

# EXHIBIT C

Administrative Rules  
Article 20:14  
Appraisers

ADMINISTRATIVE RULES

of

SOUTH DAKOTA

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LABOR AND REGULATION

ARTICLE 20:14  
APPRAISERS

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**ARTICLE 20:14****APPRAISERS**

## Chapter

20:14:01	General provisions.
20:14:02	Administration.
20:14:03	Application procedure.
20:14:04	Transactions requiring qualified appraisers.
20:14:05	Qualifications for certification, licensure, and registration.
20:14:06	Appraisal standards.
20:14:07	Records.
20:14:08	Appraiser independence.
20:14:09	Professional membership and competence.
20:14:10	Fee schedule.
20:14:11	Complaints, investigations, and discipline.
20:14:12	Nonresident certification, licensure, and temporary practice.
20:14:13	Qualifying and continuing education.
20:14:14	Evaluation exemptions and standards.

**CHAPTER 20:14:01****GENERAL PROVISIONS**

## Section

20:14:01:01	Definitions.
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**20:14:01:01. Definitions.** As used in this article:

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

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

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

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

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

- (6) "Appraiser" means 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) "Credential" means 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;
- (8) "Class hour" means 50 minutes out of each 60-minute segment;
- (9) "Complex nonresidential property" means the nonresidential property to be appraised, the form of ownership, or market conditions are atypical;
- (10) "Complex one- to four-family residential property" means the residential property to be appraised, the form of ownership, or market conditions are atypical, as described in § 20:14:04:09;
- (11) "Department" means the Department of Labor and Regulation;
- (12) "Distance education" means any education process based on the geographical separation of student and instructor;
- (13) "Evaluation" means 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;
- (14) "Fed" means the Board of Governors of the Federal Reserve System;
- (15) "Federal financial institutions regulatory agencies" means 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;
- (16) "FDIC" means the Federal Deposit Insurance Corporation;
- (17) "Financial institutions" means institutions regulated by the FDIC, OCC, Fed, and National Credit Union Administration;
- (18) "FIRREA" means 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;
- (19) "Guidelines" means 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;
- (20) "OCC" means the Office of the Comptroller of the Currency, Treasury Department;
- (21) "Real estate" means as defined in SDCL 36-21A-11;

(22) "Secretary" means the secretary of the department;

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

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

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

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

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

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

(29) "Written examination" means 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.

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

**Law Implemented:** SDCL 1-47-14, 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>.

## CHAPTER 20:14:02

### ADMINISTRATION

#### Section

20:14:02:01 Roster of appraisers.

20:14:02:02 Notice of change of email address and residential and business addresses.

20:14:02:03 Use of titles in advertising.

3Revised through Monday, October 25, 2021

**20:14:02:01. Roster of appraisers.** The secretary shall prepare and issue at least once each calendar year a roster showing the name and place of business of each real estate appraiser currently holding a valid state-certified general appraiser, state-certified residential appraiser or state-licensed appraiser credential issued under the provisions of this article. The secretary shall transmit the roster to the Appraisal Subcommittee of the Federal Financial Institutions Examination Council annually.

**Source:** 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

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

**Note:** A copy of the roster is available to the public at no charge upon written request to the secretary.

**20:14:02:02. Notice of change of email address and residential and business addresses.** Each real estate appraiser shall immediately give written notice of any change of email address and residential or business address to the secretary.

**Source:** 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 40 SDR 121, effective January 7, 2014; 46 SDR 29, effective September 9, 2019.

**General Authority:** SDCL 36-21B-3.

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

**20:14:02:03. 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.

**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.

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

## CHAPTER 20:14:03

### APPLICATION PROCEDURE

#### Section

- 20:14:03:01 Application for credential.
- 20:14:03:02 Term of credential.
- 20:14:03:03 Credential renewal.
- 20:14:03:04 Late renewal.

4Revised through Monday, October 25, 2021

20:14:03:05 Inactive status.

20:14:03:06 Reinstatement of credential on inactive status.

**20:14:03:01. Application for credential.** An individual who desires to engage in real estate appraisals under this article shall apply in writing for a credential on a form provided by the secretary. An application is valid for 90 days. The secretary may extend the time for an application upon the written request of the applicant or to allow the applicant to comply with the department's request for information, records, or reports. The application fee prescribed in § 20:14:10:01 shall accompany the application form. The application form 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) Educational experience;
- (8) Appraisal experience;
- (9) A sworn declaration that must be signed by the applicant; and
- (10) Email address.

**Source:** 18 SDR 36, effective August 25, 1991; 24 SDR 91, effective January 8, 1998; 26 SDR 120, effective March 27, 2000; 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017; 46 SDR 29, effective September 9, 2019.

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

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

**Note:** The secretary shall collect the registry fee pursuant to 12 U.S.C. § 3338(a) with the application for certification or licensure.

**20:14:03:02. Term of credential.** The secretary shall issue a credential to an applicant who qualifies in accordance with this article. Any credential issued under this article expires on September 30 each year, unless revoked or suspended.

**Source:** 18 SDR 36, effective August 25, 1991; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

**20:14:03:03. Credential renewal.** To renew any current valid credential, the holder of the credential shall file an application with the secretary on a form provided by the secretary between July 2 through August 16 and pay the renewal fee prescribed in § 20:14:10:02 to the secretary. For each odd-numbered year, the renewal application form must be accompanied by documentation of completion of the continuing education requirements for renewal specified in § 20:14:13:01.

**Source:** 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; 25 SDR 123, effective April 8, 1999; 44 SDR 27, effective August 14, 2017; 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(9).

**Law Implemented:** SDCL 36-21B-3(9).

5Revised through Monday, October 25, 2021



**20:14:03:04. Late renewal.** If renewal of a credential is not accomplished within the period prescribed in § 20:14:03:03, the application is considered untimely, but the applicant may renew the credential within six months following its expiration by satisfying all of the requirements for renewal and paying the renewal fee prescribed in § 20:14:10:02 plus the applicable late renewal fee prescribed in § 20:14:10:04. The secretary may refuse to renew a credential if the applicant continues to perform real estate appraisal activities as defined in this article in this state following the expiration of the credential.

**Source:** 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 44 SDR 27, effective August 14, 2017; 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(9).

**Law Implemented:** SDCL 36-21B-3(9).

**20:14:03:05. Inactive status.** An appraiser who does not wish to be actively engaged in real estate appraisal activity shall request in writing that the secretary place the appraiser's credential on inactive status. The credential and the identification card shall accompany the written request. Any appraiser whose credential has been placed on inactive status may not engage in real estate appraisal activity.

The appraiser shall renew the inactive credential as specified in § 20:14:03:03 and pay the renewal fees as specified in § 20:14:10:02. The continuing education requirement specified in § 20:14:13:01 is not required during the period of inactive status.

**Source:** 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 34 SDR 67, effective September 11, 2007; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(19).

**20:14:03:06. Reinstatement of credential on inactive status.** An appraiser on inactive status who wishes to return to active status shall submit a written request along with evidence of successful completion of the continuing education class hours that would have been required by § 20:14:13:01 if the appraiser was on an active status to the secretary for reinstatement of the appraiser's credential to active status before resuming real estate appraisal activity. The continuing education class hours shall include the most recent update course that covers the uniform standards as adopted in § 20:14:06:01 or its equivalent. The class hours of instruction shall be completed subsequent to the appraiser's credential being placed on inactive status.

**Source:** 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 30 SDR 115, effective February 2, 2004; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3(19).

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(19).

## 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	Appraisal by state-registered appraiser.
20:14:04:12	Assistance by state-registered appraiser in preparation of appraisal reports.
20:14:04:12.01	Registration of supervisory appraiser by state-registered appraiser.
20:14:04:12.02	Responsibility of a state-registered 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.

**20:14:04:01. Federally related transactions.** For the purposes of this article, a federally related transaction is any real estate-related transaction, as defined in § 20:14:04:02, entered into after December 31, 1991, which federal regulatory agencies engage in, contracts for, or regulates, and which requires the services of an appraiser.

