

ARTICLE 20:14

APPRAISERS

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CHAPTER 20:14:01

GENERAL PROVISIONS

Section	
20:14:01:01	<u>(Effective through September 30, 2023) Definitions. (Effective October 1, 2023)</u>
<u>Definitions.</u>	

20:14:01:01. (Effective through September 30, 2023) Definitions. As used in this article:

(1) "Appraisal," the act or process of developing an opinion of value of real estate for another and for compensation;

(2) "Appraisal Foundation," the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois;

(3) "Appraiser Qualifications Board," the independent board of the Appraisal Foundation which sets the qualification standards for appraisers;

(4) "Appraisal Standards Board," the independent board of the Appraisal Foundation which sets the appraisal standards for appraisers;

(5) "Appraisal Subcommittee," the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(6) "Appraiser," a person who has been issued by the department a state-certified general, state-certified residential, state-licensed, or state-registered appraiser credential to perform appraisals;

(7) "Bio-metric proctoring," continually verifying the identity of the student through processes, such as facial recognition, consistency in keystroke cadence, or the observation of activity in the testing location;

(8) "Credential," the certificate, license, or registration issued to a successful applicant for state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, or state-registered appraiser, as applicable;

(9) "Class hour," 50 minutes out of each 60-minute segment;

(10) "Complex nonresidential property," the nonresidential property to be appraised, the form of ownership, or market conditions are atypical;

(11) "Complex one- to four-family residential property," the residential property to be appraised, the form of ownership, or market conditions are atypical, as described in § 20:14:04:09;

(12) "Department," the Department of Labor and Regulation;

(13) "Distance education," any education process based on the geographical separation of student and instructor;

(14) "Evaluation," a valuation of real estate prepared for a federally insured depository institution for a transaction that, pursuant to regulations promulgated by one or more federal financial institution regulatory agencies, qualifies for the appraisal threshold exemption, business loan exemption, or subsequent transaction exemption;

(15) "Fed," the Board of Governors of the Federal Reserve System;

(16) "Federal financial institutions regulatory agencies," any of the following, as applicable: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the National Credit Union Administration;

(17) "FDIC," the Federal Deposit Insurance Corporation;

(18) "Financial institutions," institutions regulated by the FDIC, OCC, Fed, and National Credit Union Administration;

(19) "FIRREA," the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, Pub. L. No. 101-73 (August 9, 1989), 103 Stat. 183, 12 U.S.C. §§ 3311, 3310 through 3351 as amended to July 21, 2010;

(20) "Guidelines," the Interagency Appraisal and Evaluation Guidelines that were issued by the federal financial institutions regulatory agencies and the Office of Thrift Supervision on December 2, 2010;

(21) "OCC," the Office of the Comptroller of the Currency, Treasury Department;

(22) "Real estate," as defined in SDCL 36-21A-11;

(23) "Secretary," the secretary of the department;

(24) "State-certified general appraiser," an individual who has satisfied the requirements for the highest level of certification as a real estate appraiser as prescribed in this article;

(25) "State-certified residential appraiser," an individual who has satisfied the requirements for the highest level of residential certification as a real estate appraiser as prescribed in this article;

(26) "State-licensed appraiser," an individual who has satisfied the requirements for mid-level licensure as a real estate appraiser as prescribed in this article;

(27) "State-registered appraiser," an individual who has satisfied the requirements for entry-level registration as a real estate appraiser as prescribed in this article;

(28) "Tract development," a project of five units or more that is constructed or is to be constructed as a single development;

(29) "Uniform standards," Uniform Standards of Professional Appraisal Practice, as incorporated in § 20:14:06:01; and

(30) "Written examination," an exam written on paper, or administered electronically on a computer workstation or other device.

CHAPTER 20:14:01

GENERAL PROVISIONS

Section

20:14:01:01 (Effective October 1, 2023) Definitions.

20:14:01:01. (Effective October 1, 2023) Definitions. As Terms used in this article mean:

(1) "Appraisal," the act or process of developing an opinion of value of real estate for another and for compensation;

(2) "Appraisal Foundation," the Appraisal Foundation established on November 30, 1987, as a not-for-profit corporation under the laws of Illinois;

(3) "Appraiser Qualifications Board," the independent board of the Appraisal Foundation which sets the qualification standards for appraisers;

(4) "Appraisal Standards Board," the independent board of the Appraisal Foundation which sets the appraisal standards for appraisers;

(5) "Appraisal Subcommittee," the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(6) "Appraiser," a person who has been issued by the department a state-certified general, state-certified residential, state-licensed, or ~~state-registered~~ registered trainee appraiser credential to perform appraisals;

(7) "Bio-metric proctoring," continually verifying the identity of the student through processes, such as facial recognition, consistency in keystroke cadence, or the observation of activity in the testing location;

(8) "Credential," the certificate, license, or registration issued to a successful applicant for state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, or ~~state-registered~~ registered trainee appraiser, as applicable;

(9) "Class hour," ~~50~~ fifty minutes out of each ~~60~~ sixty minute segment;

(10) "Complex nonresidential property," the nonresidential property to be appraised, the form of ownership, or market conditions are atypical, as described in § 20:14:04:09;

(11) "Complex one- to four-family residential property," the residential property to be appraised, the form of ownership of the property, or the market conditions of the property are atypical, as described in § 20:14:04:09;

(12) "Department," the Department of Labor and Regulation;

(13) "Distance education," any education process based on the geographical separation of student and instructor;

(14) "Evaluation," a valuation of real estate prepared for a federally insured depository institution for a transaction that, pursuant to regulations promulgated by one or more federal financial institution regulatory agencies, qualifies for the appraisal threshold exemption, business loan exemption, or subsequent transaction exemption;

(15) ~~"Fed," the Board of Governors of the Federal Reserve System;~~

~~(16)~~ "Federal financial institutions regulatory agencies," any of the following, as applicable: the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, or the National Credit Union Administration;

~~(17)~~ (16) "FDIC," the Federal Deposit Insurance Corporation;

~~(18)~~(17) "Financial institutions," institutions regulated by the FDIC, OCC, ~~Fed~~ the Board of Governors of the Federal Reserve System, and National Credit Union Administration;

~~(19)~~ (18) "FIRREA," the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended, Pub. L. No. 101-73 (August 9, 1989), 103 Stat. 183, 12 U.S.C. §§ 3311, 3310 through 3351 as amended to July 21, 2010;

~~(20)~~(19) "Guidelines," the Interagency Appraisal and Evaluation Guidelines that were issued by the federal financial institutions regulatory agencies and the Office of Thrift Supervision on December 2, 2010;

~~(21)~~ (20) "OCC," the Office of the Comptroller of the Currency, Treasury Department;

~~(22)~~ (21) "Real estate," as defined in SDCL 36-21A-11;

(22) "Registered trainee appraiser," an individual who has satisfied the requirements for the trainee level registration as a real estate appraiser, as prescribed in this article;

(23) "Secretary," the secretary of the department;

(24) "State-certified general appraiser," an individual who has satisfied the requirements for the highest level of certification as a real estate appraiser, as prescribed in this article;

(25) "State-certified residential appraiser," an individual who has satisfied the requirements for the highest level of residential certification as a real estate appraiser, as prescribed in this article;

(26) "State-licensed appraiser," an individual who has satisfied the requirements for mid-level licensure as a real estate appraiser, as prescribed in this article;

~~(27) "State-registered appraiser," an individual who has satisfied the requirements for entry-level registration as a real estate appraiser as prescribed in this article;~~

~~(28)~~ "Tract development," a project of five units or more that is constructed or is to be constructed as a single development;

~~(29)~~(28) "Uniform standards," Uniform Standards of Professional Appraisal Practice, as incorporated in § 20:14:06:01; and

~~(30)~~ (29) "Written examination," an exam written on paper, or administered electronically on a computer workstation or other device.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 25 SDR

123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 27 SDR 99, effective April 8, 2001; 30 SDR 58, effective November 5, 2003; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019; 47 SDR 71, effective December 14, 2020; 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(2).

Law Implemented: SDCL 36-21B-1, 36-21B-3(2).

Reference: **Interagency Appraisal and Evaluation Guidelines**, adopted December 2, 2010, Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the National Credit Union Administration (NCUA). Copies may be obtained free of charge from <https://www.fdic.gov/news/financial-institution-letters/2010/fil10082a.pdf>.

20:14:02:03. (Effective through September 30, 2023) Use of titles in advertising. A credential holder advertising through any media may be identified as a state-certified general appraiser, state-certified residential appraiser, state-licensed appraiser, or state-registered appraiser by listing the appropriate classification title as displayed on the credential issued by the department. For purposes of this section, the term, media, includes newspapers, magazines, business cards, Internet, and directories, including any listing in a telephone directory. No advertising may be misleading in characterizing the credential possessed by the appraiser.

20:14:02:03. (Effective October 1, 2023) Use of titles in advertising. A credential holder advertising through any media may be identified as a state-certified general appraiser, state-certified

residential appraiser, state-licensed appraiser, or ~~state-registered~~ registered trainee appraiser by listing the appropriate classification title as displayed on the credential issued by the department. ~~For purposes of this section, the term, media, includes newspapers, magazines, business cards, Internet, and directories, including any listing in a telephone directory. No~~ A credential holder's advertising may not be misleading in characterizing the credential possessed by the ~~appraiser~~ credential holder.

For purposes of this section, the term, media, includes newspapers, magazines, business cards, Internet, and directories, including any listing in a telephone directory.

Source: 23 SDR 113, effective January 12, 1997; 30 SDR 115, effective February 2, 2004; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(14).

