office;
- Becomes re-employed as an appraiser at the Board; or
- Becomes elected or appointed to the Office of Assessor.[23]

The appraiser certificate becomes *active* upon the Board's receipt of a notice of re-employment on form BOE-743-A. The form must list the current employer, the date of current employment, the name of the prior employer, and the appraiser certification number if known.

Assessors' offices and the Board occasionally employ or re-employ *retired* appraisers for special projects or during peak work periods. In such circumstances, the appraiser certificate will be considered *active* upon the Board's receipt of written notice that the appraiser will be employed as of a specific date. Form BOE-743-A should also be used in these instances. Retired appraisers re-entering the workforce must also comply with the annual training hour requirements in order to maintain their certification.

CONTRACT APPRAISERS

A *contract appraiser* is a non-employee appraiser who contracts to perform appraisal work for an Assessor. A contract appraiser must hold a valid appraiser certificate in order to perform appraisal work in an Assessor's office.

[23] Rule 283(c).

If a contract appraiser does not already hold an appraiser certificate, the Assessor's office that hires the contract appraiser must submit form BOE-740-A for the contractor. The Board will grant a temporary appraiser certificate if the contractor meets the requirements for certification. If the contract appraiser's duties include completing audits, the contract appraiser must also meet the requirements for an auditor-appraiser. The temporary appraiser certificate is valid for a maximum period of one year, but is automatically reinstated when there is a break in service of less than six months duration. If the break in service equals or exceeds six months, a new temporary appraiser certificate must be issued.[24]

REQUIREMENTS FOR RETAINING AN APPRAISER CERTIFICATE

ANNUAL TRAINING REQUIREMENTS

Individuals who hold a permanent appraiser certificate are required to receive 24 hours of Board-conducted or Board-approved training annually.[25] Training hours are required beginning with the fiscal year following the fiscal year in which the appraiser becomes permanently certified.

Holders of advanced appraiser certificates must receive 12 hours of Board-conducted or Board-approved training each year. The 12-hour requirement begins in the same fiscal year that advanced certification is granted. Each certified appraiser is responsible for meeting his or her annual training requirements.

Failure to ***annually*** obtain the required training constitutes grounds for revocation of an appraiser certificate.[26]

Carryover of Training Hours

Although section 671 specifies that a certain number of training hours must be completed each year, excess hours earned may be carried forward for credit.[27] Appraisers may apply training hours accrued in excess of the annual requirement to any deficits that occur in succeeding years:

- Up to three years and a maximum of 72 hours for the permanent appraiser certification
- Up to two years and a maximum of 24 hours for the advanced appraiser certification

Additionally, 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 requirements.

[24] Rule 282(d).
[25] Section 671.
[26] Section 671; Rule 284, *Retention and Revocation of Appraiser Certificate.*
[27] Rule 284.

TRACKING TRAINING STATUS

The Board maintains records of training for all certified appraisers to ensure that appraisers remain current in the training requirements for appraiser certification. The record for each appraiser consists of:

- A listing of courses by fiscal year showing the date of completion and number of training hours granted;
- A computation that indicates the appraiser's training status—whether current or deficit in training hours; and
- A computation of any excess/surplus training hours that may be carried over to subsequent years.

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 certification, training status is based on hours accumulated during the past two years plus the current year. The Board calculates training hours on a first-in/first-out methodology (the "oldest" training hours are applied first to meet any current year's training requirement).

For purposes of a ***permanent appraiser certificate***, an appraiser may carry forward a maximum of 72 hours to meet the training requirements of future years. Any hours that an appraiser earned more than three years prior cannot be used to meet subsequent year's training requirements, and those hours will be removed from the training record.

For purposes of an ***advanced appraiser certificate***, an appraiser may carry forward a maximum of 24 hours to meet the training requirements of future years. Any hours that an appraiser earned more than two years prior cannot be used to meet subsequent year's training requirements, and those hours will be removed from the training record.

APPROVAL AND DETERMINATION OF TRAINING HOURS CREDITED

Board staff is responsible for approving the type and number of hours granted for training of certified property appraisers to fulfill the annual training requirement.[28] Appraisers wishing to obtain training credit hours for training conducted by non-Board sources must submit information about the training, through the Assessor's training coordinator, to Board staff using form BOE-745-A, *Request for Course Approval*. It is not necessary to submit these forms if the training is conducted by the Board; Board staff will automatically add such successfully completed training to an appraiser's training record.