**Source:** 18 SDR 36, effective August 25, 1991; 26 SDR 120, effective March 27, 2000.

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

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

**20:14:04:02. Real estate-related transactions.** Real estate-related financial transactions include any transaction involving the following:

- (1) The sale, lease, purchase, investment in, or exchange of real estate, including interests in property or its financing;
- (2) The refinancing of real estate or interests in real estate; or
- (3) The use of real estate or interests in property as security for a loan or investment, including mortgage-backed securities.

**Source:** 18 SDR 36, effective August 25, 1991.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

**20:14:04:03. Transaction value.** For the purposes of this article, the transaction value is defined as follows:

- (1) For loans or other extensions of credit, the amount of the loan or extension of credit;
- (2) For sales, leases, purchases, and investments in or exchanges of real estate, the market value of the real estate interest involved; and
- (3) For the pooling of loans or interests in real estate for resale or purchase, the amount of the loan or market value of the real estate calculated for each such loan or interest in real estate.

**Source:** 18 SDR 36, effective August 25, 1991.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

**20:14:04:04. Appraisal not required.** To determine whether or not an appraisal is needed under this article in connection with a real estate-related financial transaction, a financial institution shall comply with the guidelines and the threshold levels set by the federal financial institutions regulatory agencies, as applicable. Threshold levels are specified in § 20:14:04:05.

**Source:** 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 47 SDR 71, effective December 14, 2020.

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

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

**20:14:04:05. Threshold levels.** Each federal financial institution's regulatory agency may establish a threshold level at or below which a certified or licensed appraiser is not required to perform appraisals in connection with real estate-related financial transactions. The threshold levels established by each federal financial institution's regulatory agency are as follows:

- (1) National Credit Union Administration, 12 CFR § 722.3 (April 30, 2020);
- (2) OCC, 12 C.F.R. § 34.43 (April 17, 2020);
- (3) FDIC, 12 C.F.R. § 323.3 (April 17, 2020);
- (4) Fed, 12 C.F.R. § 225.63 (April 17, 2020).

**Source:** 18 SDR 36, effective August 25, 1991; 21 SDR 49, effective September 18, 1994; 23 SDR 113, effective January 12, 1997; 26 SDR 120, effective March 27, 2000; 29 SDR 99, effective January 15, 2003; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 41 SDR 217, effective June 29, 2015; 47 SDR 71, effective December 14, 2020.

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

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

**20:14:04:06. Appraisal by state-certified general appraiser.** A state-certified general appraiser may appraise any type of property without regard to transaction value or complexity. A state-certified general appraiser is bound by the competency rule of the uniform standards and § 20:14:09:02.

**Source:** 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005.

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

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

**20:14:04:06.01. Appraisal by state-certified residential appraiser.** A state-certified residential appraiser may perform any noncomplex nonresidential property appraisal with a transaction value at or below the applicable threshold level established pursuant to § 20:14:04:05 and any one- to four-family residential property appraisal without regard to transaction value or complexity. This includes the appraisal of vacant or unimproved land that is utilized for one-to four-family purposes or for which the highest and best use is one-to four-family purposes. This does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. A state-certified residential appraiser is bound by the competency rule of the uniform standards and § 20:14:09:02.

**Source:** 23 SDR 113, effective January 12, 1997; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 47 SDR 71, effective December 14, 2020.

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

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

**20:14:04:07. Appraisal by state-licensed appraiser.** A state-licensed appraiser may perform any noncomplex nonresidential property appraisal with a transaction at or below the applicable threshold level established pursuant to § 20:14:04:05 or complex one- to four-family residential property appraisal with a transaction value of less than \$400,000 and any noncomplex one- to four-family residential property appraisal with a transaction value of less than \$1,000,000. This includes the appraisal of vacant or unimproved land that is utilized for one-to four-family purposes or for which the highest and best use is one-to four-family purposes. This does not include the appraisal of subdivisions for which a development analysis/appraisal is necessary. A state-licensed appraiser is bound by the competency rule of the uniform standards and § 20:14:09:02.

**Source:** 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 28 SDR 109, effective February 7, 2002; 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012; 47 SDR 71, effective December 14, 2020.

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

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

**20:14:04:08. Presumption that one- to four-family residential properties are not complex.** A regulated institution shall presume that an appraisal of a one- to-four-family residential property is not complex unless the institution has readily available information that the appraisal will be complex.

**Source:** 18 SDR 36, effective August 25, 1991.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

**20:14:04:09. Final determination of complexity.** The regulated institution shall make the final determination as to the complexity of the appraisal. If during the course of the appraisal a state-licensed appraiser identifies factors that would cause the property, form of ownership, the property characteristics or market conditions to be atypical, then either the regulated institution may ask the state-licensed appraiser to complete the appraisal and have a state-certified general appraiser or state-certified residential appraiser approve and cosign the appraisal or the institution may engage a state-certified general appraiser or state-certified residential appraiser to complete the appraisal.

**Source:** 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 17, 1997; 38 SDR 116, effective January 10, 2012.

**General Authority:** SDCL 36-21B-3.

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

**20:14:04:10. Appraisal by either a state-certified general, state-certified residential, or state-licensed appraiser.** Appraisals for federally related transactions not requiring the services of a state-certified general appraiser may be performed by either a state-certified general, state-certified residential, or state-licensed appraiser.

**Source:** 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997.

**General Authority:** SDCL 36-21B-3.

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

**Cross-References:**

Appraisal by state-certified general appraiser, § 20:14:04:06.

Appraisal by state-certified residential appraiser, § 20:14:04:06.01.

Appraisal by state-licensed appraiser, § 20:14:04:07.

**20:14:04:11. 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.

**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. 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.

**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. 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 10Revised through Monday, October 25, 2021

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.

**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(8).

**20:14:04:12.02. 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).

**20:14:04:13. Supervisory appraiser.** A supervisory appraiser shall be a state-certified residential or state-certified general appraiser who has satisfied the requirements in § 20:14:04:14.

**Source:** 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 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).

**20:14:04:14. 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.

**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. 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.

**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.

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

**20:14:04:16. Supervisory appraiser approval renewal.** To renew any current supervisory appraiser approval the holder of the approval shall file an application on a form provided by the secretary and pay the renewal fee prescribed in § 20:14:10:02. The fee shall be paid to the secretary not more than 90 days and not less than 45 days before the expiration date of the supervisory appraiser approval.

**Source:** 35 SDR 175, effective January 1, 2009; 36 SDR 112, effective January 11, 2010; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

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

**20:14:04:16.01. Supervisory appraiser late renewal.** If renewal of the supervisory appraiser approval is not accomplished within the period prescribed in § 20:14:04:16, the applicant may renew within six months following its expiration by paying the renewal fee prescribed in § 20:14:10:02 plus the applicable late renewal fee prescribed in § 20:14:10:04. The secretary may refuse to renew the supervisory appraiser approval if the applicant continues supervisory appraiser activities, as defined in this article, in this state following the expiration of the approval.

**Source:** 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3(9).

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

**20:14:04:17. 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 13Revised through Monday, October 25, 2021



§ 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.

**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.

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

## CHAPTER 20:14:05

### QUALIFICATIONS FOR CERTIFICATION, LICENSURE, AND REGISTRATION

#### Section

- 20:14:05:01 Qualifications.
- 20:14:05:01.01 Qualifications for certified or licensed appraisers that move to the state.
- 20:14:05:01.02 Limited exemption for qualifications -- Military.
- 20:14:05:02 Examination.
- 20:14:05:02.00 Examination approval -- Time limit.
- 20:14:05:02.01 Experience requirements for state-registered appraiser.
- 20:14:05:03 Experience requirements for state-licensed appraiser.
- 20:14:05:03.01 Experience requirements for state-certified residential appraiser.
- 20:14:05:04 Experience requirements for state-certified general appraiser.
- 20:14:05:05 Acceptable experience.
- 20:14:05:05.01 Experience -- Review of appraisals by secretary.