Law Implemented: SDCL 36-21B-1, 36-21B-3(14).

CHAPTER 20:14:04

TRANSACTIONS REQUIRING QUALIFIED APPRAISERS

Section

- 20:14:04:01 Federally related transactions.
- 20:14:04:02 Real estate-related transactions.
- 20:14:04:03 Transaction value.
- 20:14:04:04 Appraisal not required.
- 20:14:04:05 Threshold levels.

- 20:14:04:06 Appraisal by state-certified general appraiser.
- 20:14:04:06.01 Appraisal by state-certified residential appraiser.
- 20:14:04:07 Appraisal by state-licensed appraiser.
- 20:14:04:08 Presumption that one- to four-family residential properties are not complex.
- 20:14:04:09 Final determination of complexity.
- 20:14:04:10 Appraisal by either a state-certified general, state-certified residential, or state-licensed appraiser.
- 20:14:04:11 (Effective through September 30, 2023) Appraisal by state-registered appraiser. (Effective October 1, 2023) Appraisal by state-registered appraiser, Repealed.
- 20:14:04:12 (Effective through September 30, 2023) Assistance by state-registered appraiser in preparation of appraisal reports. (Effective October 1, 2023) Assistance by ~~state-registered~~ registered trainee appraiser in preparation of appraisal reports.
- 20:14:04:12.01 (Effective through September 30, 2023) Registration of supervisory appraiser by state-registered appraiser. (Effective October 1, 2023) Registration of supervisory appraiser by ~~state-registered~~ registered trainee appraiser.
- 20:14:04:12.02 (Effective through September 30, 2023) Responsibility of a state-registered appraiser. (Effective October 1, 2023) Responsibility of a ~~state-registered~~ registered trainee appraiser.
- 20:14:04:13 Supervisory appraiser.
- 20:14:04:14 Requirements of a supervisory appraiser.
- 20:14:04:15 Application for supervisory appraiser approval.
- 20:14:04:16 Supervisory appraiser approval renewal.
- 20:14:04:16.01 Supervisory appraiser late renewal.
- 20:14:04:17 Responsibilities of supervisory appraiser.

20:14:04:11. (Effective through September 30, 2023) Appraisal by state-registered appraiser. A state-registered appraiser may perform noncomplex property appraisals as specified in § 20:14:04:04 and assist in the preparation of appraisals as prescribed in § 20:14:04:12. A state-registered appraiser is bound by the competency rule in the uniform standards and § 20:14:09:02.

20:14:04:11. (Effective October 1, 2023) Appraisal by state-registered appraiser. ~~A state-registered appraiser may perform noncomplex property appraisals as specified in § 20:14:04:04 and assist in the preparation of appraisals as prescribed in § 20:14:04:12. A state-registered appraiser is bound by the competency rule in the uniform standards and § 20:14:09:02~~ Repealed.

Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 47 SDR 71, effective December 14, 2020.

General Authority: ~~SDCL 36-21B-3(8).~~

Law Implemented: ~~SDCL 36-21B-1, 36-21B-3(8).~~

20:14:04:12. (Effective through September 30, 2023) Assistance by state-registered appraiser in preparation of appraisal reports. A state-registered appraiser may assist in the preparation of an appraisal report in connection with a federally related transaction which requires the use of a state-certified residential or state-certified general appraiser as prescribed in this chapter if the state-registered appraiser is directly supervised by a state-certified residential or state-certified

general appraiser and the final appraisal document is approved and signed by a state-certified residential or state-certified general appraiser.

20:14:04:12. (Effective October 1, 2023) Assistance by ~~state-registered~~ registered trainee appraiser in preparation of appraisal reports. A ~~state-registered~~ registered trainee appraiser may assist in the preparation of an appraisal report ~~in connection with a federally related transaction~~ which requires the use of a state-certified residential or state-certified general appraiser, as prescribed in this chapter, if the ~~state-registered~~ registered trainee appraiser is directly supervised by a state-certified residential or state-certified general appraiser and the final appraisal document is approved and signed by a state-certified residential or state-certified general appraiser.

Source: 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 38 SDR 214, adopted June 21, 2012, effective July 1, 2013.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(8).

20:14:04:12.01. (Effective through September 30, 2023) Registration of supervisory appraiser by state-registered appraiser. A state-registered appraiser shall report the name of each supervisory appraiser to the secretary on registration forms provided by the secretary. A state-registered appraiser may have more than one supervisory appraiser. Registration of a supervisory appraiser is effective the day the registration form is received by the secretary. Appraisal experience credit for an assignment requiring a supervisory appraiser will be granted if the supervisory appraiser is registered with the secretary at the time of the assignment. The state-registered appraiser shall

report, in writing, to the secretary any change of supervisory appraiser. The change shall be effective upon receipt by the secretary.

20:14:04:12.01. (Effective October 1, 2023) Registration of supervisory appraiser by ~~state-registered~~ registered trainee appraiser. A ~~state-registered~~ registered trainee appraiser shall report the name of each supervisory appraiser to the secretary on registration forms provided by the secretary. A ~~state-registered~~ registered trainee appraiser may have more than one supervisory appraiser. Registration of a supervisory appraiser is effective the day the registration form is received by the secretary. ~~Appraisal~~ The secretary shall grant appraisal experience credit for an assignment requiring a supervisory appraiser will be granted if the supervisory appraiser is registered with the secretary at the time of the assignment. The ~~state-registered~~ registered trainee appraiser shall report, in writing, to the secretary any change of supervisory appraiser. The change ~~shall be~~ is effective upon receipt by the secretary.

Source: 34 SDR 67, effective September 11, 2007; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012.

General Authority: SDCL 36-21B-3(8).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(8).

20:14:04:12.02. (Effective through September 30, 2023) Responsibility of a ~~state-registered~~ appraiser. A state-registered appraiser is responsible for:

(1) Jointly maintaining an appraisal log with each supervisory appraiser on a form provided by the secretary that includes each appraisal performed by the state-registered appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each supervisory appraiser; and

(2) Successfully completing an education program developed by the department regarding the role of the supervisory appraiser and the state-registered appraiser. Successful completion of the education program includes passing the course examination.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 40 SDR 121, effective January 7, 2014; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(7)(15).

20:14:04:12.02. (Effective October 1, 2023) Responsibility of a ~~state-registered~~ registered trainee appraiser. A ~~state-registered~~ registered trainee appraiser is responsible for:

(1) Jointly maintaining an appraisal log with each supervisory appraiser on a form provided by the secretary that includes each appraisal performed by the ~~state-registered~~ registered trainee appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each supervisory appraiser; and

(2) Successfully completing an education program developed by the department regarding the role of the supervisory appraiser and the ~~state-registered~~ registered trainee appraiser. Successful completion of the education program includes passing the course examination.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 40 SDR 121, effective January 7, 2014; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(1)(15).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(7)(15).

20:14:04:14. (Effective through September 30, 2023) Requirements of a supervisory appraiser. A state-certified residential or state-certified general appraiser desiring to supervise a state-registered appraiser shall meet the following supervisory appraiser requirements:

(1) Be certified by the department, in good standing in this state or any other jurisdiction in which the appraiser is certified. A supervisory appraiser is considered to be in good standing if the appraiser has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice for three years after the successful completion or termination of any sanctions imposed;

(2) Have the knowledge and experience in the types of appraisal assignments that the supervisory appraiser is supervising pursuant to the competency rule of the uniform standards and § 20:14:09:02;

(3) Have a minimum of three years appraisal experience as a state-certified residential or state-certified general appraiser and hold a South Dakota state-certified residential or state-certified general appraiser credential; and

(4) Successfully complete an education program developed by the department regarding the role of the supervisory appraiser and the state-registered appraiser before supervision begins. Successful completion of the education program includes passing the course examination.

A supervisory appraiser may supervise no more than three state-registered appraisers at any one time except when the supervisory appraiser, having met all of the supervisory certified appraiser qualifications, provides experience training for state-registered appraisers in accordance with a progress monitored appraiser experience training program developed and administered by the department.

20:14:04:14. (Effective October 1, 2023) Requirements of a supervisory appraiser. A state-certified residential or state-certified general appraiser desiring to supervise a ~~state-registered~~ registered trainee appraiser shall meet the following supervisory appraiser requirements:

(1) Be certified by the department, in good standing in this state or any other jurisdiction in which the appraiser is certified. A supervisory appraiser is considered to be in good standing if the appraiser has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice for three years after the successful completion or termination of any sanctions imposed;

(2) Have the knowledge and experience in the types of appraisal assignments that the supervisory appraiser is supervising pursuant to the competency rule of the uniform standards and § 20:14:09:02;

(3) Have a minimum of three years appraisal experience as a state-certified residential or state-certified general appraiser and hold a South Dakota state-certified residential or state-certified general appraiser credential; and

(4) Successfully complete an education program developed by the department regarding the role of the supervisory appraiser and the ~~state-registered~~ registered trainee appraiser before supervision begins. Successful completion of the education program includes passing the course examination.

A supervisory appraiser may supervise no more than three ~~state-registered~~ registered trainee appraisers at any one time except when the supervisory appraiser, ~~having met all of the supervisory certified appraiser qualifications,~~ provides experience training for ~~state-registered~~ registered trainee appraisers in accordance with a progress monitored, appraiser experience training program developed and administered by the department.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, adopted June 21, 2012, effective July 1, 2013; 40 SDR 121, effective January 7, 2014; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017; 47 SDR 71, effective December 14, 2020.

General Authority: SDCL 36-21B-3(1)(6)(~~12~~)(16).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(6)~~(12)~~(16).