Form BOE-745-A must be accompanied by a copy of the agenda, lesson plan, or published course description. Board staff will review the request and evaluate the relevance of the course for appraisal training credit and determine if the training is approved. If approved, Board staff will notify the Assessor's training coordinator of the number of training hours to be credited and

[28] Section 671.

issue a Course Approval Reference (CAR) number for the training. The CAR should be listed on all subsequent requests for training hours for the same training session. It is always best to seek approval prior to taking training conducted by sources other than the Board; however, training hours can be credited if the course material is approved after the fact.

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—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. Generally, training considered for appraiser training credit consists of appraisal courses, real estate courses, college-level accounting or auditing courses, and certain other courses determined in consultation with the California Assessors' Association. Seminars, workshops, and conferences can also be considered for appraiser training credit.

Appraisal Courses

Appraisers attending approved appraisal courses will receive one hour of credit for each hour of instruction. Training may be classroom-based training or taken online.

For appraisal courses offered by an organization other than the Board but approved by Board staff, training credit will be granted if the appraiser successfully completes the course. For courses conducted by the Board, the number of training hours credited depends on whether the appraiser passes the course examination. Credit is based on the number of instructional hours completed with hours for the examination calculated separately. Procedures for granting training hours for appraisers who do not successfully pass the examination for a Board course are:

- If a student receives a score of less than 50 percent on the course examination, no training hours will be granted for the instructional hours or the examination hours.

- If a student receives a score between 51 percent and 69 percent, training credit will be granted for the instructional hours only; credit will not be given for the hours spent taking the examination.

Training hours may be credited a second time for ***Board-conducted classroom courses*** previously taken if at least five years have passed since the student previously completed the course and received training credit. Similarly, an appraiser may also receive training credit once every five years for teaching a course, 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 unless the course material has been substantially revised.

While it is ***highly recommended***, an appraiser is not required to attend a Board-conducted course in order to obtain appraiser training credit for that course. An appraiser is permitted to challenge a course by taking the final examination; training credit will be granted for the examination time only. If the appraiser attains a passing score on the examination, the course will qualify for

recognition as part of the required course of study for purposes of advanced appraiser certification.

Nonappraisal Real Estate Courses

To encourage appraisers to become familiar with the various aspects of the real estate field, a variety of real estate courses may be approved for training credit. The courses may be offered by a college or other organization. Examples of qualifying nonappraisal real estate courses include, but are not limited to, real estate economics, real estate principles, and real estate practices. Courses in real estate sales and brokerage are not counted toward appraisal training credit because they are not designed to improve or maintain an individual appraiser's competence in the field of appraisal.

Credit for college-level nonappraisal real estate courses will be allowed at a rate of 12 hours per semester unit or 9 hours per quarter unit. For example:

- An appraiser successfully completing a three-unit, one semester course, would receive 36 hours of appraisal training credit.
- An appraiser successfully completing a three-unit, one quarter course, would receive 27 hours of appraisal training credit.

Accounting and Auditing Courses

Accounting and auditing courses may be approved for auditor-appraisers and for the cross-training of real property appraisers. Credit for college-level accounting or auditing courses will also be allowed at a rate of 12 hours per semester unit or 9 hours per quarter unit as described above.

Other Qualifying Courses

Courses that do not fall into the real estate, accounting, or auditing categories may also be recognized for appraiser training credit if such courses fall within the four types described below:[29]

1. Spreadsheet programs, such as Microsoft Excel, where the computer software is the foundation for an appraisal tool required for use by the appraiser.
2. Database programs, such as Microsoft Access or MegaByte, where the computer software is the foundation for an appraisal tool required for use by the appraiser.
3. Geographic Information System (GIS) programs, such as ArcGIS, where the computer software is the foundation for an appraisal tool required for use by the appraiser.
4. Appraiser ethics where the class directly pertains to appraiser ethics and does not apply to general ethics or conflict of interest matters.

[29] These courses were agreed upon by Board staff in consultation with the California Assessors' Association.

Seminars and Workshops

Seminars and workshops sponsored by various appraisal organizations may be recognized for appraiser training credit hours if the objectives and content of the programs are consistent with ***developing and/or enhancing the skill and expertise of appraisers or auditor-appraisers***. Only those portions of a program in furtherance of this goal will be counted toward training credit, and those portions 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 will be separately evaluated based on the agenda.