14Revised through Monday, October 25, 2021

## APPRAISERS

20:14

- 20:14:05:05.02 Experience -- Documentation requirements.
- 20:14:05:05.03 Experience -- Time spent on the appraisal process.
- 20:14:05:05.04 Experience -- Time limit.
- 20:14:05:05.05 Experience -- Review of appraisals by secretary midway to upgrade.
- 20:14:05:06 Experience -- Verification.
- 20:14:05:06.01 Educational requirements for state-registered appraiser.
- 20:14:05:06.02 Education program for state-registered 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.
- 20:14:05:08.01 Educational requirements for state-certified general appraiser -- General education.
- 20:14:05:08.02 Education -- Real estate degree.
- 20:14:05:09 Repealed.
- 20:14:05:10 Transferred.
- 20:14:05:11 Education -- Time limit.
- 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.

**20:14:05:01. 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.

**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.

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

### **20:14:05:01.01. Qualifications for certified or licensed appraisers that move to the state.**

If a state-certified general, state-certified residential, or state-licensed appraiser moves to the state and holds a valid credential in good standing and issued by the appraiser's home state or any other jurisdiction, the secretary may issue an equivalent credential to the appraiser if the appraiser complies with the following requirements:

- (1) Submits an application on a form provided by the secretary;
- (2) Certifies that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Certifies that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction;
- (4) Provides a signed sworn declaration; and
- (5) Pays the application fee prescribed in § 20:14:10:01.

**Source:** 34 SDR 67, effective September 11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 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).

**20:14:05:01.02. Limited exemption for qualifications -- Military.** An applicant for state-licensed, state-certified residential, or state-certified general appraiser in the Reserve components of the U.S. Armed Forces, who was pursuing appraiser licensure or certification prior to December 1, 2011, and who was called to active duty between December 1, 2011, and December 31, 2014, may satisfy the qualifications required prior to July 1, 2014, for an additional time period after January 1, 2015. The extension of time is equal to the applicant's time of active duty, plus an additional 12 months.

**Source:** 41 SDR 217, effective June 29, 2015.

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

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

**20:14:05:02. 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. An applicant for a state-registered appraiser credential shall have successfully completed the education prescribed in § 20:14:05:06.01 prior to approval to sit for an examination prescribed by the secretary.

An applicant for a state-certified general, state-certified residential, or state-licensed appraiser credential approved to take the National Uniform Appraiser Examination may take the examination no more than four times. If an applicant does not pass the examination on the fourth attempt the application is no longer valid. The applicant may file a new application after a period of six months from the date of the fourth failed exam.

**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.

**General Authority:** SDCL 36-21B-3.

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

#### **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, §§ 20:14:05:07.02 and 20:14:05:07.03.

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

State-licensed appraiser education, §§ 20:14:05:07 and 20:14:05:07.01.

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

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

**20:14:05:02.00. Examination approval -- Time limit.** An applicant for a state-certified general, state-certified residential, or state-licensed appraiser credential approved to take the National Uniform Appraiser Examination, or an applicant for a state-registered appraiser credential approved to complete the examination prescribed by the secretary, shall successfully complete the examination within 24 months from the date of approval. If the applicant does not successfully complete the examination within the time limit under this section, the applicant may apply pursuant to § 20:14:03:01 and pay the application fee prescribed in § 20:14:10:01. The examination is valid for a period of 24 months from the date of successful completion.

**Source:** 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 44 SDR 27, effective August 14, 2017; 46 SDR 75, effective December 4, 2019.

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

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

**20:14:05:02.01. 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.

**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.

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

**20:14:05:03. Experience requirements for state-licensed appraiser.** An applicant for state-licensed appraiser credential shall have a minimum of 6 months and 1,000 hours of appraisal experience.

**Source:** 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 32 SDR 109, effective December 27, 2005; 33 SDR 2, effective July 19, 2006; 38 SDR 116, effective January 10, 2012; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

**General Authority:** SDCL 36-21B-3.

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

**20:14:05:03.01. Experience requirements for state-certified residential appraiser.** An applicant for state-certified residential appraiser credential shall have a minimum of 12 months and 1,500 hours of appraisal experience of which at least 750 hours are in residential appraisal work. The applicant shall submit for review at least two small income-producing property appraisal reports. Each report shall include all three approaches to value. "Residential" is defined as one- to four-family residential units.

**Source:** 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 27 SDR 99, effective April 8, 2001; 33 SDR 2, effective July 19, 2006; 34 SDR 67, effective September 17, 2021  
Revised through Monday, October 25, 2021

11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

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

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

**20:14:05:04. Experience requirements for state-certified general appraiser.** An applicant for a state-certified general appraiser credential shall have a minimum of 18 months and 3,000 hours of appraisal experience of which at least 1,500 hours are in nonresidential appraisal work. The applicant shall submit for review a minimum of two nonresidential appraisal reports. Both of the reports shall include all three approaches to value. "Residential" is defined as one- to four-family residential units.

**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; 33 SDR 2, effective July 19, 2006; 34 SDR 67, effective September 11, 2007; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

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

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

**20:14:05:05. Acceptable experience.** Acceptable appraisal experience includes experience in performing:

- (1) Appraisal;
- (2) Appraisal review;
- (3) Appraisal consulting;
- (4) Mass appraisal.

For a real estate lending officer or a real estate broker acceptable appraisal experience includes the actual performance of a real estate appraisal or a professional review of a real estate appraisal, as determined by the secretary.

Case studies or practicum courses that are approved by the Appraiser Qualifications Board Course Approval Program or state appraiser regulatory agencies, and non-client appraisal experience, may be used to satisfy the appraisal experience requirement. Case studies, practicum courses, and non-client appraisal experience may not exceed 50 percent of the total experience requirement.

**Source:** 18 SDR 36, effective August 25, 1991; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 35 SDR 175, effective January 1, 2009; 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017.

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

**Law Implemented:** SDCL 36-21B-3(7)(17).

**20:14:05:05.01. Experience -- Review of appraisals by secretary.** The secretary may review appraisals completed by an applicant. The secretary may select the appraisals from an appraisal log submitted by the applicant on forms provided by the department. Separate appraisal logs shall be maintained for each supervisory appraiser, if applicable. The secretary shall determine

if the completed appraisals conform to § 20:14:06:01 and the competence provision in § 20:14:09:02.

**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; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 40 SDR 121, effective January 7, 2014.

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

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

**20:14:05:05.02. Experience -- Documentation requirements.** Appraisal reports submitted as documentation of experience must comply with the generally accepted uniform standards of professional appraisal practice as incorporated in § 20:14:06:01 for the type of real estate as of the time the work was completed.

**Source:** 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; 24 SDR 91, effective January 8, 1998; 44 SDR 184, effective June 25, 2018.

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

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

**20:14:05:05.03. Experience -- Time spent on the appraisal process.** The experience requirements must be satisfied by the time spent on the appraisal process. The appraisal process consists of analyzing factors that affect value; defining the problem; gathering and analyzing data; applying the appropriate analysis and methodology; and arriving at an opinion and correctly reporting the opinion in compliance with the uniform standards.

**Source:** 32 SDR 109, effective December 27, 2005.

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

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

**20:14:05:05.04. Experience -- Time limit.** No experience obtained before February 1, 1989, may be used to meet the experience requirements of this chapter.

**Source:** 32 SDR 109, effective December 27, 2005.

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

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

**20:14:05:05.05. 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.

**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, § 20:14:05:04,

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

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

**20:14:05:06. Experience -- Verification.** An applicant shall, upon request of the secretary, verify appraisal experience credit claimed by submitting documentation in the form of reports, certifications, or file memoranda, or, if such reports and memoranda are unavailable for good cause, other evidence, approved by the secretary, to support the applicant's experience claimed.