20:14:04:15. (Effective through September 30, 2023) Application for supervisory appraiser approval. Any person who desires to supervise a state-registered appraiser under this article must apply in writing for approval as a supervisory appraiser on a form provided by the secretary. The nonrefundable application fee prescribed in § 20:14:10:01 must accompany the application form. The application, at a minimum, shall contain the following:

- (1) Name;
- (2) Driver's license number;
- (3) Social security number;
- (4) Home and business addresses;
- (5) Home and business telephone numbers;
- (6) Business name where employed;
- (7) Area of geographic competency;
- (8) Certification of competency in one or more of the following specific appraisal assignments:

(a) Residential:

- (i) One-to-four family;

(b) Nonresidential:

- (i) Commercial;

- (ii) Industrial;
- (iii) Agricultural; and
- (iv) Multifamily;

(9) Email address.

20:14:04:15. (Effective October 1, 2023) Application for supervisory appraiser approval. Any person who desires to supervise a ~~state-registered~~ registered trainee appraiser under this article must apply in writing for approval as a supervisory appraiser on a form provided by the secretary. The nonrefundable application fee prescribed in § 20:14:10:01 must accompany the application form. The application, ~~at a minimum, shall~~ must contain the following:

- (1) Name;
- (2) Driver's license number;
- (3) Social security number;
- (4) Home and business addresses;
- (5) Home and business telephone numbers;
- (6) Business name where employed;
- (7) Area of geographic competency;
- (8) Certification of competency in one or more of the following ~~specific~~ appraisal assignments:

- (a) Residential one-to four family;

~~(i) One to four family;~~

(b) Nonresidential:

(i) Commercial;

(ii) Industrial;

(iii) Agricultural; ~~and~~ or

(iv) Multifamily; and

(9) Email address.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 42 SDR 98, effective January 5, 2016; 46 SDR 29, effective September 9, 2019.

General Authority: SDCL 36-21B-3(1)(4).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(4), 36-21B-4(1).

20:14:04:17. (Effective through September 30, 2023) Responsibilities of the supervisory appraiser. The supervisory appraiser for a state-registered appraiser is responsible for:

(1) Training, guidance, and direct supervision of the state-registered appraiser;

(2) Mentoring of the state-registered appraiser;

(3) Personally inspecting:

(a) A minimum of 25 residential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-licensed or state-certified residential appraiser credential. If the state-registered appraiser seeking the state-licensed or state-certified residential appraiser credential includes the appraisal of nonresidential properties, the supervisory appraiser shall personally inspect all nonresidential subject properties up to 15 properties with the state-registered appraiser; or

(b) A minimum of 15 nonresidential subject properties with the state-registered appraiser if the state-registered appraiser is seeking the state-certified general appraiser credential. If the state-registered appraiser seeking the state-certified general appraiser credential includes the appraisal of residential properties the supervisory appraiser shall personally inspect all residential subject properties up to 25 properties with the state-registered appraiser.

If the minimum personal inspections by the supervisory appraiser have been met and the state-registered appraiser does not demonstrate competence in the appraisal work as required in § 20:14:09:02, the supervisory appraiser shall continue the personal inspections until competence is demonstrated.

If a state-registered appraiser has more than one supervisory appraiser, all of the personal inspections of each of the supervisory appraisers may be totaled to meet the minimum personal inspections required by this subdivision;

(4) Reviewing the state-registered appraiser's appraisal report to ensure adequately conducted research of general and specific data, proper application of appraisal principles and methodologies,

sound analysis, and adequately developed analysis, opinions, or conclusions so that the appraisal report is not misleading;

(5) Reviewing the state-registered appraiser's work product and discussing any edits, corrections, or modifications that need to be made to that work product for compliance with the uniform standards as incorporated in § 20:14:06:01;

(6) Accepting full responsibility for the appraisal report by signing the certification certifying that the appraisal report has been prepared in compliance with the uniform standards as incorporated in § 20:14:06:01;

(7) Signing the state-registered appraiser's appraisal log as applicable in § 20:14:05:05.01; and

(8) Jointly maintaining an appraisal log with each state-registered appraiser on a form provided by the secretary that includes each appraisal performed by the state-registered appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each state-registered appraiser.

20:14:04:17. (Effective October 1, 2023) Responsibilities of the supervisory appraiser. The supervisory appraiser ~~for a state-registered appraiser~~ is responsible for:

(1) Training, guidance, and direct supervision of the ~~state-registered~~ registered trainee appraiser;

(2) Mentoring of the ~~state-registered~~ registered trainee appraiser;

(3) Personally inspecting:

(a) A minimum of ~~25~~ twenty-five residential subject properties with the ~~state-registered~~ registered trainee appraiser if the ~~state-registered~~ registered trainee appraiser is seeking the state-licensed or state-certified residential appraiser credential. If the ~~state-registered~~ registered trainee appraiser seeking the state-licensed or state-certified residential appraiser credential includes the appraisal of nonresidential properties, the supervisory appraiser shall personally inspect all nonresidential subject properties up to ~~15~~ fifteen properties with the ~~state-registered~~ registered trainee appraiser; or

(b) A minimum of ~~15~~ fifteen nonresidential subject properties with the ~~state-registered~~ registered trainee appraiser if the ~~state-registered~~ registered trainee appraiser is seeking the state-certified general appraiser credential. If the ~~state-registered~~ registered trainee appraiser seeking the state-certified general appraiser credential includes the appraisal of residential properties the supervisory appraiser shall personally inspect all residential subject properties up to ~~25~~ twenty-five properties with the ~~state-registered~~ registered trainee appraiser.

If the minimum personal inspections by the supervisory appraiser have been met and the ~~state-registered~~ registered trainee appraiser does not demonstrate competence in the appraisal work as required in § 20:14:09:02, the supervisory appraiser ~~shall~~ must continue the personal inspections until competence is demonstrated.

If a ~~state-registered~~ registered trainee appraiser has more than one supervisory appraiser, all of the personal inspections of each of the supervisory appraisers may be totaled to meet the minimum personal inspections required by this subdivision;

(4) Reviewing the ~~state-registered~~ registered trainee appraiser's appraisal report to ensure ~~adequately conducted~~ research of general and specific data is adequately conducted, ~~proper application of appraisal principles and methodologies are properly applied~~, ~~sound analysis, and adequately developed analysis, opinions, or conclusions so that the appraisal report is not misleading~~ the analysis is adequately developed and sound, and the opinions and conclusions are well developed, so the report is not misleading;

(5) Reviewing the ~~state-registered~~ registered trainee appraiser's work product and discussing any edits, corrections, or modifications that need to be made ~~to that work product~~ for compliance with the uniform standards ~~as incorporated in § 20:14:06:01~~;

(6) Accepting full responsibility for the registered trainee's appraisal report by signing the certification ~~certifying~~ that the appraisal report has been prepared in compliance with the uniform standards ~~as incorporated in § 20:14:06:01~~;

(7) Signing the ~~state-registered~~ registered trainee appraiser's appraisal log as applicable in § 20:14:05:05.01; and

(8) Jointly maintaining an appraisal log with each ~~state-registered~~ registered trainee appraiser on a form provided by the secretary that includes each appraisal performed by the ~~state-registered~~

registered trainee appraiser to ensure it is accurate. Separate appraisal logs must be maintained for each ~~state-registered~~ registered trainee appraiser.

Source: 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(3)(7)(16)(17).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(7)(16)(17).

CHAPTER 20:14:05

QUALIFICATIONS FOR CERTIFICATION, LICENSURE, AND REGISTRATION

Section

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- 20:14:05:05 Acceptable experience.
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- 20:14:05:06.01 (Effective through September 30, 2023) Educational requirements for state-registered appraiser. (Effective October 1, 2023) Educational requirements for ~~state-registered~~ registered trainee appraiser.
- 20:14:05:06.02 (Effective through September 30, 2023) Education program for state-registered appraiser. (Effective October 1, 2023) Education program for ~~state-registered~~ registered trainee appraiser.
- 20:14:05:07 Educational requirements for state-licensed appraiser -- Appraiser education.
- 20:14:05:07.01 Educational requirements for state-certified residential appraiser -- Appraiser education.
- 20:14:05:07.02 Educational requirements for state-certified residential appraiser -- General education.
- 20:14:05:07.03 Repealed.
- 20:14:05:07.04 Alternative to general education requirements of the state-certified residential appraiser credential for state-licensed appraiser.

20:14:05:08 Educational requirements for state-certified general appraiser -- Appraiser education.

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20:14:05:08.02 Education -- Real estate degree.

20:14:05:09 Repealed.

20:14:05:10 Transferred.

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20:14:05:12 Repealed.

20:14:05:12.01 Substitution of education.

20:14:05:13 Transferred.

20:14:05:14 Transferred.

20:14:05:15 Transferred.

20:14:05:16 Transferred.

20:14:05:17 Transferred.

20:14:05:18 Repealed.

20:14:05:19 Upgrade of credential.

20:14:05:20 Repealed.

20:14:05:21 Acceptable alternative appraisal experience.

20:14:05:01. (Effective through September 30, 2023) Qualifications. To qualify as a state-registered, state-licensed, state-certified residential, or state-certified general appraiser, an applicant must meet the applicable examination, education, and experience requirements prescribed in this

article. After being certified, licensed, or registered, an individual must meet the continuing education requirement in § 20:14:13:01.

20:14:05:01. (Effective October 1, 2023) Qualifications. To qualify as a ~~state-registered~~ registered trainee, state-licensed, state-certified residential, or state-certified general appraiser, an applicant must meet the applicable examination, education, and experience requirements prescribed in this article. After being certified, licensed, or registered, an individual must meet the continuing education requirement in § 20:14:13:01.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997.