California Assessors' Association Conferences and Meetings

Conferences and meetings of the California Assessors' Association (CAA) and organizations affiliated with the CAA (for example, CAA Subcommittee meetings, Assessors' Chief Appraiser meetings), may be approved for training credit on the same basis as seminars and workshops presented by appraisal organizations. Such conferences or meetings are approved for training credit when they are designed to improve assessment practices in Assessors' offices or the Board. The conference or meeting must follow a prescribed agenda that includes speakers on specific assessment topics. The number of hours approved will be based on a review of the agenda for the conference or meeting.

The host agency is responsible for submitting a request for approval using form BOE-745-A, *Request for Course Approval*. The host agency is also responsible for submitting a list of attendees (including each appraiser's certificate number) to Board staff so that the approved hours can be entered into the training database.

PROCEDURES FOR REVOKING AN APPRAISER CERTIFICATE

The training requirement for those certified either as an appraiser or advanced appraiser must be met ***in each fiscal year***. Failure to obtain such training will constitute grounds for revocation of the appraiser certificate or advanced appraiser certificate.[30]

The prescribed steps and procedures relating to revocation of certification are:

1. A letter, accompanied by a copy of the training report, will be sent by (a representative of) the Board to the appraiser and to the Assessor or appropriate Board Division Chief.

2. The appraiser will have 30 days to review the training report and respond to the Board, submitting documentation of any training hours not reflected in the report, as well as any other pertinent corrections or changes. Board staff then will have 30 days to modify the training report, if necessary, and respond back to the appraiser.

[30] Section 671; Rule 284.

3. If a training deficiency still exists, a written plan for resolving the deficiency and for meeting additional current training requirements must be prepared, submitted by the appraiser, and received by Board staff within 10 days.

4. If a written plan is not received by Board staff within 10 days, Board staff will contact the appraiser. If another 10 days pass without receipt of a written plan, Board staff will send a certified letter to the appraiser, with copies to the Assessor or Board Division Chief, noticing the parties of a scheduled conference call or meeting with Board staff.

5. During the scheduled conference call or meeting, the parties will discuss and establish a plan to resolve the deficiency and how to meet the current fiscal year training requirements.

6. If an acceptable plan is presented by the appraiser, Board staff will notify the appraiser and the Assessor or Board Division Chief of their concurrence with the plan. No further action will be taken unless the appraiser does not adhere to the agreed-upon plan.

7. If the appraiser fails to participate in a discussion or to follow through in execution of an established plan, the Deputy Director of the Property Tax Department will be informed that formal revocation proceedings should be initiated. The appraiser and Assessor or Board Division Chief will be informed of this by certified letter.

8. Formal revocation proceedings will then take place in a hearing before an Administrative Law Judge in conformance with the requirements of the *Administrative Procedure Act*.[31]

VALUATION ACTIVITIES FOR NONCERTIFIED STAFF

REAL PROPERTY

A noncertified appraiser trainee or appraiser aide (assistant) may 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 the manual or automated cost value for review by a certified appraiser.

- ***Sales Comparison Approach***. The assistant may:

[31] Chapter 5 (commencing with section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

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. Process information into value indicators.

- ***Income Approach***. The assistant may:
  1. 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 an appraisal:

1. An appraisable event has occurred.
2. The correct property was inventoried.
3. The description of the property is accurate.
4. The computations are accurate.
5. 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 from percent good tables. Assistants must, however, refer exceptional items and those including taxpayer comments to a certified appraiser for resolution. Assistants may not make decisions 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 the Assessor's office. However, a certified appraiser must verify that the items are properly described and assessable. Ultimately, a certified appraiser must review the resulting value estimate.

TRAINING OFFERED BY THE BOARD

Board staff offers various types of educational opportunities providing certified property tax appraisers with the means to obtain appraiser training credit. The training is designed to meet the needs of appraisers in attaining an understanding of the basic principles of property appraisal and assessment. Training is provided in the form of courses, workshops, and webinars where instruction is given either in a classroom or online.

CLASSROOM-BASED TRAINING

Board staff offers training courses and workshops where the instruction is provided in a formal classroom setting. Board staff conducts core appraisal courses, and advanced level courses which cover complex property types and/or assessment issues. The advanced courses are intended to further develop an appraiser's knowledge of more advanced appraisal issues and techniques.