**Source:** 18 SDR 36, effective August 25, 1991; 32 SDR 109, effective December 27, 2005.

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

**Law Implemented:** SDCL 36-21B-3(7).

**20:14:05:06.01. 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.

**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(3)(6).

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

**20:14:05:06.02. 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.

**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. 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.

**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. 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.

**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.

**20:14:05:07.02. Educational requirements for state-certified residential appraiser -- General education.** An applicant for the state-certified residential appraiser credential must satisfy one of the following general education options:

- (1) Hold a bachelor's degree, or higher from an accredited college or university;
- (2) Hold an associate's degree from an accredited college or university in a field of study related to:
  - (a) Business administration;
  - (b) Accounting;
  - (c) Finance;
  - (d) Economics; or
  - (e) Real estate;
- (3) Successful completion of 30 semester hours of college-level courses from an accredited college or university in the following specific topic areas:
  - (a) English composition (3 semester hours);
  - (b) Microeconomics (3 semester hours);
  - (c) Macroeconomics (3 semester hours);
  - (d) Finance (3 semester hours);
  - (e) Algebra, geometry, or higher mathematics (3 semester hours);
  - (f) Statistics (3 semester hours);
  - (g) Computer science (3 semester hours);
  - (h) Business or real estate law (3 semester hours); and
  - (i) Two elective courses in:
    - (i) Accounting (3 semester hours);
    - (ii) Geography (3 semester hours);
    - (iii) Agricultural economics (3 semester hours);
    - (iv) Business management (3 semester hours); or
    - (v) Real estate (3 semester hours); or
- (4) Successful completion of at least 30 hours of College Level Examination Program® (CLEP®) examinations from the following subject matter areas:
  - (a) College algebra;
  - (b) College composition;
  - (c) College composition modular;
  - (d) College mathematics;
  - (e) Principles of macroeconomics;
  - (f) Principles of microeconomics;
  - (g) Introductory business law; and
  - (h) Information systems.

The applicant for state-certified residential appraiser may use any combination of the specific topic areas listed in (3) above and subject matter areas listed in (4) above to satisfy the 30 semester hours of college-level courses.

The college or university shall be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education.

**Source:** 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 34 SDR 67, adopted August 22, 2007, effective January 1, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 214, adopted June 21, 2012, effective July 1, 2014; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

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

**Law Implemented:** 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.

**20:14:05:07.03. Educational requirements for state-licensed appraiser -- General education.** Repealed.

**Source:** 38 SDR 214, adopted June 21, 2012, effective July 1, 2014; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018.

**20:14:05:07.04. Alternative to general educational requirements of the state-certified residential appraiser credential for state-licensed appraiser.** A state-licensed appraiser may, as an alternative to the general education requirements as prescribed in § 20:14:05:07.02, qualify for upgrade to state-certified residential appraiser if all of the following requirements have been satisfied:

- (1) Has held a state-licensed appraiser credential for a minimum of five years;
- (2) Has not been subject to any disciplinary action within any jurisdiction that affects legal eligibility to engage in appraisal practice within the five years preceding an application for state-certified residential appraiser;
- (3) Has met all of the experience requirements for state-certified residential appraiser as prescribed in § 20:14:05:03.01; and
- (4) Has met all of the appraiser education requirements for state-certified residential appraiser as required in § 20:14:05:07.01.

**Source:** 44 SDR 184, effective June 25, 2018.

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

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

**20:14:05:08. 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.

**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, 25 Revised through Monday, October 25, 2021

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).

**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.

**20:14:05:08.01. Educational requirements for state-certified general appraiser -- General education.** Applicants for the state-certified general appraiser credential shall hold a bachelor's degree or higher from an accredited college or university.

The college or university must be a degree-granting institution accredited by the Commission on Colleges, a regional or national accreditation association, or by an accredited agency that is recognized by the U.S. Secretary of Education.

**Source:** 32 SDR 109, adopted December 7, 2005, effective January 1, 2008; 34 SDR 67, adopted August 22, 2007, effective January 1, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 214, adopted June 21, 2012, effective July 1, 2014; 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.

**20:14:05:08.02. Education -- Real estate degree.** Credit toward qualifying education requirements may also be obtained through the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the U.S. Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the Appraiser Qualifications Board.

The Appraiser Qualifications Board may maintain a list of approved college or university degree programs, including the required core curriculum and appraisal subject matter elective hours satisfied by the award of the degree. Candidates for an appraiser credential who are awarded degrees from institutions are required to complete all additional education required for the credential, in which the approved degree is judged to be deficient by the Appraiser Qualifications Board.

**Source:** 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

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

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

**20:14:05:09. Education emphasis -- Courses.** Repealed.

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

**20:14:05:10. Transferred to § 20:14:13:03.01.**

**20:14:05:11. Education -- Time limit.** There is no time limit for obtaining qualifying education credit for state-certified general, state-certified residential, and state-licensed appraiser credentials.

**Source:** 18 SDR 36, effective August 25, 1991; 26 SDR 120, effective March 27, 2000; 35 SDR 175, effective January 1, 2009; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017.

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

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

**20:14:05:12. Education -- Credit granted by challenge exam. Repealed.**

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 32 SDR 109, effective December 27, 2005.

**20:14:05:12.01. Substitution of education.** Experience may not be substituted for education.

**Source:** 32 SDR 109, effective December 27, 2005.

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

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

**20:14:05:13. Transferred to § 20:14:13:01.****20:14:05:14. Transferred to § 20:14:13:02.****20:14:05:15. Transferred to § 20:14:13:03.****20:14:05:16. Transferred to § 20:14:13:04.****20:14:05:17. Transferred to § 20:14:13:05.****20:14:05:18. Transitional state license. Repealed.**

**Source:** 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 20 SDR 9, effective August 1, 1993; repealed, 22 SDR 91, effective January 1, 1996.

**20:14:05:19. 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.

**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.

27Revised through Monday, October 25, 2021

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

**20:14:05:20. Upgrade from state-registered to state-licensed appraiser -- Challenge to experience requirements -- Denial of challenge.** Repealed.

**Source:** 20 SDR 9, effective August 1, 1993; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

## CHAPTER 20:14:06

### APPRAISAL STANDARDS

#### Section

20:14:06:01	Compliance with uniform standards.
20:14:06:01.01	Assignment conditions.
20:14:06:01.02	Reporting of appraisal management company registration number.
20:14:06:02	Repealed.
20:14:06:03	Repealed.
20:14:06:04	Repealed.
20:14:06:05	Repealed.
20:14:06:06	Repealed.
20:14:06:07	Repealed.
20:14:06:08	Repealed.
20:14:06:09	Repealed.
20:14:06:10	Repealed.
20:14:06:11	Repealed.
20:14:06:12	Repealed.
20:14:06:13	Repealed.
20:14:06:14	Repealed.

**20:14:06:01. Compliance with uniform standards.** An appraiser performing any appraisal practice assignment shall complete the assignment in compliance with the **Uniform Standards of Professional Appraisal Practice**, 2020-2021 Edition. The appraiser shall also disclose in the appraisal practice assignment any steps taken that were necessary or appropriate to comply with the competency rule of the uniform standards.

**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; 28 SDR 109, effective February 7, 2002; 29 SDR 99, effective January 15, 2003; 30 SDR 115, effective February 2, 2004; 31 SDR 165, effective May 10, 2005; 33 SDR 2, effective July 19, 2006; 34 SDR 200, effective January 28, 2008; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 40 SDR 121, effective January 7, 2014; 42 SDR 98, effective January 5, 2016; 44 SDR 99, effective December 11, 2017; 44 SDR 184, effective June 25, 2018; 46 SDR 75, effective December 4, 2019.

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

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

28Revised through Monday, October 25, 2021

**Reference: Uniform Standards of Professional Appraisal Practice**, 2020-2021 Edition, Appraisal Standards Board of the Appraisal Foundation. Copies may be obtained from the Appraisal Foundation website at [www.appraisalfoundation.org](http://www.appraisalfoundation.org) or by calling 800-348-2831. Cost: \$75 plus shipping and handling.

**20:14:06:01.01. Assignment conditions.** An appraiser shall comply with assignment conditions applicable to assignments prepared for specific purposes or property types issued by government agencies, government sponsored enterprises, or other entities that establish public policy. An appraiser shall ascertain whether any such published assignment conditions in addition to the uniform standards apply to the assignment being considered.

**Source:** 34 SDR 200, effective January 28, 2008; 38 SDR 116, effective January 10, 2012.

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

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

**Examples:** An appraiser is required to comply with the assignment conditions issued by the federal financial institutions regulatory agencies of the United States known as appraisal guidelines and regulations when performing an assignment for the agencies.