General Authority: SDCL 36-21B-3(1)(5)(6)(7).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(5)(6)(7).

20:14:05:02. (Effective through September 30, 2023) Examination. An applicant for a state-licensed, state-certified residential, or state-certified general appraiser credential must have completed the education and experience requirements prescribed in this chapter prior to approval to sit for an Appraiser Qualifications Board Approved Appraiser National Uniform Examination.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(5).

Cross-References:

State-certified general appraiser education, §§ 20:14:05:08 and 20:14:05:08.01.

State-certified general appraiser experience, § 20:14:05:04.

State-certified residential appraiser education, §§ 20:14:05:07.01 and 20:14:05:07.02.

State-certified residential appraiser experience, § 20:14:05:03.01.

State-licensed appraiser education, § 20:14:05:07.

State-licensed appraiser experience, § 20:14:05:03.

State-Registered appraiser education, § 20:14:05:06.01.

20:14:05:02. (Effective October 1, 2023) Examination. An applicant for a state-licensed, state-certified residential, or state-certified general appraiser credential must have completed the education and experience requirements prescribed in this chapter prior to approval to sit for an Appraiser Qualifications Board Approved Appraiser National Uniform Examination.

Source: 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(5).

Law Implemented: SDCL 36-21B-1, 36-21B-3(5).

Cross-References:

State-certified general appraiser education, §§ 20:14:05:08 and 20:14:05:08.01.

State-certified general appraiser experience, § 20:14:05:04.

State-certified residential appraiser education, §§ 20:14:05:07.01 and 20:14:05:07.02.

State-certified residential appraiser experience, § 20:14:05:03.01.

State-licensed appraiser education, § 20:14:05:07.

State-licensed appraiser experience, § 20:14:05:03.

~~State-registered~~ Registered trainee appraiser education, § 20:14:05:06.01.

20:14:05:02.01. (Effective through September 30, 2023) Experience requirements for state-registered appraiser. An applicant for state-registered appraiser credential is not required to have any appraisal experience. After being issued a credential by the department a state-registered appraiser may accumulate experience when the appraiser begins work on any appraisal that includes experience hours that will qualify as acceptable appraisal experience in accordance with § 20:14:05:05.

20:14:05:02.01. (Effective October 1, 2023) Experience requirements for ~~state-registered~~ registered trainee appraiser. An applicant for a state-registered registered trainee appraiser credential is not required to have any appraisal experience. After being issued a credential by the department, a ~~state-registered~~ registered trainee appraiser may accumulate experience hours when the appraiser ~~begins work on any appraisal that includes experience hours that will qualify as~~ accumulates acceptable appraisal experience, in accordance with § 20:14:05:05.

Source: 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 33 SDR 2, effective July 19, 2006; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(1).

Law Implemented: SDCL 36-21B-1, 36-21B-3~~(7)~~(1).

20:14:05:05.05. (Effective through September 30, 2023) Experience -- Review of appraisals by secretary midway to upgrade. When a state-registered appraiser has achieved at least fifty percent of the experience hours required to upgrade to the state-licensed, state-certified residential, or state-certified general appraiser credential, the state-registered appraiser may request from the secretary an appraisal review of an appraisal completed by the state-registered appraiser. The state-registered appraiser may submit a maximum of two appraisals for review pursuant to this section.

The appraisal review shall be for compliance with:

- (1) The uniform standards, as adopted pursuant to § 20:14:06:01;
- (2) The additional assignment conditions, as required pursuant to § 20:14:06:01.01; and
- (3) The competency requirement pursuant to § 20:14:09:02.

The department shall provide a copy of the appraisal review report to the state-registered appraiser and the supervisory appraiser.

If the appraisal review reveals that the appraisal is not in compliance, the secretary may prescribe remedial education. The secretary may not take disciplinary action against the state-registered appraiser or the supervisory appraiser for non-compliant appraisal work found pursuant to this section.

If the appraisal review reveals that the appraisal is in compliance, the state-registered appraiser shall be granted credit for the compliant appraisal report when the state-registered appraiser applies to upgrade to a higher appraiser credential.

20:14:05:05.05. (Effective October 1, 2023) Experience -- Review of appraisals by secretary midway to upgrade. When a ~~state-registered~~ registered trainee appraiser has achieved at least fifty percent of the experience hours required to upgrade to the state-licensed, state-certified residential, or state-certified general appraiser credential, the ~~state-registered~~ registered trainee appraiser may request from the secretary an appraisal review of an appraisal completed by the ~~state-registered~~ registered trainee appraiser. The ~~state-registered~~ registered trainee appraiser may submit a maximum of two appraisals for review pursuant to this section.

The ~~appraisal review shall be~~ secretary shall review the appraisal for compliance with:

- (1) The uniform standards, ~~as adopted pursuant to § 20:14:06:01;~~
- (2) The additional assignment conditions, as required pursuant to § 20:14:06:01.01; and
- (3) The competency requirement pursuant to § 20:14:09:02.

The department shall provide a copy of the appraisal review report to the ~~state-registered~~ registered trainee appraiser and the supervisory appraiser.

If the appraisal review reveals that the appraisal is not in compliance, the secretary may prescribe remedial education. The secretary may not take disciplinary action against the ~~state-registered~~ registered trainee appraiser or the supervisory appraiser for non-compliant appraisal work found pursuant to this section.

If the appraisal review reveals that the appraisal is in compliance, the secretary shall grant the ~~state-registered~~ registered trainee appraiser ~~shall be granted~~ credit for the compliant appraisal report when the ~~state-registered~~ registered trainee appraiser applies to upgrade to a higher appraiser credential.

Source: 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(7)(17)(18).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(3)(7)(17)(18).

Cross References:

State-certified general appraiser experience, § 20:14:05:04₂.

State-certified residential appraiser experience, § 20:14:05:03.01₂.

State-licensed appraiser experience, § 20:14:05:03.

20:14:05:06.01. (Effective through September 30, 2023) Educational requirements for state-registered appraiser. An applicant for a state-registered appraiser credential shall have

completed 75 creditable class hours of approved qualifying education completed within the five-year period prior to the date of the application, which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board required core curriculum as follows:

(1) Basic appraisal principles -- 30 hours;

(2) Basic appraisal procedures -- 30 hours; and

(3) Fifteen hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01.

20:14:05:06.01. (Effective October 1, 2023) Educational requirements for ~~state-registered~~ registered trainee appraiser. An applicant for a ~~state-registered~~ registered trainee appraiser credential shall ~~have completed~~ complete ~~75~~ seventy-five creditable class hours of approved qualifying education ~~completed~~ within the five-year period ~~prior to~~ before the date of the application, which includes successful completion of each course examination. Acceptable education is ~~the Appraiser Qualifications Board required core curriculum as follows:~~

(1) Basic appraisal principles -- ~~30~~ thirty hours;

(2) Basic appraisal procedures -- ~~30~~ thirty hours; and

(3) ~~A Fifteen~~ fifteen-hour qualifying course that covers the uniform standards ~~as adopted in~~
§ 20:14:06:01.

Source: 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 38 SDR 116, effective January 10, 2012; 38 SDR 214, adopted June 21, 2012, effective January 1, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(1)(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(3)(6).

20:14:05:06.02. (Effective through September 30, 2023) Education program for state-registered appraiser. An applicant for a state-registered appraiser credential shall complete an education program pursuant to § 20:14:04:12.02 prior to issuance of the credential. The education program classroom hours are not eligible towards the qualifying or continuing education requirements.

20:14:05:06.02. (Effective October 1, 2023) Education program for ~~state-registered~~ registered trainee appraiser. An applicant for a ~~state-registered~~ registered trainee appraiser credential shall complete an education program pursuant to § 20:14:04:12.02 prior to issuance of the credential. The education program classroom hours are not eligible towards the qualifying education requirements in § 20:14:05:06.01 or the continuing education requirements in § 20:14:13:01.

Source: 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(1)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(6).

20:14:05:07. (Effective through September 30, 2023) Educational requirements for state-licensed appraiser -- Appraiser education. The following educational requirements apply to state-licensed appraisers:

(1) An applicant for examination as a state-licensed appraiser credential shall complete the 150 creditable class hours of approved qualifying education specified in paragraphs (1)(a) through (1)(g), which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board's required core curriculum as follows:

- (a) Basic appraisal principles -- 30 hours;
- (b) Basic appraisal procedures -- 30 hours;
- (c) 15-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
- (d) Residential market analysis and highest and best use -- 15 hours;
- (e) Residential appraiser site valuation and cost approach -- 15 hours;
- (f) Residential sales comparison and income approaches -- 30 hours; and
- (g) Residential report writing and case studies -- 15 hours.

(2) A state-registered appraiser shall satisfy the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours specified in paragraphs (2)(a) through (2)(d):

- (a) Residential market analysis and highest and best use -- 15 hours;
- (b) Residential appraiser site valuation and cost approach -- 15 hours;

- (c) Residential sales comparison and income approaches -- 30 hours; and
- (d) Residential report writing and case studies -- 15 hours.

(3) A state-registered appraiser may satisfy the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours specified in paragraphs (3)(a) through (3)(e) if the state-registered appraiser is seeking the state-certified general appraiser credential and the experience includes nonresidential appraisal work:

- (a) General market analysis and highest and best use -- 30 hours;
- (b) General sales comparison approach -- 30 hours;
- (c) General income approach -- 60 hours;
- (d) General site valuation and cost approach -- 30 hours; and
- (e) General report writing and case studies -- 30 hours.