In addition to formal classroom courses, Board staff conducts workshops and webinars on various appraisal topics. Scheduled courses, workshops, and webinars are posted on the Board's website at www.boe.ca.gov/proptaxes/castraining.htm.

ONLINE TRAINING

Board staff offers many types of online training opportunities in the form of eLearning, self-study training sessions, webinars, and self-paced online learning sessions.

eLearning Courses

In collaboration with the Los Rios Community College District, the Board has developed two eLearning appraisal courses that are taught through American River College. Both courses are taught by Board staff. The course titled *Introduction to Appraising for Property Tax Purposes* provides students with an overview of property taxation and fundamentals in property tax appraisal. The course titled *Appraisal of Personal Property and Fixtures* covers the principles of property tax appraisal for the assessment of personal property and fixtures. Appraiser training credit for these courses is available in the amounts of 30 hours and 31 hours, respectively. Both courses can be recognized as part of the required course of study for purposes of advanced appraiser certification. See Appendix A for a more detailed description of these two eLearning courses.

Self-Study Training Sessions

Self-study training sessions are available covering various real and personal property topics. Each session involves reading existing guidance (for example, a section of the *Assessors' Handbook*) and answering a series of review questions to ensure that the appraiser understands the topic. The review questions are designed to be completed as an open-book assignment while the appraiser completes the reading assignment for the session. The self-study training sessions are available on the Board's website at www.boe.ca.gov/proptaxes/selfstudy.htm. All documents and instructions for the sessions are posted to the webpages for each session.

To obtain training credit for completing a self-study training session, the appraiser must submit a copy of the answered review questions and certification document (posted on each session webpage) attesting to completion of the reading assignment. If the appraiser correctly answers at least 80 percent of the open-book review questions, then the applicable hours of training will be credited.

The self-study training sessions cannot be used to attain an advanced appraisal certificate, but they can be used for the annual training hours for an appraiser or auditor-appraiser holding a

permanent or advanced appraiser certificate. The self-study training sessions may not be repeated for training credit.

Webinars

In conjunction with the California Assessors' Association and its affiliates, Board staff also facilitates and conducts appraisal training and education through the medium of webinars, thus enabling participants to receive the training either from their own computers or at designated locations throughout the state. This training format entails viewing instructional materials, presentations, and documents with facilitator/instructor-led instruction and interactive discussion taking place in an online environment. Counties participating in webinar sessions must submit to Board staff the names and appraiser certification numbers of attendees in order to receive training credit. The webinar training sessions may not be repeated for training credit.

Self-Paced Online Learning Sessions

Another form of appraisal training conducted by Board staff is self-paced learning sessions that are comprised of online instruction provided through structured reading, illustrated examples, and check-your-knowledge questions. This training is taken at the appraiser's own pace and convenience. The self-pace learning sessions are available on the Board's website at www.boe.ca.gov/proptaxes/castraining.htm.

The self-paced learning sessions are accepted for purposes of advanced certification, ***provided*** that the total course credit ascribed to the training is no less than 24 hours, and a passing score of at least 70 percent is achieved by the appraiser in the final examination for the session. NOTE: Some of the self-paced sessions are not accepted toward advanced certification because they are of a duration less than 24 hours. However, any of the sessions can be used toward the annual training hours for an appraiser or auditor-appraiser holding a permanent or advanced certificate. The self-paced training sessions may not be repeated for training credit.

COURSE SCHEDULING

Board staff annually surveys Assessors' offices to identify appraisal training needed by their staff. Subsequently, courses and workshops are scheduled based on the number of requests received, their geographic location, and the availability of Board staff to instruct the courses and workshops. Training coordinators in the Assessors' offices are contacted to assist in obtaining classroom facilities and to assist in enrolling students in scheduled courses. The schedule of courses and workshops are posted on the Board's website at:

www.boe.ca.gov/proptaxes/castraining.htm.

When the registration period is open for certain classes, Board staff will notify the Assessors' training coordinators via email of the course or workshop date, the location of the training session, and ask if any appraisers are interested in attending the session. The training coordinator must complete form BOE-746-A, *Course Registration*, and submit it to Board staff. The training coordinator should be mindful of any "prerequisite" training that may be ***required*** for various Board courses, and ensure that any appraisers being registered for a course meet the prerequisite

requirements. Upon review of the registration forms, Board staff will advise training coordinators of attendees that have been registered for the class.

