



# ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature  
First Regular Session

House: RA DP 7-0-0-0

## **HB2012: real estate appraisers; licensure classifications**

**Sponsor: Representative Livingston, LD 28**

**House Engrossed**

### **Overview**

Permits state-licensed real estate appraisers to conduct the appraisal of complex residential units under \$400,000.

### **History**

The Department of Insurance and Financial Institutions (DIFI) licenses and authorizes the transactions of insurance-related entities and regulates state-chartered financial entities such as money transmitters, motor vehicle dealers and real estate appraisal entities ([JLBC FY2023 Baseline Book – Department of Insurance and Financial Institutions](#)).

[The Appraisal Qualifications Board](#) (the Board) sets universal standards adopted by DIFI for minimum criteria necessary to either be certified, licensed, or registered as a real estate appraiser. ([A.R.S. § 32-3605](#)). The Board standards for a state-licensed real estate appraiser are as follows:

- 1) Must complete the Board licensed residential real property appraiser examination;
- 2) Must complete 150 credit class hours under the Board required core curriculum; and
- 3) Have 1,000 hours of qualifying experience in no fewer than 6 months.

Associated fees for state-licensed real estate appraisers are composed of new application and national registry fees of \$400.00 and \$80.00. For license renewal, there is a biennial renewal and national registry fee of \$425.00 and \$80.00 ([Department of Insurance and Financial Institutions](#)). According to DIFI, there is a total of 170 active state-licensed real estate appraisers in Arizona.

In 2019, the Federal Government issued the Appraisal Rule, which required federally related real estate transactions valued at more than \$400,000 to require a state-certified appraiser. For transactions under that threshold, an evaluation of real property collateral is required instead ([C.F.R. 12-3B-323](#)).

*Complex one to four residential units* are properties that are considered atypical for the marketplace considering factors such as: 1) architectural style; 2) age of improvements; 3) size of improvements; 4) size of lot; 5) neighborhood land use; 6) potential environmental hazard liability; 7) leasehold interest; and 8) limited readily available comparable sales or other unusual factors ([A.R.S. § 32-3601](#)).

### **Provisions**

1. Expands the value threshold that state-licensed real estate appraisers can appraise complex one to four residential units from \$250,000 to \$400,000. (Sec. 1)
2. Makes technical changes. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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