20:14:05:07. (Effective October 1, 2023) Educational requirements for state-licensed appraiser -- Appraiser education. The following educational requirements apply to state-licensed appraisers:

(1) An applicant for examination as a state-licensed appraiser credential shall complete the ~~150~~ one hundred fifty creditable class hours of approved qualifying education specified in ~~paragraphs subsections (1)(a) through to (1)(g), inclusive,~~ which includes successful completion of each course examination. Acceptable education is ~~the Appraiser Qualifications Board's required core curriculum as follows:~~

(a) Basic appraisal principles -- ~~30~~ thirty hours;

(b) Basic appraisal procedures -- ~~30~~ thirty hours;

(c) ~~A 15-hour~~ fifteen-hour qualifying course that covers the uniform standards ~~as adopted~~
~~in § 20:14:06:01;~~

- (d) Residential market analysis and highest and best use -- ~~15~~ fifteen hours;
- (e) Residential appraiser site valuation and cost approach -- ~~15~~ fifteen hours;
- (f) Residential sales comparison and income approaches -- ~~30~~ thirty hours; and
- (g) Residential report writing and case studies -- ~~15~~ fifteen hours.

(2) A ~~state-registered~~ registered trainee appraiser ~~shall satisfy~~ satisfies the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours ~~specified in paragraphs (2)(a) through (2)(d):~~

- (a) Residential market analysis and highest and best use -- ~~15~~ fifteen hours;
- (b) Residential appraiser site valuation and cost approach -- ~~15~~ fifteen hours;
- (c) Residential sales comparison and income approaches -- ~~30~~ thirty hours; and
- (d) Residential report writing and case studies -- ~~15~~ fifteen hours.

(3) A ~~state-registered~~ registered trainee appraiser ~~may satisfy~~ satisfies the educational requirements for the state-licensed appraiser classification by completing the following additional educational hours ~~specified in paragraphs (3)(a) through (3)(e)~~ if the ~~state-registered~~ registered trainee appraiser is seeking the state-certified general appraiser credential and the experience includes nonresidential appraisal work:

- (a) General market analysis and highest and best use -- ~~30~~ thirty hours;
- (b) General sales comparison approach -- ~~30~~ thirty hours;
- (c) General income approach -- ~~60~~ sixty hours;
- (d) General site valuation and cost approach -- ~~30~~ thirty hours; and
- (e) General report writing and case studies -- ~~30~~ thirty hours.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 33 SDR 2, adopted June 29, 2006, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 47 SDR 71, effective December 14, 2020.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:07.01. (Effective through September 30, 2023) Educational requirements for state-certified residential appraiser -- Appraiser education. An applicant for examination as a state-certified residential appraiser credential shall have completed 200 creditable class hours of

approved qualifying education which includes successful completion of each course examination.

Acceptable education is the Appraiser Qualifications Board-required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;
- (2) Basic appraisal procedures -- 30 hours;
- (3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;

- (4) Residential market analysis and highest and best use -- 15 hours;
- (5) Residential appraiser site valuation and cost approach -- 15 hours;
- (6) Residential sales comparison and income approaches -- 30 hours;
- (7) Residential report writing and case studies -- 15 hours;
- (8) Statistics, modeling, and finance -- 15 hours;
- (9) Advanced residential applications and case studies -- 15 hours;
- (10) Appraisal subject matter electives -- 20 hours.

A state-registered appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- (1) Residential market analysis and highest and best use -- 15 hours;
- (2) Residential appraiser site valuation and cost approach -- 15 hours;
- (3) Residential sales comparison and income approaches -- 30 hours;
- (4) Residential report writing and case studies -- 15 hours;
- (5) Statistics, modeling, and finance -- 15 hours;
- (6) Advanced residential applications and case studies -- 15 hours; and

(7) Appraisal subject matter electives -- 20 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- (1) Statistics, modeling, and finance -- 15 hours;
- (2) Advanced residential applications and case studies -- 15 hours; and
- (3) Appraisal subject matter electives -- 20 hours.

20:14:05:07.01. (Effective October 1, 2023) Educational requirements for state-certified residential appraiser -- Appraiser education. The following educational requirements apply to state-certified residential appraisers:

(1) An applicant for examination as a state-certified residential appraiser credential shall have completed ~~200~~ two hundred creditable class hours of approved qualifying education which includes successful completion of each course examination. Acceptable education is ~~the Appraiser Qualifications Board required core curriculum~~ as follows:

- ~~(1)~~ (a) Basic appraisal principles -- ~~30~~ thirty hours;
- ~~(2)~~ (b) Basic appraisal procedures -- ~~30~~ thirty hours;
- ~~(3)~~ (c) ~~A Fifteen-hour~~ fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
- ~~(4)~~ (d) Residential market analysis and highest and best use -- ~~15~~ fifteen hours;
- ~~(5)~~ (e) Residential appraiser site valuation and cost approach -- ~~15~~ fifteen hours;
- ~~(6)~~ (f) Residential sales comparison and income approaches -- ~~30~~ thirty hours;

- ~~(7)~~ (g) Residential report writing and case studies -- ~~15~~ fifteen hours;
- ~~(8)~~ (h) Statistics, modeling, and finance -- ~~15~~ fifteen hours;
- ~~(9)~~ (i) Advanced residential applications and case studies -- ~~15~~ fifteen hours; and
- ~~(10)~~ (j) Appraisal subject matter electives -- ~~20~~ twenty hours.

(2) A ~~state-registered~~ registered trainee appraiser ~~may satisfy~~ satisfies the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- ~~(1)~~ (a) Residential market analysis and highest and best use -- ~~15~~ fifteen hours;
- ~~(2)~~ (b) Residential appraiser site valuation and cost approach -- ~~15~~ fifteen hours;
- ~~(3)~~ (c) Residential sales comparison and income approaches -- ~~30~~ fifteen hours;
- ~~(4)~~ (d) Residential report writing and case studies -- ~~15~~ fifteen hours;
- ~~(5)~~ (e) Statistics, modeling, and finance -- ~~15~~ fifteen hours;
- ~~(6)~~ (f) Advanced residential applications and case studies -- ~~15~~ fifteen hours; and
- ~~(7)~~ (g) Appraisal subject matter electives -- ~~20~~ twenty hours.

(3) A state-licensed appraiser ~~may satisfy~~ satisfies the appraiser educational requirements for the state-certified residential appraiser credential by completing the following additional educational hours:

- ~~(1)~~ (a) Statistics, modeling, and finance -- ~~15~~ fifteen hours;
- ~~(2)~~ (b) Advanced residential applications and case studies -- ~~15~~ fifteen hours; and
- ~~(3)~~ (c) Appraisal subject matter electives -- ~~20~~ twenty hours.

Source: 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6).

Cross-References: ~~Requirement for qualifying education credit, § 20:14:13:03.01;~~
~~Application for course approval, § 20:14:13:07.~~

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:08. (Effective through September 30, 2023) Educational requirements for state-certified general appraiser -- Appraiser education. An applicant for examination as state-certified general appraiser credential must have completed 300 creditable class hours of approved qualifying education, which includes successful completion of each course examination. Acceptable education is the Appraiser Qualifications Board-required core curriculum as follows:

- (1) Basic appraisal principles -- 30 hours;
- (2) Basic appraisal procedures -- 30 hours;
- (3) Fifteen-hour qualifying course that covers the uniform standards as adopted in § 20:14:06:01;
- (4) General appraiser market analysis and highest and best use -- 30 hours;

- (5) Statistics, modeling, and finance -- 15 hours;
- (6) General appraiser sales comparison approach -- 30 hours;
- (7) General appraiser site valuation and cost approach -- 30 hours;
- (8) General appraiser income approach -- 60 hours;
- (9) General appraiser report writing and case studies -- 30 hours;
- (10) Appraisal subject matter electives -- 30 hours.

An applicant shall demonstrate that the applicant's education includes the core courses listed in these criteria, with particular emphasis on nonresidential properties, which are properties other than one- to four-family residential properties.

A state-registered appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 30 hours;
- (2) Statistics, modeling, and finance -- 15 hours;
- (3) General appraiser sales comparison approach -- 30 hours;
- (4) General appraiser site valuation and cost approach -- 30 hours;
- (5) General appraiser income approach -- 60 hours;
- (6) General appraiser report writing and case studies -- 30 hours; and
- (7) Appraisal subject matter electives -- 30 hours.

A state-licensed appraiser may satisfy the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours;

- (1) General appraiser market analysis and highest and best use -- 15 hours;
- (2) Statistics, modeling, and finance -- 15 hours;
- (3) General appraiser sales comparison approach -- 15 hours;
- (4) General appraiser site valuation and cost approach -- 15 hours;
- (5) General appraiser income approach -- 45 hours;
- (6) General appraiser report writing and case studies -- 15 hours; and
- (7) Appraisal subject matter electives -- 30 hours.

A state-certified residential appraiser may satisfy the appraiser education requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) General appraiser market analysis and highest and best use -- 15 hours;
- (2) General appraiser sales comparison approach -- 15 hours;
- (3) General appraiser site valuation and cost approach -- 15 hours;
- (4) General appraiser income approach -- 45 hours; and
- (5) General appraiser report writing and case studies -- 10 hours.