APPENDIX A: BOE CONDUCTED COURSES AND WORKSHOPS

LISTING OF APPRAISAL COURSES

	Title of Course	***Appraisal Hours Granted***
2A	*Replacement Cost Estimating of Residential Structures*	24
2B	*Replacement Cost Estimating of Commercial and Industrial Structures*	30
3	*Residential Appraisal Procedures*	24
5	*Income Approach to Value*	32
7	*Appraisal of Agricultural Property****	31
8	*Appraisal of Machinery and Equipment*	31
9	*Appraisal of Taxable Possessory Interests****	31
18	*Auditing Procedures**	30
28	*Advanced Auditing**	24
52	*Valuation of Restricted (Open-Space) Lands****	24
56	*Advanced Sales Comparison and Income Capitalization Approaches****	31
120	*Investment Mathematics and Financial Calculators****	31

***Advanced-level course**

LISTING OF WORKSHOPS

	Title	***Appraisal Hours Granted***
NC	*New Construction*	6
MP	*Appraisal of Mineral Properties*	12

COURSE DESCRIPTIONS

COURSE 2A --------- Replacement Cost Estimating of Residential Structures

Course 2A is designed to acquaint beginning real property appraisers and auditor-appraisers with recommended methods and procedures to use when making replacement cost estimates of single- and multiple-family residences.

This course begins with a review of the cost concept and then provides instruction in the use of the Standard Classification System for residential buildings. Through case studies, the students will learn to select and apply unit costs from Assessors' Handbook Section 531, *Residential Building Costs*. The course covers techniques for recognizing and estimating depreciation.

Prerequisites: None

Pre-reading: Assessors' Handbook Section 531, *Residential Building Costs*, Chapters 531.10, 531.20, 531.21, 531.22, 531.30, 531.40, 531.50, and 531.70.

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 21 hours of instruction 3-hour examination 24 hours total

COURSE 2B --------- Replacement Cost Estimating of Commercial and Industrial Structures

Course 2B is designed to acquaint real property appraisers on the use of Marshall & Swift's *Marshall Valuation Service* to properly estimate the cost of commercial and industrial properties. The course begins with a discussion of the cost concept, different types of depreciation, various types of building materials, and classes of construction. The students will estimate the replacement cost of different types of buildings, including estimating depreciation.

Prerequisites: None

Pre-reading: Assessors' Handbook Section 501, *Basic Appraisal*, Chapter 6.

Course Credit: 28 hours of instruction 2-hour examination 30 hours total

COURSE 3 ---------- Residential Appraisal Procedures

Course 3 provides instruction in appraisal procedures with an emphasis on the comparative sales approach. This course focuses on the appraisal of single-family residential property. It includes some exposure to market analysis procedures for income-producing residential properties. Students learn to analyze and adjust sales to reflect market value and conditions, including cash equivalent procedures. They will study methods of estimating land value and learn to make sales comparisons with properties selected for reappraisal.

Students practice these techniques and reconcile the indicators of value into value conclusions as they solve drill problems.

Prerequisites: None

Pre-reading: Assessors' Handbook Section 501, *Basic Appraisal*, Chapters 5 and 6; and Assessors' Handbook Section 503, *Cash Equivalent Analysis*.

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 21 hours of instruction 3-hour examination 24 hours total

COURSE 5 ---------- Income Approach to Value

Course 5 is designed to meet the needs of the real property appraiser or auditor-appraiser with little or no experience in the appraisal of income-producing properties. It offers an explanation of the basic assumptions of the income approach and takes the appraiser through the various steps of the capitalization process for both real and personal property

Students are shown recommended methods of collecting and recording information that is to be analyzed and processed in the income approach. They learn how to estimate the gross income of a property and to process that estimate into an estimate of net income. Then, they learn the various techniques for extracting rates and income multipliers, and how to capitalize income estimates into indicators of value. The students are called upon to demonstrate these techniques as they solve drill problems.

Prerequisites: None

Pre-reading: Assessors' Handbook Section 501, *Basic Appraisal*, Chapters 5 and 6*;* and Property Tax Rule 8.

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 29 hours of instruction 3-hour examination 32 hours total

COURSE 7 ---------- Appraisal of Agricultural Property
(Advanced-level course)

Course 7 is designed to provide real property appraisers and auditor-appraisers with an overview of the methods and techniques of appraising agricultural properties. The course is intended for students with limited experience in appraising these types of properties.