An appraiser is required to comply with the assignment conditions issued by Fannie Mae known as the Fannie Mae Selling Guide when accepting an assignment requiring the use of Fannie Mae forms adopted March of 2005.

An appraiser is required to comply with the assignment conditions issued by Employee Relocation Council known as The Worldwide ERC<sup>®</sup> Relocation Appraisal Guide when accepting an assignment requiring the use of The Worldwide ERC<sup>®</sup> Summary Appraisal Report.

**20:14:06:01.02. Reporting of appraisal management company registration number.** An appraiser who performs an appraisal for an appraisal management company shall assure that the company is properly registered by the secretary pursuant to SDCL chapter 36-21D and include the company's registration number in the appraisal report.

**Source:** 38 SDR 116, effective January 10, 2012; 40 SDR 121, effective January 7, 2014.

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

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

**20:14:06:02. Market value.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:03. Format and form requirements.** Repealed.

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

**20:14:06:04. Prior sales -- Time periods.** Repealed.



**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:05. Revenues, expenses, and vacancies.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:06. Marketing period.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:07. Market conditions and trends.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:08. Proposed construction, leases, and unsold units.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:09. Additional statement in certification.** Repealed.

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

**20:14:06:10. Supporting documentation.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:11. Legal description.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:12. Items which are not real estate.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:13. Valuation method.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

**20:14:06:14. Required information unavailable.** Repealed.

**Source:** 18 SDR 36, effective August 25, 1991; repealed, 23 SDR 113, effective January 12, 1997.

## CHAPTER 20:14:07

### RECORDS

#### Section

20:14:07:01 Retention of records.

20:14:07:02 Inspection and copying.

**20:14:07:01. Retention of records.** A real estate appraiser shall retain originals or true copies of all written contracts engaging the appraiser's services for real estate appraisal work and all written reports, all other data, information, documentation, and supporting data assembled and formulated by the appraiser in preparing the reports for five years. The five-year period for retention of the records is applicable to each engagement of the services of the appraiser and begins on the date of the submittal of the appraisal to the client. However, if, within the five-year period, the appraiser is notified that the appraisal or report is involved in an investigation, litigation, or state or federal review, the five-year period for the retention of the records begins on the date of the final disposition of that investigation, litigation, or state or federal review.

**Source:** 18 SDR 36, effective August 25, 1991; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 41 SDR 217, effective June 29, 2015; 42 SDR 98, effective January 5, 2016.

**General Authority:** SDCL 36-21B-3.

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

**20:14:07:02. Inspection and copying.** A real estate appraiser shall make all records required to be maintained under this chapter, including all referenced data, information, and documentation necessary to support the opinions and conclusions of the appraiser, available for inspection and copying upon request of the secretary.

**Source:** 18 SDR 36, effective August 25, 1991; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 23 SDR 113, effective January 12, 1997; 41 SDR 217, effective June 29, 2015.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(15)(18).

## CHAPTER 20:14:08

### APPRAISER INDEPENDENCE

#### Section

20:14:08:01 Staff appraiser independence required.

20:14:08:02 Steps to ensure independent judgment.

20:14:08:03 Fee appraiser independence required.

**20:14:08:01. Staff appraiser independence required.** If an appraisal is prepared by a staff appraiser who is an employee of a financial institution, that appraiser must be independent of the lending, investment, and collection functions and not involved, except as an appraiser, in the transaction. The appraiser may have no direct or indirect interest, financial or otherwise, in the property.

**Source:** 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(13)(16).

**20:14:08:02. Steps to ensure independent judgment.** If the only qualified persons available to perform an appraisal are involved in the lending, investment, or collection functions of the regulated institution, the regulated institution shall take steps to ensure that the appraisers exercise independent judgment and that the appraisal meets required standards. Such steps include prohibiting an individual from performing appraisals in which the appraiser is otherwise involved and prohibiting directors and officers from participating in any vote or approval involving assets on which they performed an appraisal.

**Source:** 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(13)(16).

**20:14:08:03. Fee appraiser independence required.** If an appraisal is prepared by a fee appraiser, an independent contractor performing services for a fee, that appraiser must be engaged directly by the regulated institution or its agent and may have no direct or indirect interest, financial or otherwise, in the property or transaction. A regulated institution may accept an appraisal that was prepared by an appraiser engaged directly by another institution subject to Title XI of FIRREA if the regulated institution that accepts the appraisal determines the following:

(1) The appraiser has no direct or indirect interest, financial or otherwise, in the property or the transaction; and

(2) The regulated institution determines that the appraisal conforms to the requirements of § 20:14:06:01 and is otherwise acceptable.

**Source:** 18 SDR 36, effective August 25, 1991; 23 SDR 113, effective January 12, 1997.

**General Authority:** SDCL 36-21B-3.

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

## CHAPTER 20:14:09

### PROFESSIONAL MEMBERSHIP AND COMPETENCE

#### Section

20:14:09:01 Professional association membership as basis for exclusion prohibited.

20:14:09:02 Competence.

**20:14:09:01. 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.

**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. 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.

**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).

## CHAPTER 20:14:10

### FEE SCHEDULE

#### Section

20:14:10:01	Application fees.
20:14:10:02	Renewal fees.
20:14:10:03	Repealed.
20:14:10:04	Late credential renewal fee.
20:14:10:04.01	Uniform standards update course late completion renewal fee.
20:14:10:05	Upgrade fee.
20:14:10:05.01	Upgrade fee -- midway upgrade.
20:14:10:06	Fee for approval of course.
20:14:10:07	Refund of fees.

**20:14:10:01. 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.

**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.

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

**20:14:10:02. 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.

**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.

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

**20:14:10:03. National examination fee.** Repealed.

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

**20:14:10:04. Late credential renewal fee.** The late renewal fee for submitting the appraiser credential renewal application after the renewal deadline as prescribed in § 20:14:03:03 is \$25 for each month or fraction of a month that has passed since the first day of October, not to exceed \$200.

**Source:** 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 44 SDR 184, effective June 25, 2018.

**General Authority:** SDCL 36-21B-4.

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

**20:14:10:04.01. Uniform standards update course late completion renewal fee.** The late renewal fee for completing the seven-hour update course that covers the uniform standards after June 30 of each even-numbered year as prescribed in § 20:14:13:01 is \$100, not to exceed \$200.

**Source:** 44 SDR 184, effective June 25, 2018.

**General Authority:** SDCL 36-21B-4.

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

**20:14:10:05. Upgrade fee.** The fee to upgrade any credential is \$200.

**Source:** 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-4.

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

**20:14:10:05.01. 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]).

**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).

**20:14:10:06. Fee for approval of course.** The application fee for approval of a course offering is \$50.

**Source:** 23 SDR 113, effective January 12, 1997; 27 SDR 146, effective July 11, 2001.

**General Authority:** SDCL 36-21B-4.

**Law Implemented:** SDCL 36-21B-3(6), 36-21B-4(8).

**20:14:10:07. Refund of fees.** Fees are nonrefundable.

**Source:** 26 SDR 120, effective March 27, 2000.

**General Authority:** SDCL 36-21B-4.

**Law Implemented:** SDCL 36-21B-4.

## CHAPTER 20:14:11

### COMPLAINTS, INVESTIGATIONS, AND DISCIPLINE

#### Section

- 20:14:11:01 Complaints and investigations.
- 20:14:11:01.01 Allegation of non-compliance.
- 20:14:11:02 Disciplinary actions.
- 20:14:11:03 Grounds for disciplinary action.

**20:14:11:01. Complaints and investigations.** Upon receipt of an allegation of non-compliance against any credential holder or applicant for a credential, as defined by § 20:14:11:01.01, or upon the secretary's own motion, the secretary shall initiate an investigation of the allegation. If the investigation provides evidence of non-compliance, the secretary may enter a formal complaint stating the charge against any credential holder or applicant for a credential.

35Revised through Monday, October 25, 2021

**Source:** 18 SDR 36, effective August 25, 1991; 43 SDR 36, effective September 20, 2016; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3(12)(13)(17).