20:14:05:08. (Effective October 1, 2023) Educational requirements for state-certified general appraiser -- Appraiser education. The following educational requirements apply to state-certified general appraisers:

(1) An applicant for examination as state-certified general appraiser credential ~~must~~ shall have completed ~~300~~ three hundred creditable class hours of approved qualifying education, which

includes successful completion of each course examination. Acceptable education is ~~the Appraiser Qualifications Board-required core curriculum~~ as follows:

- (1) ~~(a)~~ (a) Basic appraisal principles -- ~~30~~ thirty hours;
- (2) ~~(b)~~ (b) Basic appraisal procedures -- ~~30~~ thirty hours;
- (3) ~~(c)~~ (c) Fifteen-hour qualifying course that covers the uniform standards ~~as adopted in § 20:14:06:01;~~
- (4) ~~(d)~~ (d) General appraiser market analysis and highest and best use -- ~~30~~ thirty hours;
- (5) ~~(e)~~ (e) Statistics, modeling, and finance -- ~~15~~ fifteen hours;
- (6) ~~(f)~~ (f) General appraiser sales comparison approach -- ~~30~~ thirty hours;
- (7) ~~(g)~~ (g) General appraiser site valuation and cost approach -- ~~30~~ thirty hours;
- (8) ~~(h)~~ (h) General appraiser income approach -- ~~60~~ sixty hours;
- (9) ~~(i)~~ (i) General appraiser report writing and case studies -- ~~30~~ thirty hours; and
- (10) ~~(j)~~ (j) Appraisal subject matter electives -- ~~30~~ thirty hours.

An applicant shall demonstrate that the applicant's acceptable education ~~includes the core courses listed in these criteria, with particular emphasis on nonresidential properties, which are~~ emphasizes properties other than one- to four-family residential properties.

(2) A ~~state-registered~~ registered trainee appraiser ~~may satisfy~~ satisfies the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) ~~(a)~~ (a) General appraiser market analysis and highest and best use -- ~~30~~ thirty hours;

- (2) ~~(b)~~ (b) Statistics, modeling, and finance -- ~~15~~ fifteen hours;
- (3) ~~(c)~~ (c) General appraiser sales comparison approach -- ~~30~~ thirty hours;
- (4) ~~(d)~~ (d) General appraiser site valuation and cost approach -- ~~30~~ thirty hours;
- (5) ~~(e)~~ (e) General appraiser income approach -- ~~60~~ sixty hours;
- (6) ~~(f)~~ (f) General appraiser report writing and case studies -- ~~30~~ thirty hours; and
- (7) ~~(g)~~ (g) Appraisal subject matter electives -- ~~30~~ thirty hours.

(3) A state-licensed appraiser ~~may satisfy~~ satisfies the appraiser educational requirements for the state-certified general appraiser credential by completing the following additional educational hours;

- (1) ~~(a)~~ (a) General appraiser market analysis and highest and best use -- ~~15~~ fifteen hours;
- (2) ~~(b)~~ (b) Statistics, modeling, and finance -- ~~15~~ fifteen hours;
- (3) ~~(c)~~ (c) General appraiser sales comparison approach -- ~~15~~ fifteen hours;
- (4) ~~(d)~~ (d) General appraiser site valuation and cost approach -- ~~15~~ fifteen hours;
- (5) ~~(e)~~ (e) General appraiser income approach -- ~~45~~ forty-five hours;
- (6) ~~(f)~~ (f) General appraiser report writing and case studies -- ~~15~~ fifteen hours; and
- (7) ~~(g)~~ (g) Appraisal subject matter electives -- ~~30~~ thirty hours.

(4) A state-certified residential appraiser ~~may satisfy~~ satisfies the appraiser education requirements for the state-certified general appraiser credential by completing the following additional educational hours:

- (1) ~~(a)~~ (a) General appraiser market analysis and highest and best use -- ~~15~~ fifteen hours;

- (2) ~~(b)~~ General appraiser sales comparison approach -- ~~15~~ fifteen hours;
- (3) ~~(c)~~ General appraiser site valuation and cost approach -- ~~15~~ fifteen hours;
- (4) ~~(d)~~ General appraiser income approach -- ~~45~~ forty-five hours; and
- (5) ~~(e)~~ General appraiser report writing and case studies -- ~~10~~ ten hours.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 33 SDR 2, adopted June 29, 2006, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(3)(6)(7).

Law Implemented: SDCL 36-21B-1, 36-21B-3(3)(6)(7).

Cross-References:

Requirement for qualifying education credit, § 20:14:13:03.01.

Application for course approval, § 20:14:13:07.

20:14:05:19. (Effective through September 30, 2023) Upgrade of credential. To qualify to upgrade a credential, a state-registered, state-certified residential, or state-licensed appraiser must do the following:

- (1) Submit an application as prescribed in § 20:14:03:01;
- (2) Submit an appraisal log for review as prescribed in § 20:14:05:05.01;

- (3) Meet the minimum qualifications for certification or licensure in this chapter; and
- (4) Pay the fees in §§ 20:14:10:01 and 20:14:10:05.

20:14:05:19. (Effective October 1, 2023) Upgrade of credential. To qualify to upgrade a credential, a ~~state-registered~~ registered trainee, state-certified residential, or state-licensed appraiser must ~~do the following~~:

- (1) Submit an application, as prescribed in § 20:14:03:01;
- (2) Submit an appraisal log for review, as prescribed in § 20:14:05:05.01;
- (3) Meet the minimum qualifications for certification or licensure in this chapter; and
- (4) Pay the applicable fees ~~fee~~ in § 20:14:10:01 and upgrade fee in § 20:14:10:05.

Source: 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-3(4)(7).

Law Implemented: SDCL 36-21B-1, 36-21B-3(4)(7), 36-21B-4(1)(5).

20:14:05:21. (Effective through September 30, 2023) Acceptable alternative appraisal experience. Experience obtained through an alternative method other than the traditional supervisor and state-registered appraiser model must satisfy the experience requirements for state-licensed, state-certified residential, and state-certified general appraiser credentials. Acceptable alternative methods for appraisal experience are:

(1) Practicum courses that are approved by the Appraiser Qualifications Board Course Approval Program or another state appraiser regulatory agency;

(2) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the Appraiser Qualifications Board Course Approval Program. Partial credit must not be granted for completing only a portion of a PAREA program. Experience credit must be granted upon verification of successful completion of an entire PAREA program for the state-licensed or state-certified residential appraiser credential, as applicable; and

(3) An experience training program administered in accordance with chapter 20:14:15.

20:14:05:21. (Effective October 1, 2023) Acceptable alternative appraisal experience.

Experience obtained through an alternative method other than the traditional supervisor and ~~state-registered~~ registered trainee appraiser model must satisfy the experience requirements for state-licensed, state-certified residential, and state-certified general appraiser credentials. Acceptable alternative methods for appraisal experience are:

(1) Practicum courses that are approved by the Appraiser Qualifications Board Course Approval Program or another state appraiser regulatory agency;

(2) Practical Applications of Real Estate Appraisal (PAREA) programs approved by the Appraiser Qualifications Board Course Approval Program. Partial credit ~~must~~ may not be granted for completing only a portion of a PAREA program. Experience credit must be granted upon verification of successful completion of an entire PAREA program for the state-licensed or state-certified residential appraiser credential, as applicable; and

(3) An experience training program administered in accordance with chapter 20:14:15.

Source: 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(1)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(21).

Reference: **The Real Property Appraiser Qualification Criteria and Interpretations of the Criteria**, effective January 1, 2022, The Appraisal Foundation, Appraiser Qualifications Board. Copies may be obtained from The Appraisal Foundation, free of charge at https://appraisalfoundation.org/imis/TAF/Standards/Qualification_Criteria/Qualification_Criteria_RP_/TAF/AQB_RPAQC.aspx?hkey=5ec61b8d-751b-4a97-90b1-9b3dae51beea.

20:14:09:01. (Effective through September 30, 2023) Professional association membership as basis for exclusion prohibited. A state-certified general, state-certified residential, state-licensed, or state-registered appraiser may not be excluded from consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization. Consideration may include education achieved, experience, sample appraisals, and references from prior clients.

20:14:09:01. (Effective October 1, 2023) Professional association membership as basis for exclusion prohibited. A state-certified general, state-certified residential, state-licensed, or ~~state-registered~~ registered trainee appraiser may not be excluded from consideration for an assignment solely by virtue of membership or lack of membership in any particular appraisal organization. Consideration for an assignment may ~~include~~ be based on education achieved, experience, sample appraisals, and references from prior clients.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 38 SDR 116, effective January 10, 2012.

General Authority: SDCL 36-21B-3.

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

20:14:09:02. (Effective through September 30, 2023) Competence. All staff and fee appraisers performing real estate appraisals must be state-certified general, state-certified residential, state-licensed, or state-registered as applicable. However, a state-certified general, state-certified residential, state-licensed, or state-registered appraiser may not be considered competent solely by virtue of being certified, licensed, or registered. Any determination of competence must be based on the individual's experience and educational background as they relate to the particular appraisal assignment for which the appraiser is being considered.

20:14:09:02. (Effective October 1, 2023) Competence. All ~~staff and fee~~ appraisers performing real estate appraisals must be state-certified general, state-certified residential, state-licensed, or ~~state-registered~~ registered trainee as applicable. However, a state-certified general, state-certified residential, state-licensed, or ~~state-registered~~ registered trainee appraiser may not be considered competent solely by virtue of being certified, licensed, or registered. Any determination of competence must be based on the individual's experience and educational background as they relate to the particular appraisal assignment for which the appraiser is being considered.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 28 SDR 109, effective February 7, 2002.

General Authority: SDCL 36-21B-3(16).

Law Implemented: SDCL 36-21B-1, 36-21B-3(16).