The course presents an introduction into the nature of agricultural properties and the characteristics of value that distinguish these properties from other property types, and reviews the appraisal process in the context of agricultural property. The course offers a review of the appraisal processes for valuing agricultural property. Specific types of agricultural property covered include row crop and field cropland, dry farm and grazing land, and permanent plantings. Students solve drill problems specific to the needs of the agricultural appraiser.

Prerequisites: Course 5, *Income Approach to Value*; or *Time Value of Money—Six Functions of a Dollar*.

Pre-reading: Assessors' Handbook Section 521, *Assessment of Agricultural and Open-Space Properties*, Part 1.

Calculator: Students are required to bring a financial calculator (or battery-operated calculator and compound interest and annuity tables) to the class.

Course Credit: 28 hours of instruction 3-hour examination 31 hours total

COURSE 8 ---------- Appraisal of Machinery and Equipment

Course 8 introduces the beginning auditor-appraiser and real property appraisers to the fundamental concepts used in the appraisal of machinery and equipment. This course begins with a short review of value concepts and the pertinent provisions of the Revenue and Taxation Code and Property Tax Rules. This course focuses on the classification of equipment as either improvements or personal property. Students are taught to recognize and estimate depreciation and to prepare and compare market value estimates with base year values. The course describes methods of collecting and processing data.

Prerequisites: None

Pre-reading: None

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 28 hours of instruction 3-hour examination 31 hours total

COURSE 9 ---------- Appraisal of Taxable Possessory Interests
(Advanced-level course)

Course 9 addresses the appraisal of private interests in publicly owned real property. The course is designed primarily for experienced real property appraisers and auditor-appraisers whose responsibilities include the appraisals of taxable possessory interests.

The course explains the nature of such interests, the legal basis for their assessment, and the effect of judicial decisions on possessory interest assessment. The various types of taxable possessory interests are described, and the prescribed valuation methods for taxable possessory interests are explained. Students apply these methods in the solution of drill problems.

Prerequisites: Course 5, *Income Approach to Value*; or an equivalent course.

Pre-reading: Assessors' Handbook 510, *Assessment of Taxable Possessory Interests*, Chapters 1 – 4.

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 28 hours of instruction 3-hour examination 31 hours total

COURSE 18 ---------- Auditing Procedures
(Advanced-level course)

Course 18 offers auditor-appraisers and real property appraisers an opportunity to learn step-by-step auditing procedures and techniques for performing property tax audits. Students will learn how to set up standardized working papers and how to submit a standardized audit report with the appraisal. Selection of audits and the need for good public relations are among the topics discussed.

Prerequisites: Course 8, *Appraisal of Machinery and Equipment*, or an equivalent course

Pre-reading: Assessors' Handbook Section 506, *Property Tax Audits and Audit Program*.

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 28 hours of instruction 2-hour examination 30 hours total

COURSE 28 ---------- Case Study Auditing
(Advanced-level course)

Course 28 is case study derived auditing class that includes in-depth studies in equipment and supplies auditing. This course covers auditing procedures, write-ups, and valuation concepts. This course also includes special topics such as commercial aircraft auditing, trade level, supplies, and others.

Prerequisites: Course 8, *Appraisal of Machinery and Equipment*; and Course 18, *Auditing Procedures*.

Pre-reading: Assessors' Handbook Section 506, *Property Tax Audits and Audit Program.*

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 28 hours of instruction 2-hour examination 30 hours total

COURSE 52 ---------- Valuation of Restricted (Open-Space) Lands
(Advanced-level course)

Course 52 addresses the assessment of open-space properties—those types of properties that may be enforceably restricted under section 8 of article XIII of the California Constitution. The course focuses on land that is enforceably restricted under the California Land Conservation Act (Williamson Act), which is the most significant open-space program. The course is designed for real property appraisers and auditor-appraisers that have limited experience in the valuation of these types of properties.

Students are introduced to the various types of open-space programs, the legal aspects of these programs, and the prescribed valuation methods for open-space properties. Students work drill problems covering the valuation and assessment of open space properties.

Prerequisites: Course 5, *Income Approach to Value*; and Course 7, *Appraisal of Agricultural Property*; or equivalent courses.

Pre-reading: Assessors' Handbook Section 521, *Assessment of Agricultural and Open-Space Properties*, Part II, Chapters 1 – 10 and 12).