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(12)(13)(17).

**20:14:11:01. Allegation of non-compliance.** An allegation of non-compliance must be in writing and meet the following criteria:

(1) The allegation of error or violation of any provision of this article is considered credible and based upon factual information which is independently verifiable; and

(2) The allegation is accompanied by a copy of the appraisal report or other credible documentation which contains a clearly identifiable error or violation of the provisions of this article, and provides sufficient evidence that it is probable the allegation has merit.

**Source:** 26 SDR 120, effective March 27, 2000; 43 SDR 36, effective September 20, 2016.

**General Authority:** SDCL 36-21B-3(12)(13)(17).

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(12)(13)(17).

**20:14:11:02. Disciplinary actions.** The secretary may: deny, suspend, or revoke a credential; censure or reprimand a credential holder; place a credential holder on probation; or limit a credential holder's scope of practice in accordance with SDCL chapter 1-26.

**Source:** 18 SDR 36, effective August 25, 1991; 22 SDR 91, effective January 1, 1996; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(12).

**20:14:11:03. Grounds for disciplinary action.** The following acts and omissions are grounds for disciplinary action:

(1) Failing to meet the minimum qualifications for certification, licensure, or registration established by or pursuant to this article;

(2) Procuring or attempting to procure a credential, when filing an initial or renewal application with the department for certification, licensure, or registration under this article, by:

- (a) Making a false statement;
- (b) Submitting false information;
- (c) Making a material misrepresentation; or
- (d) Through fraudulent measures;

(3) Paying money or other valuable consideration other than the fees provided for by this article to any employee of the department to procure a credential;

(4) Committing an act that constitutes:

- (a) Dishonesty;
- (b) Fraud; or

## (c) Misrepresentation;

- (5) Entry of a final civil or criminal judgment against a credential holder on grounds of fraud, misrepresentation, or deceit in the making of an appraisal;
- (6) Being convicted or pleading guilty or nolo contendere to a misdemeanor involving moral turpitude or to a felony before a court of competent jurisdiction in this or any other state;
- (7) Failing to report a criminal conviction within 30 days of final judgment;
- (8) Engaging in the business of real estate appraising under an assumed or fictitious name;
- (9) Paying a finder's fee or a referral fee to any person in connection with the appraisal of real estate, other than an intracompany payment for business development;
- (10) Making a false or misleading statement in that portion of a written appraisal report that deals with professional qualifications or in any testimony concerning professional qualifications;
- (11) Violating any provision of this article;
- (12) Violating the confidential nature of any information to which a credential holder gained access through employment for evaluation assignments or valuation assignments;
- (13) Accepting a fee for performing a real estate appraisal valuation assignment or evaluation assignment if the fee is or was contingent upon the real estate appraiser reporting a predetermined analysis, opinion, or conclusion on the value of the property being appraised;
- (14) Negligence, refusal, or incompetence in developing an appraisal, preparing an appraisal report, or communicating an appraisal, including failure to follow the standards and ethical rules adopted by the department;
- (15) Being disciplined with suspension, denial, censure, reprimand, or revocation of a credential by another state or jurisdiction;
- (16) Submitting fraudulent materials to another state or jurisdiction to become registered, licensed, or certified;
- (17) Being disciplined with suspension, denial, censure, reprimand, or revocation of a credential by another regulated occupation, trade, or profession;
- (18) Having an investigation or disciplinary action of a credential by the department, another state or jurisdiction, or another regulated occupation, trade, or profession pending in this state or another state or jurisdiction;
- (19) Performing an appraisal or an appraisal review requiring the services of a certified, licensed, or registered appraiser while not certified, licensed, or registered by the department;
- (20) Filing a complaint against another appraiser falsely alleging a violation of any provision of this article as a means of retribution;



(21) Failing to comply with a final order of the secretary;

(22) Failing to meet the responsibilities as a supervisory appraiser; or

(23) Voluntary surrender of a credential in lieu of disciplinary action by another state or jurisdiction.

**Source:** 18 SDR 36, effective August 25, 1991; 20 SDR 9, effective August 1, 1993; 20 SDR 18, effective August 12, 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; 26 SDR 120, effective March 27, 2000; 29 SDR 99, effective January 15, 2003; 34 SDR 200, effective January 28, 2008; 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; 42 SDR 98, effective January 5, 2016; 44 SDR 27, effective August 14, 2017; 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(12).

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(12).

## CHAPTER 20:14:12

### NONRESIDENT CERTIFICATION, LICENSURE, AND TEMPORARY PRACTICE

#### Section

- |             |  |
|-------------|--|
| 20:14:12:01 | Nonresident consent to service of process. |
| 20:14:12:02 | Reciprocity.                               |
| 20:14:12:03 | Reciprocity -- Term of credential.         |
| 20:14:12:04 | Temporary practice.                        |
| 20:14:12:05 | Temporary permit limited -- Expiration.    |

**20:14:12:01. Nonresident consent to service of process.** Each applicant under this article who is not a resident of this state shall submit with the application an irrevocable consent that service of process upon the applicant may be made by delivery of the process to the secretary of the Department of Labor and Regulation. This method of process may be used in an action against the applicant in a court of this state arising out of the applicant's activities as a real estate appraiser in this state if the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant.

**Source:** 19 SDR 12, effective August 3, 1992; 30 SDR 58, effective November 5, 2003; 38 SDR 116, effective January 10, 2012.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

**20:14:12:02. Reciprocity.** If the secretary determines another state, territory, or the District of Columbia has substantially equivalent certification and licensure requirements, an applicant who is certified or licensed there may be issued a state-certified general, state-certified residential, or state-licensed appraiser credential under this article. To qualify, the applicant shall:

- (1) Submit an application on a form provided by the secretary;

- (2) Certify that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Certify that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction;
- (4) Provide a signed sworn declaration; and
- (5) Pay the application fee prescribed in § 20:14:10:01.

**Source:** 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017; 46 SDR 29, effective September 9, 2019.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(10).

**Note:** The secretary shall collect the registry fee pursuant to 12 U.S.C. § 3338(a) with the application for certification or licensure.

**20:14:12:03. Reciprocity -- Term of credential.** The secretary shall issue a certificate or license to an applicant who qualifies in accordance with this article. Any certificate or license issued under this article expires on September 30 each year, unless revoked or suspended.

**Source:** 19 SDR 12, effective August 3, 1992; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

**20:14:12:04. Temporary practice.** A nonresident of this state who has submitted an irrevocable consent to service of process under § 20:14:12:01 may obtain a temporary permit to perform a contract relating to the appraisal of real estate in this state. To qualify, an applicant must do the following:

- (1) Submit an application on a form provided by the secretary;
- (2) Certify that the applicant is licensed or certified to appraise real estate in the applicant's home state or any other jurisdiction;
- (3) Submit a copy of the contract for appraisal services that requires the applicant to appraise real estate in this state and certify that the contract is in effect;
- (4) Certify that disciplinary proceedings are not pending against the applicant in the applicant's home state or any other jurisdiction; and
- (5) Pay the application fee prescribed in § 20:14:10:01.

**Source:** 19 SDR 12, effective August 3, 1992; 22 SDR 91, effective January 1, 1996; 26 SDR 120, effective March 27, 2000; 42 SDR 98, effective January 5, 2016.

**General Authority:** SDCL 36-21B-3(11).

**Law Implemented:** SDCL 36-21B-1, 36-21B-3(11).

**20:14:12:05. Temporary permit limited -- Expiration.** A temporary permit issued under this chapter is limited to the performance of the appraisal work required by the contract submitted with the application. Each temporary permit expires on the completion of the appraisal work required

39Revised through Monday, October 25, 2021

by the contract for appraisal service or six months from the date of issuance, whichever occurs first, unless an extension is granted by the secretary.

**Source:** 19 SDR 12, effective August 3, 1992; 26 SDR 120, effective March 27, 2000.

**General Authority:** SDCL 36-21B-3.

**Law Implemented:** SDCL 36-21B-3.

## 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 Distance 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 Training course for supervisory appraisers and state-registered appraisers.
- 20:14:13:14 Course evaluation.