20:14:10:01. (Effective through September 30, 2023 Application fees. Application fees are as follows:

- (1) State-certified general appraiser: \$400;
- (2) State-certified residential appraiser: \$375;
- (3) State-licensed appraiser: \$350;
- (4) State-registered appraiser: \$210;
- (5) State-certified general appraiser reciprocity: \$400;
- (6) State-certified residential appraiser reciprocity: \$375;
- (7) State-licensed appraiser reciprocity: \$350;
- (8) Temporary practice: \$200;
- (9) Supervisory appraiser: \$150.

20:14:10:01. (Effective October 1, 2023) Application fees. Application fees are as follows:

- (1) State-certified general appraiser: \$400;
- (2) State-certified residential appraiser: \$375;
- (3) State-licensed appraiser: \$350;

- (4) ~~State-registered~~ Registered trainee appraiser: \$210;
- (5) State-certified general appraiser reciprocity: \$400;
- (6) State-certified residential appraiser reciprocity: \$375;
- (7) State-licensed appraiser reciprocity: \$350;
- (8) Temporary practice: \$200; and
- (9) Supervisory appraiser: \$150.

Source: 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015.

General Authority: SDCL 36-21B-4(1)(6)(9).

Law Implemented: SDCL 36-21B-1, 36-21B-3(4), 36-21B-4(1)(6)(9).

20:14:10:02. (Effective through September 30, 2023) Renewal fees. Credential renewal fees are as follows:

- (1) State-certified general appraiser: \$350;
- (2) State-certified residential appraiser: \$335;
- (3) State-licensed appraiser: \$325;
- (4) State-registered appraiser: \$175;
- (5) Supervisory appraiser: \$100.

20:14:10:02. (Effective October 1, 2023) Renewal fees. Credential renewal fees are as follows:

- (1) State-certified general appraiser: \$350;
- (2) State-certified residential appraiser: \$335;
- (3) State-licensed appraiser: \$325;
- (4) ~~State-registered~~ Registered trainee appraiser: \$175; and
- (5) Supervisory appraiser: \$100.

Source: 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001; 28 SDR 109, effective February 7, 2002; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4(2).

Law Implemented: SDCL 36-21B-1, 36-21B-3(9), 36-21B-4(2).

20:14:10:05.01. (Effective through September 30, 2023) Upgrade fee -- midway upgrade.

A state-registered appraiser shall pay the following applicable midway upgrade fee for each appraisal submitted pursuant to § 20:14:05:05.05:

- (1) \$200 -- Residential (Single Family Unit);
- (2) \$250 -- Residential -- Small Income Producing (2-4 units);
- (3) \$350 -- Non-Residential (Agricultural); or

(4) \$400 -- Non-Residential (Commercial/Industrial/Multi-Family [more than 4 units]).

20:14:10:05.01. (Effective October 1, 2023) Upgrade fee -- midway upgrade. A ~~state-~~
~~registered~~ registered trainee appraiser shall pay the following applicable midway upgrade fee for
each appraisal submitted pursuant to § 20:14:05:05.05:

- (1) \$200 -- Residential (Single Family Unit);
- (2) \$250 -- Residential -- Small Income Producing (2-4 units);
- (3) \$350 -- Non-Residential (Agricultural); or
- (4) \$400 -- Non-Residential (Commercial/Industrial/Multi-Family [more than 4 units]).

Source: 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

General Authority: SDCL 36-21B-4(5).

Law Implemented: SDCL 36-21B-1, 36-21B-3(1)(7)(17)(18), 36-21B-4(5).

CHAPTER 20:14:13

QUALIFYING AND CONTINUING EDUCATION

Section

20:14:13:01 Continuing education requirements.

20:14:13:01.01 Continuing education not required.

20:14:13:01.02 Continuing education -- Partial requirement.

- 20:14:13:02 Acceptable continuing education course topics.
- 20:14:13:02.01 Acceptable continuing education credit for field trips.
- 20:14:13:03 Minimum length of continuing education course.
- 20:14:13:03.01 Requirement for qualifying education credit.
- 20:14:13:03.02 Maximum length of classroom hours of instruction.
- 20:14:13:04 Additional activities eligible for continuing education credit.
- 20:14:13:05 Sources of qualifying education credit.
- 20:14:13:05.01 Acceptable courses without state review.
- 20:14:13:05.02 Acceptable distance education courses.
- 20:14:13:05.03 Asynchronous education -- Continuing education.
- 20:14:13:05.04 Distance education -- Qualifying education.
- 20:14:13:06 Term of approval.
- 20:14:13:07 Application for course approval.
- 20:14:13:08 Approval of course changes.
- 20:14:13:09 Repealed.
- 20:14:13:10 Uniform standards training for instructors.
- 20:14:13:10.01 Courses on the appraisal standards and ethics.
- 20:14:13:11 Certificate of attendance issued by course provider.
- 20:14:13:12 Disapproval or denial of a course.
- 20:14:13:13 (Effective through September 30, 2023) Training course for supervisory appraisers and state-registered appraisers. (Effective October 1, 2023) Training course for supervisory appraisers and ~~state-registered~~ registered trainee appraisers.
- 20:14:13:14 Course evaluation.

20:14:13:13. (Effective through September 30, 2023) Training course for supervisory appraisers and state-registered appraisers. The department shall develop the training course and provide it to providers of appraisal education as listed in § 20:14:13:05 desiring to offer the course. The provider shall ensure that each training course instructor has met the following minimum requirements:

- (1) Holds a South Dakota state-certified general or state-certified residential credential;
- (2) Is in good standing in this state or any other jurisdiction in which the appraiser holds a certified appraiser credential and has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice for three years after the successful completion or termination of any sanctions imposed;
- (3) Audited the training course a minimum of one time;
- (4) Possesses institutional knowledge and understanding of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act of 1989, as amended by the Dodd-Frank Wall Street Reform Act of 2010;
- (5) Possesses knowledge and understanding of the statutes and administrative rules in this state regarding appraisers;

(6) Co-instructed the training course with an instructor a minimum of two times or until the instructor determines that the individual demonstrates the ability to instruct the course independently; and

(7) Holds the department's supervisory appraiser endorsement and has supervised a minimum of one state-registered appraiser to successful upgrade or is currently supervising a state-registered appraiser.

20:14:13:13. (Effective October 1, 2023) Training course for supervisory appraisers and ~~state-registered~~ registered trainee appraisers. The department shall develop ~~the~~ a training course and provide it to providers of appraisal education as listed in § 20:14:13:05 desiring to offer the course. The provider shall ensure that each individual serving as a training course instructor has met the following minimum requirements:

(1) Holds a South Dakota state-certified general or state-certified residential credential;

(2) Is in good standing in this state or any other jurisdiction in which the appraiser holds a certified appraiser credential and has not been subject to any disciplinary action within any jurisdiction that affects the individual's legal eligibility to engage in appraisal practice for three years after the successful completion or termination of any sanctions imposed;

(3) Audited the training course a minimum of one time;

(4) Possesses institutional knowledge and understanding of Title XI of ~~the Financial Institutions Reform, Recovery and Enforcement Act of 1989~~FIRREA, as amended by the Dodd-Frank Wall Street Reform Act of 2010;

(5) Possesses knowledge and understanding of the statutes and administrative rules in this state regarding appraisers;

(6) Co-instructed the training course with ~~an~~ another instructor a minimum of two times or until the instructor determines that the individual demonstrates the ability to instruct the course independently; and

(7) Holds the department's supervisory appraiser endorsement and has supervised a minimum of one ~~state-registered~~ registered trainee appraiser to successful upgrade or is currently supervising a ~~state-registered~~ registered trainee appraiser.

Source: 35 SDR 175, effective January 1, 2009; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

General Authority: SDCL 36-21B-3(6).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6).

CHAPTER 20:14:15

APPRAISER EXPERIENCE TRAINING PROGRAM

Section

- 20:14:15:01 Eligibility requirements.
- 20:14:15:02 Experience training program application.
- 20:14:15:03 Ranking system for candidate selection.
- 20:14:15:04 Requirements to complete the experience portion of the program.
- 20:14:15:05 Experience credit.
- 20:14:15:06 Requirements to complete the education portion of the program.
- 20:14:15:07 Grounds for dismissal from experience training program.
- 20:14:15:08 Certificate of completion.
- 20:14:15:09 Lead and associate trainer requirements.
- 20:14:15:10 Agreement with department for ~~other institutions~~ a South Dakota university or college to administer an experience training program.

20:14:15:01. (Effective through September 30, 2023) Eligibility requirements. To be eligible to enroll in the appraiser experience training program the candidate must:

(1) Possess a state-registered appraiser credential, in good standing, which includes completing the educational requirements specified in § 20:14:05:06.01 and completing the education program course, including the course examination, for state-registered appraisers specified in § 20:14:05:06.02; and

(2) Prior to enrollment, successfully complete the following hours of approved appraiser training based upon the credential being sought:

(a) For candidates seeking the state-licensed or state-certified residential appraiser credential, the candidate must complete 60 hours of approved residential appraiser education in the areas of:

(i) Residential market analysis and highest and best use - 15 hours;

(ii) Residential appraiser site valuation and cost approach - 15 hours; and

(iii) Residential sales comparison and income approaches - 30 hours.

(b) For candidates seeking the state-certified general appraiser credential, the candidate must complete 150 hours of approved general appraiser education in the areas of:

(i) General market analysis and highest and best use - 30 hours;

(ii) General sales comparison approach - 30 hours;

(iii) General income approach - 60 hours; and

(iv) General site valuation and cost approach - 30 hours.