Calculator: Students are required to bring a battery-operated calculator to the class.

Course Credit: 21 hours of instruction 3-hour examination 24 hours total

COURSE 56 --------Advanced Sales Comparison and Income Capitalization Approaches
(Advanced-level course)

Course 56 is designed for real property appraisers and auditor-appraisers actively involved in the appraisal of income-producing properties. The comparative sales approach and different income approach techniques will be presented. The course is developed around case studies and other

drill problems. In order to solve case study problems, participants must draw from their experience and consider a number of factors that can influence the sale price of such properties. Other subjects include selection of capitalization methods, techniques, and rates that are appropriate for valuing different types of properties.

Prerequisites: Course 5, *Income Approach to Value*, or *Time Value of Money—Six Functions of a Dollar*, and at least three years of experience in the appraisal of income-producing properties.

Pre-reading: Assessors' Handbook Section 502, *Advanced Appraisal*.

Calculator: Students are required to bring a financial calculator (or battery-operated calculator and compound interest and annuity tables) to the class.

Course Credit: 28 hours of instruction 3-hour examination 31 hours total

COURSE 120 -------- Investment Mathematics and Financial Calculators
(Advanced-level course)

Course 120 covers various mathematical procedures and models used in valuation, including the use of financial calculators. Topics include compound interest functions, cash flow diagrams, discounted cash flow analysis, net present value, internal rate of return, and applications involving cash equivalency and the income approach. The basic features and applications of HP 12c financial calculator are also discussed.

Prerequisites: Course 5, *Income Approach to Value*, or *Time Value of Money—Six Functions of a Dollar*, and knowledge of basic algebraic operations.

Pre-reading: Assessors' Handbook Section 505, *Capitalization Formulas and Tables*, Chapters 1 – 4.

Calculator: Students must bring a financial calculator to the class; the HP 12c is preferred.

Course Credit: 28 hours of instruction 3-hour examination 31 hours total

COURSE 310---------- Introduction to Appraising for Property Tax Purposes

This course introduces new real property appraisers and auditor-appraisers to the fundamentals of appraising for property tax purposes. The course will present the various appraisal approaches and significant appraisal principles for all types of property. The course covers the economic aspects and legal definitions of market value and California property tax laws. This is an online class, taught through American River College, a two-year public college in the Los Rios Community College District.

Prerequisites: None

Texts: Assessors' Handbook Section 501, *Basic Appraisal;* Assessors' Handbook Section 531, *Residential Building Costs.*

Course Credit: 30 hours total

COURSE 311 --------- Appraisal of Machinery & Equipment (Assessment of Personal Property and Fixtures)

This course covers the principles of property tax appraisal for tax assessment of personal property and fixtures. Topics include the economic aspects and legal definitions of market value, California property tax laws and regulation, the appraisal process, and methods of valuation. This is an online class, taught through American River College, a two-year public college in the Los Rios Community College District.

Prerequisites: None

Texts: Assessors' Handbook Section 504, *Assessment of Personal Property and Fixtures;* Assessors' Handbook Section 582, *Equipment and Fixtures Index, Percent Good and Valuation Factors.*

Course Credit: 32 hours total

WORKSHOP DESCRIPTIONS

NC ---------- New Construction

This 6-hour workshop provides a brief overview of the laws involving new construction, including a discussion of the various new construction exclusions. The workshop applies the laws to typical new construction situations. Topics include additions to real property, garage conversions, tenant improvements, normal maintenance and repair, substantially equivalent to new, change in use, date of completion of construction, unique construction issues, and the active solar energy new construction exclusion.

Prerequisites: None

Pre-reading: Assessors' Handbook Section 410, *Assessment of Newly Constructed Property*

Calculator: Students are required to bring a battery-operated calculator to the class.

MP ---------- Appraisal of Mineral Properties

This 12-hour workshop covers the appraisal of mining (including mines and quarries). The workshop is designed to provide a basic understanding of the components and complexities of mining property appraisals. The workshop covers the following topics: geology, mine engineering, hard mineral production, and reserve estimates.

Approximately 50 percent of the workshop will be spent on drill problems, giving the student an opportunity to work and discuss examples employing the income approach in establishing a value for hard mineral properties.

Prerequisite: None

Pre-reading: Assessors' Handbook Section 560, *Assessment of Mining Properties*, Chapters 1 – 3.

Calculator: Students are required to bring a battery-operated calculator to the class.