**20:14:13:01. Continuing education requirements.** In each odd-numbered year an applicant for renewal of a credential shall document completion of the equivalent of 28 class hours of instruction in approved courses or seminars during the preceding reporting period unless the continuing education is not required pursuant to § 20:14:13:01.01 or 20:14:03:05. Seven of the 28 class hours of instruction must be completed in the 7-hour update course that covers the uniform standards or its equivalent as determined by the secretary or an alternative method as specified for continuing education in § 20:14:13:10.01. The applicant shall successfully complete the most current edition 7-hour uniform standards course by July 1 of each even-numbered year. An applicant who has not completed the 7-hour update course by July 1 of each even-numbered year must be assessed a late completion renewal fee as prescribed in § 20:14:10:04.01. An applicant may not

receive credit for completion of the same continuing education offering within an appraiser's continuing education reporting period.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:13, 20 SDR 9, effective August 1, 1993; 21 SDR 49, effective September 18, 1994; 22 SDR 91, effective January 1, 1996; 24 SDR 91, effective January 8, 1998; 25 SDR 123, effective April 8, 1999; 29 SDR 99, effective January 15, 2003; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 36 SDR 112, effective January 11, 2010; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012; 44 SDR 27, effective August 14, 2017; 44 SDR 184, effective June 25, 2018; 46 SDR 75, effective December 4, 2019; 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(3)(6)(9).

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

**20:14:13:01.01. Continuing education not required.** The continuing education requirement as specified in § 20:14:13:01 is not required if:

(1) A credential was issued in the previous 185 days before September 30 of the current odd-numbered year. This subdivision applies to first-time applicants only and not to applicants who have been issued an upgrade of a credential; or

(2) An appraiser is certified or licensed by reciprocity. The appraiser shall demonstrate possession of a current appraiser credential and be in good standing in the appraiser's home state or any other jurisdiction. Continuing education is required pursuant to § 20:14:13:01 if the appraiser who is certified or licensed by reciprocity moves to South Dakota.

**Source:** 21 SDR 49, effective September 18, 1994; 23 SDR 113, effective January 12, 1997; 25 SDR 123, effective April 8, 1999; 30 SDR 115, effective February 2, 2004; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 40 SDR 121, effective January 7, 2014; 41 SDR 217, effective June 29, 2015; 44 SDR 27, effective August 14, 2017.

**General Authority:** SDCL 36-21B-3(6)(9).

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

**20:14:13:01.02. Continuing education -- Partial requirement.** An appraiser is only required to complete fourteen hours of instruction in approved courses or seminars if the appraiser's credential is issued on or after October 1 of the previous even-numbered year and prior to 185 days before September 30 of the current odd-numbered year. This subdivision applies to first-time applicants only and not to applicants who have been issued an upgrade of a credential.

**Source:** 40 SDR 121, effective January 7, 2014; 44 SDR 27, effective August 14, 2017.

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

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

**20:14:13:02. Acceptable continuing education course topics.** Credit may be granted for courses that cover real estate topics related to appraisal and that maintain or increase the appraiser's skill, knowledge, and competency in real property appraising, such as those listed in this section or the equivalent as determined by the secretary:

(1) Ad valorem taxation;

(2) Arbitration, dispute resolution;

- (3) Courses related to practice of real estate appraisal or consulting;
- (4) Development cost estimating;
- (5) Ethics, standards of professional practice, and uniform standards;
- (6) Land use planning and zoning;
- (7) Real estate litigation, damages, and condemnation;
- (8) Management, leasing, and timesharing;
- (9) Property development and partial interest;
- (10) Real estate law, easements, and legal interest;
- (11) Real estate financing and investment;
- (12) Real estate appraisal-related computer applications;
- (13) Real estate securities and syndication;
- (14) Developing opinions of real property value in appraisals that also include personal property and/or business value;
- (15) Seller concessions and impact on value; and
- (16) Energy efficient items and "green building" appraisals.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:14, 20 SDR 6, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 38 SDR 214, effective June 21, 2012.

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

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

**20:14:13:02.01. Acceptable continuing education credit for field trips.** Real estate appraisal related field trips may be acceptable for credit toward the continuing education requirements. Transit time to or from the field trip is not acceptable unless instruction occurs during transit.

**Source:** 32 SDR 109, effective December 27, 2005; 38 SDR 116, effective January 10, 2012.

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

**Law Implemented:** SDCL 36-21B-3(6)(9).

**Example:** A real estate related field trip may be an organized tour, which includes instruction to the students, of a dairy operation; a turkey, swine, or cattle handling facility; or a chemical and seed business.

**20:14:13:03. Minimum length of continuing education course.** Continuing education credit may only be granted if the length of the course is at least two class hours.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:15, 20 SDR 9, effective August 1, 1993; 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-3(6).

**20:14:13:03.01. Requirement for qualifying education credit.** An education credit may be granted if the length of the course is at least 15 class hours and the individual successfully completes an approved closed-book examination pertinent to that course. The prescribed number of class hours may include time for examinations. Any course taken to satisfy the qualifying education requirements may not be repetitive.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:10, 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 38 SDR 116, effective January 10, 2012.

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

**Law Implemented:** SDCL 36-21B-3.

**20:14:13:03.02. Maximum length of classroom hours of instruction.** No course may include more than eight classroom hours of instruction in a given day. Each course shall allow for adequate breaks during the course day. This rule does not preclude the giving of class assignments to be completed by the student after class.

**Source:** 24 SDR 91, effective January 8, 1998.

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

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

**20:14:13:04. Additional activities eligible for continuing education credit.** In addition to continuing education credit granted for continuing education courses covering appraisal topics listed in the respective appraiser criteria, up to one-half of an appraiser's continuing education credit may also be granted for participation, other than as a student, in appraisal educational processes and programs. Examples of activities for which credit may be granted are teaching, program development, authorship of textbooks, or similar activities which are determined by the secretary to be equivalent to obtaining continuing education. Credit for instructing any given course or seminar may only be awarded once during a continuing education cycle.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:16, 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005.

**General Authority:** SDCL 36-21B-3.

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

**20:14:13:05. Sources of qualifying education credit.** Credit for education may be obtained from the following:

- (1) Colleges or universities;
- (2) Community or junior college;
- (3) Real estate appraisal or real estate-related organizations;
- (4) State or federal agencies or commissions;
- (5) Proprietary schools;
- (6) Other providers approved by the secretary; and
- (7) The Appraisal Foundation or its boards.

**Source:** 18 SDR 36, effective August 25, 1991; transferred from § 20:14:05:17, 20 SDR 9, effective August 1, 1993; 23 SDR 113, effective January 12, 1997; 32 SDR 109, effective December 27, 2005.

**General Authority:** SDCL 36-21B-3.

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

**20:14:13:05.01. Acceptable courses without state review.** Education courses that have received approval by the Appraiser Qualifications Board of the Appraisal Foundation through the

Appraiser Qualifications Course Approval Program or by the state appraiser regulatory agency may be accepted by the secretary without additional state review.

**Source:** 25 SDR 123, effective April 8, 1999; 26 SDR 120, effective March 27, 2000; 32 SDR 109, effective December 27, 2005; 34 SDR 67, effective September 11, 2007; 35 SDR 175, effective January 1, 2009.

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

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

**20:14:13:05.02. Acceptable distance education courses.** A distance education course is acceptable if:

(1) The course provides interaction. Interaction is a reciprocal environment where the student has verbal or written communication with the instructor;

(2) Content approval is obtained from the Appraiser Qualifications Board, a state licensing jurisdiction, or an accredited college, community college, or university that offers distance education programs and is approved or accredited by the Commission on Colleges, a regional or national accreditation association, or by an accrediting agency that is recognized by the U.S. Secretary of Education. Nonacademic credit college courses provided by a college must be approved by the Appraiser Qualifications Board or the state licensing jurisdiction; and

(3) Course delivery mechanism approval is obtained from one of the following sources:

(a) Appraiser Qualifications Board approved organizations providing approval of course design and delivery; or

(b) A college that qualifies for content approval in subdivision (2) that awards academic credit for the distance education course; or

(c) A qualifying college for content approval with a distance education delivery program that approves the course design and delivery that incorporate interactivity.