20:14:15:01. (Effective October 1, 2023) Eligibility requirements. To be eligible to enroll in the appraiser experience training program, the candidate must:

(1) Possess a ~~state-registered~~ registered trainee appraiser credential, in good standing, which includes completing the educational requirements specified in § 20:14:05:06.01 and completing the education program course, including the course examination, for ~~state-registered~~ registered trainee appraisers specified in § 20:14:05:06.02; and

(2) Prior to enrollment, successfully complete the following hours of ~~approved~~ appraiser training based upon the credential being sought:

(a) For candidates seeking the state-licensed or state-certified residential appraiser credential, the candidate must complete ~~60~~ sixty hours of ~~approved~~ residential appraiser education in the areas of:

(i) Residential market analysis and highest and best use – ~~15~~ fifteen hours;

(ii) Residential appraiser site valuation and cost approach - ~~15~~ fifteen hours; and

(iii) Residential sales comparison and income approaches - ~~30~~ thirty hours.

(b) For candidates seeking the state-certified general appraiser credential, the candidate must complete ~~150~~ one hundred fifty hours of approved general appraiser education in the areas of:

- (i) General market analysis and highest and best use - ~~30~~ thirty hours;
- (ii) General sales comparison approach - ~~30~~ thirty hours;
- (iii) General income approach - ~~60~~ sixty hours; and
- (iv) General site valuation and cost approach - ~~30~~ thirty hours.

Source: 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(21).

20:14:15:03. (Effective through September 30, 2023) Ranking system for candidate selection. The program administrator shall review candidates for the experience training program according to the following point system:

- (1) Resides in and intends to establish and maintain a real estate appraisal practice in a South Dakota county with a population of 10,000 or less, 35 points;
- (2) Currently holds a state-registered appraisal credential, 20 points;
- (3) Has completed the applicable education prescribed in § 20:14:15:01, 15 points;

(4) Understands the requirements, including tuition and travel, and commits in writing to completing the program, 10 points;

(5) Holds a Bachelor's degree required for the state-certified general appraiser credential or has the college-level education required for the state-certified residential appraiser credential, as applicable for the desired appraiser credential, [Note: If the candidate desires a state-licensed appraiser credential, college-level education is not required. The candidate will receive the allocated points in this category.] 10 points; and

(6) Possesses the required technology and equipment, 10 points.

The administrator shall select candidates with the highest point score for the program.

20:14:15:03. (Effective October 1, 2023) Ranking system for candidate selection. The program administrator shall review candidates for the experience training program according to the following point system:

(1) Resides in and intends to establish and maintain a real estate appraisal practice in a South Dakota county with a population of ~~10,000~~ ten thousand or less, ~~35~~ thirty-five points;

(2) Currently holds a ~~state-registered~~ registered trainee appraisal credential, ~~20~~ twenty points;

(3) Has completed the applicable education prescribed in § 20:14:15:01, ~~15~~ fifteen points;

(4) Understands the requirements, including tuition and travel, and commits in writing to completing the program, ~~40~~ ten points;

(5) Holds a ~~Bachelor's~~ bachelor's degree required for the state-certified general appraiser credential or has the college-level education required for the state-certified residential appraiser credential, as applicable for the desired appraiser credential. ~~[Note: If the candidate desires~~ is seeking a state-licensed appraiser credential only, college-level education is not required. The candidate will receive the allocated points in this category.] ~~40~~ ten points; and

(6) Possesses the required technology and equipment, ~~40~~ ten points.

The administrator shall select candidates with the highest point score for the program.

Source: 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:07. Grounds for dismissal from experience training program. The department or institution administering the experience training program may dismiss a student for failure to ~~comply with the following requirements:~~

(1) Attend all of the in-person and virtual classroom hours of instruction;

(2) Participate in all of the field work ~~that includes, but is not limited to, the following, including:~~

(a) Property inspections;

(b) Gathering market data; and

(c) Working with local appraisers to develop geographic competency;

(3) Complete all course assignments as prescribed in the course syllabus; and

(4) Complete the Appraisers Qualifications Board-required qualifying education for the desired credential in the timeframe set by the institution administering the program.

In the case of an excused absence during the in-person or virtual classroom hours of instruction in subsection (1) above, the student must review the applicable recorded classroom or virtual presentation for the training that was missed during the absence. In case of an excused absence for the scheduled field work in subsection (2) above, the student must complete the field work independently.

If a student is in ~~noncompliance~~ noncompliance with the above course requirements, the lead trainer must notify the student, in writing, detailing the specific deficiencies. The lead trainer must grant the student ~~30~~ thirty days in which the cited deficiencies must be corrected to avoid dismissal from the experience training program.

Source: 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(6)(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(6)(21).

20:14:15:10. ~~Agreement with department for institutions~~ South Dakota university or college to administer an experience training program. Any ~~institution~~ accredited South Dakota university or college seeking to administer an experience training program must ~~enter into a memorandum of understanding with the department that ensures the institution is administering~~ will administer the experience training program in compliance with this chapter.

Source: 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21B-3(21).

Law Implemented: SDCL 36-21B-1, 36-21B-3(21).

20:77:01:05. (Effective through September 30, 2023) Definitions. Terms used in this article mean:

(1) "AMC National Registry," the registry of state-registered appraisal management companies and federally regulated appraisal management companies maintained by the Appraisal Subcommittee;

(2) "Appraisal Subcommittee," the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(3) "Appraiser," a person who has been issued by the department a state-certified general, state-certified residential, state-licensed, or state-registered appraiser credential to perform appraisals;

(4) "Appraiser panel," a network, list, or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company. Appraisers on an appraisal management company's appraiser panel under this article include the following:

(a) Appraisers accepted by the appraisal management company for consideration for future appraisal assignments in covered transactions and for secondary mortgage market participants in connection with covered transactions; and

(b) Appraisers engaged by the appraisal management company to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions.

An appraiser is an independent contractor for purposes of this article if considered an independent contractor by the appraisal management company for federal income tax purposes;

(5) "Certificate of Registration," the certificate verifying the registration of any person or entity approved as an appraisal management company by the State of South Dakota;

(6) "Covered transaction," any consumer credit transaction secured by the consumer's principal dwelling;

(7) "Department," the Department of Labor and Regulation;

(8) "Federally regulated appraisal management company," an appraisal management company that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. § 1813 as amended to July 21, 2010 and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation;

(9) "Federally related transaction regulations," regulations established by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal

Deposit Insurance Corporation, or the National Credit Union Administration, pursuant to sections 1112, 1113, and 1114 of FIREA Title XI, 12 U.S.C. §§ 3341-3343 as amended to July 21, 2010;

(10) "Financial institutions," institutions regulated by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and National Credit Union Administration;

(11) "FIRREA," the Financial Institution Reform Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989), 12 U.S.C. § 3310, et seq. as amended to July 21, 2010;

(12) "Real estate," as defined in SDCL 36-21A-11;

(13) "Secondary mortgage market participant," a guarantor or insurer of mortgage-backed securities, or an underwriter or issuer of mortgage-backed securities. Secondary mortgage market participant only includes an individual investor in a mortgage-backed security if that investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security;

(14) "Secretary," the secretary of the department;

(15) "Substantive cause," a reason for imposing discipline against an appraiser described in § 20:77:07:03 or a substantially similar provision in the jurisdiction that imposed the discipline;

(16) "TILA," Truth in Lending Act of 1968, 15 U.S.C. § 1631 et seq. as amended to May 24, 2018 and any amendments thereto;

(17) "Uniform Standards," Uniform Standards of Professional Appraisal Practice as incorporated in § 20:14:06:01.

20:77:01:05. (Effective October 1, 2023) Definitions. Terms used in this article mean:

(1) "AMC National Registry," the registry of state-registered appraisal management companies and federally regulated appraisal management companies maintained by the Appraisal Subcommittee;

(2) "Appraisal Subcommittee," the Appraisal Subcommittee of the Federal Financial Institutions Examination Council;

(3) "Appraiser," a person who has been issued by the department a state-certified general, state-certified residential, state-licensed, or ~~state-registered~~ registered trainee appraiser credential to perform appraisals

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(6) "Covered transaction," any consumer credit transaction secured by the consumer's principal dwelling;

(7) "Department," the Department of Labor and Regulation;

(8) "Federally regulated appraisal management company," an appraisal management company that is owned and controlled by an insured depository institution, as defined in 12 U.S.C. § 1813 as

amended to July 21, 2010 and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System or the Federal Deposit Insurance Corporation;

(9) "Federally related transaction regulations," regulations established by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, or the National Credit Union Administration, pursuant to sections 1112, 1113, and 1114 of FIREA Title XI, 12 U.S.C. §§ 3341-3343 as amended to July 21, 2010;

(10) "Financial institutions," institutions regulated by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and National Credit Union Administration;

(11) "FIRREA," the Financial Institution Reform Recovery and Enforcement Act of 1989, Pub. L. No. 101-73, 103 Stat. 183 (1989), 12 U.S.C. § 3310, et seq. as amended to July 21, 2010;

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(14) "Secretary," the secretary of the department;

(15) "Substantive cause," a reason for imposing discipline against an appraiser described in § 20:77:07:03 or a substantially similar provision in the jurisdiction that imposed the discipline;

(16) ~~"TILA," Truth in Lending Act of 1968, 15 U.S.C. § 1631 et seq. as amended to May 24, 2018 and any amendments thereto;~~

~~—(17) "Uniform Standards," Uniform Standards of Professional Appraisal Practice as incorporated in § 20:14:06:01.~~

Source: 38 SDR 40, effective September 20, 2011; 45 SDR 45, effective October 8, 2018; 49 SDR 25, effective September 18, 2022.

General Authority: SDCL 36-21D-4(2).

Law Implemented: SDCL 36-21D-1, 36-21D-4(2).