**Source:** 32 SDR 109, effective December 27, 2005.

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

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

**20:14:13:05.03. Distance education -- Continuing education.** Distance education courses intended for use as continuing education must include at least one of the following:

(1) A written examination proctored by an official approved by the college or university, or by the sponsoring organization; or

(2) Successful completion of prescribed course mechanisms required to demonstrate knowledge of the subject matter.

**Source:** 32 SDR 109, effective December 27, 2005.

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

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

**20:14:13:05.04. Distance education -- Qualifying education.** Distance education courses intended for use as qualifying education must include a written examination proctored by an official approved by the college or university, or by the sponsoring organization.

**Source:** 34 SDR 67, effective September 11, 2007.

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

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

**20:14:13:06. Term of approval.** A course approved by the secretary is valid for three years unless the secretary determines the course has changed and does not meet the criteria in § 20:14:13:07.

**Source:** 23 SDR 113, effective January 12, 1997.

**General Authority:** SDCL 36-21B-3.

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

**20:14:13:07. Application for course approval.** To obtain education course approval, the provider must apply in writing on a form provided by the secretary and submit the course to the department for approval by the secretary in accordance with this chapter. The provider must pay the application fee as prescribed in § 20:14:10:06 and provide information to the department regarding the course offering, including the following:

- (1) Course outline or syllabus;
- (2) All texts, workbooks, hand-outs, or other course material;
- (3) Instructor qualifications;
- (4) Course examinations;
- (5) Length of the course offering; and
- (6) Description of procedures for measuring and validating attendance.

**Source:** 23 SDR 113, effective January 12, 1997; 24 SDR 91, effective January 8, 1998; 32 SDR 109, effective December 27, 2005.

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

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

**20:14:13:08. Approval of course changes.** The course provider must immediately notify the department in writing of any changes to an approved course. The secretary shall determine in accordance with this chapter if the changes are acceptable.

**Source:** 23 SDR 113, effective January 12, 1997.

**General Authority:** SDCL 36-21B-3.

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

**20:14:13:09. Guide for instructors of the uniform standards.** Repealed.

**Source:** 24 SDR 91, effective January 8, 1998; 26 SDR 120, effective March 27, 2000; repealed, 29 SDR 99, effective January 15, 2003.

**20:14:13:10. Uniform standards training for instructors.** An instructor teaching an approved uniform standards course must be in good standing and a state-certified residential



appraiser or a state-certified general appraiser certified by the Appraiser Qualifications Board as a USPAP Instructor.

**Source:** 24 SDR 91, effective January 8, 1998; 29 SDR 99, effective January 15, 2003; 38 SDR 116, effective January 10, 2012; 38 SDR 214, effective June 21, 2012.

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

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

**20:14:13:10.01. Courses on the appraisal standards and ethics.** The 15-hour course that covers the uniform standards as adopted in § 20:14:06:01 or its Appraiser Qualifications Board approved equivalent is an acceptable qualifying course that may be offered by educational providers and approved by the secretary. The 7-hour update course that covers the uniform standards as adopted in § 20:14:06:01 or its Appraiser Qualifications Board approved equivalent is an acceptable continuing education course that may be offered by educational providers and approved by the secretary.

**Source:** 26 SDR 120, effective March 27, 2000; 29 SDR 99, effective January 15, 2003; 32 SDR 109, effective December 27, 2005; 38 SDR 214, effective June 21, 2012.

**General Authority:** SDCL 36-21B-3.

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

**20:14:13:11. Certificate of attendance issued by course provider.** The course provider shall issue a certificate of attendance to each student that attends each class hour approved for the course offering and successfully completes all of the course requirements.

**Source:** 24 SDR 91, effective January 8, 1998; 38 SDR 116, effective January 10, 2012.

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

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

**20:14:13:12. Disapproval or denial of a course.** The secretary may disapprove an approved course or deny an application for course approval in accordance with SDCL chapter 1-26 if the course content or the course provider fails to meet the requirements of this chapter.

**Source:** 24 SDR 91, effective January 8, 1998.

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

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

**20:14:13:13. 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.

**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.

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

**20:14:13:14. Course evaluation.** A course provider shall provide each student with a course evaluation form upon completion of the course and shall tally the results of the evaluation forms onto one form. The course provider shall send the completed course evaluation forms and the tally to the secretary within 15 days of course completion.

**Source:** 36 SDR 112, effective January 11, 2010.

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

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

## CHAPTER 20:14:14

### EVALUATION EXEMPTIONS AND STANDARDS

#### Section

20:14:14:01	Transactions for which an evaluation is permitted.
20:14:14:02	Compliance with guidelines.
20:14:14:03	Evaluation content.
20:14:14:04	Competency requirement when performing an evaluation.
20:14:14:05	Ethical requirement when performing an evaluation.
20:14:14:06	Record-keeping requirement when performing an evaluation.

**20:14:14:01. Transactions for which an evaluation is permitted.** An appraiser may only perform an evaluation on a real estate-related financial transaction that is below the applicable threshold specified in § 20:14:04:05.

**Source:** 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(20).

47Revised through Monday, October 25, 2021

**Law Implemented:** SDCL 36-21B-3(20).

**20:14:14:02. Compliance with guidelines.** An appraiser performing an evaluation shall comply with the guidelines.

**Source:** 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(20).

**Law Implemented:** SDCL 36-21B-3(20).

**Reference:** **Interagency Appraisal and Evaluation Guidelines**, issued 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 at <https://www.fdic.gov/news/financial-institution-letters/2010/fil10082a.pdf>.

**20:14:14:03. Evaluation content.** An appraiser shall include in an evaluation the following:

- (1) The location of the property;
- (2) A description of the property, including its current and projected use;
- (3) An estimate of the property's market value in its physical condition, use and zoning designation on the date of the evaluation with any limiting conditions;
- (4) A description of the method used to determine the property's physical condition and the extent to which an inspection was performed;
- (5) A description of the analysis that was performed and the supporting information that was used;
- (6) A description of the supplemental information that was considered when using an analytical method or technological tool;
- (7) An indication of all sources of information used in the analysis, as applicable, to value the property, including:
  - (a) External data sources;
  - (b) Property-specific data;
  - (c) Evidence of a property inspection;
  - (d) Photos of the property;
  - (e) Description of the neighborhood; and
  - (f) Local market conditions;
- (8) Name, contact information, and signature.

**Source:** 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(20).

**Law Implemented:** SDCL 36-21B-3(20).

**Examples:** External data sources may include market sales databases and public tax and land records. Property-specific data may include previous sales data for the property, tax assessment data, and comparable sales information.

**20:14:14:04. Competency requirement when performing an evaluation.** An appraiser performing an evaluation shall be subject to the competency rule of the uniform standards.

**Source:** 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(20).

**Law Implemented:** SDCL 36-21B-3(3)(20).

**20:14:14:05. Ethical requirement when performing an evaluation.** An appraiser performing an evaluation shall be subject to the ethics rule of the uniform standards.

**Source:** 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(20).

**Law Implemented:** SDCL 36-21B-3(3)(20).

**20:14:14:06. Record-keeping requirement for an evaluation.** An appraiser performing an evaluation must prepare a workfile for each evaluation that includes the following:

- (1) The name of the client;
- (2) A copy of the evaluation; and
- (3) The data, information or documentation that supports the evaluation.

The evaluation workfile must be retained by the appraiser for five years from the date of the submittal of the evaluation to the client unless the evaluation is subjected to an investigation, litigation, or state or federal review during the five-year period. The records of an evaluation that is subjected to an investigation, litigation, or state or federal review must be retained for five years from the date of final disposition of the investigation, litigation, or state or federal review.

**Source:** 47 SDR 71, effective December 14, 2020.

**General Authority:** SDCL 36-21B-3(20).

**Law Implemented:** SDCL 36-21B-3(15)(20).