

PROPOSED RULEMAKING

FISH AND BOAT COMMISSION

[58 PA. CODE CHS. 53, 61, 63, 65, 93 AND 97]
Commission Property; Fishing; and Boating

The Fish and Boat Commission (Commission) proposes to amend Chapters 53, 61, 65, 93 and 97. The Commission is publishing these amendments as a notice of proposed rulemaking under the authority of 30 Pa.C.S. (relating to Fish and Boat Code) (code). The proposed amendments relate to Commission property, fishing and boating.

A. Effective Date

The proposed amendments, if approved on final rulemaking, will go into effect upon publication of an order adopting the amendments in the *Pennsylvania Bulletin*.

B. Contact Person

For further information on the proposed changes, contact Laurie E. Shepler, Assistant Counsel, (717) 657-4546, P. O. Box 67000, Harrisburg, PA 17106-7000. This proposal is available electronically through the Commission's Web site (<http://www.fish.state.pa.us>).

C. Statutory Authority

The proposed amendments to § 53.8 (relating to boats) are published under the statutory authority of section 741 of the code (relating to control of property). The proposed amendments to §§ 61.1 and 63.8 (relating to Commonwealth inland waters; and long bows, spears and gigs) are published under the statutory authority of section 2102 of the code (relating to rules and regulations). The proposed amendments to § 65.21 (relating to waters limited to specific purposes—exclusive use fishing areas) are published under the statutory authority of section 2307 of the code (relating to waters limited to specific purposes). The proposed amendments to § 93.5 (relating to display of registration number and validation decal) are published under the statutory authority of section 5122 of the code (relating to registration, licenses, permits, plates and statistics). The proposed amendments to Chapter 97, Appendix A (relating to flotation devices) are published under the statutory authority of section 5123 of the code (relating to general boating regulations).

D. Purpose and Background

The proposed amendments are designed to update, modify and improve Commission regulations relating to Commission property, fishing and boating. The specific purpose of the proposed amendments is described in more detail under the summary of proposal.

E. Summary of Proposal

(1) *Section 53.8.* The Commission's property regulations require that any boat using a Commission owned lake or access area be registered and display an official registration number and current validation sticker. This regulation is appropriate when the Commonwealth is the State of principal operation. However, other states' requirements for unpowered watercraft vary regarding display of decals and numbers. In fact, many states do not require this display. This may result in visitors to this Commonwealth being unable to utilize Commission facilities.

To accommodate visitors to this Commonwealth and promote tourism in this Commonwealth, the Commission proposes adding two new sentences to subsection (h) to read as set forth in Annex A.

(2) *Section 61.1.* A recent staff review of this regulation revealed that certain corrections are warranted.

(3) *Section 63.8.* Commission staff recently received an inquiry as to whether the use of crossbows by persons other than those with disabilities who are issued permits under § 63.8(e) is permitted. To clarify that other crossbow use is prohibited, the Commission proposes to amend the regulation to read as set forth in Annex A.

(4) *Section 65.21.* At the July 1999 Commission meeting, the Commission placed a moratorium on the designation of exclusive use areas to give Commission staff an opportunity to review the Commission's regulation in light of the Americans with Disabilities Act of 1990 (42 U.S.C.A. §§ 12210—12213) and regulations promulgated thereunder. Based upon that review, staff made recommendations to the Commission. The Commission proposes to amend this section to read as set forth in Annex A.

(5) *Section 93.5.* Federal law provides that vessels possessing a valid marine document and used for recreational purposes may be registered (but not numbered) in the state of their principal operation. To clarify the issue for owners of documented vessels used for recreational purposes when this Commonwealth is the State of principal operation, the Commission proposes to amend this section to read as set forth in Annex A.

(6) *Appendix A to Chapter 97.* A recent staff review of this Appendix revealed that certain corrections are warranted.

F. Paperwork

The proposed amendments will not increase paperwork and will create no new paperwork requirements.

G. Fiscal Impact

The proposed amendments will have no adverse fiscal impact on the Commonwealth or its political subdivisions. The proposed amendments will impose no new costs on the private sector or the general public.

H. Public Comments

Interested persons are invited to submit written comments, objections or suggestions about the proposed amendments to the Executive Director, Fish and Boat Commission, P. O. Box 67000, Harrisburg, PA 17106-7000, within 30 days after publication of this notice in the *Pennsylvania Bulletin*. Comments submitted by facsimile will not be accepted.

Comments also may be submitted electronically at "regulations@fish.state.pa.us." A subject heading of the proposal and a return name and address shall be included in each transmission. In addition, all electronic comments must be contained in the text of the transmission, not in an attachment. If an acknowledgment of electronic comments is not received by the sender within 2 working days, the comments should be retransmitted to ensure receipt.

PETER A. COLANGELO,
Executive Director

Fiscal Note: 48A-102. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 58. RECREATION

PART II. FISH AND BOAT COMMISSION

Subpart A. GENERAL PROVISIONS

CHAPTER 53. COMMISSION PROPERTY

§ 53.8. Boats.

* * * * *

(h) A boat using a Commission lake or access area shall be registered and display the official registration number and current validation stickers described under Subpart C and Part III of the code, except that this provision does not apply to noncommercial users of access areas on the Delaware River and West Branch of the Delaware River [Bound] bounded by the State of New York. Public service boats as defined under section 5302(a)(3) of the code (relating to exemptions from registration) and boats participating in events authorized under § 109.6 (relating to special marine events) are exempt from this section. Unpowered kayaks, sculls, sailboards and other low volume boats of similar design are exempt from displaying registration numbers, but shall display a current validation sticker. Unpowered boats with a state of principal operation other than this Commonwealth shall meet the requirements of this subsection if they are in compliance with the registration and display requirements of the state of principal operation. There is a rebuttable presumption that the state of principal operation of any boat using a Commission lake or access area is this Commonwealth. The owner or operator of a boat may overcome this presumption by providing documentary evidence to show the state of principal operation is elsewhere.

Subpart B. FISHING

CHAPTER 61. SEASONS, SIZES AND CREEL LIMITS

§ 61.1. Commonwealth inland waters.

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**Note: Approved trout waters are closed to fishing from March 1 to opening day of regular trout season in April unless included in the Select Trout Stocked Lake Program. See § 65.10 (relating to Select Trout Stocked Lake Program).

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CHAPTER 63. GENERAL FISHING REGULATIONS

§ 63.8. Long bows, spears and gigs.

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(d) Restrictions. Spears or gigs may not be mechanically propelled, may not have more than five barbed points, and may not be used in approved trout waters. Except as provided in subsection (e), the use of crossbows is prohibited.

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CHAPTER 65. SPECIAL FISHING REGULATIONS

§ 65.21. Waters limited to specific purposes—exclusive use fishing areas.

(a) The Executive Director, with the approval of the Commission, may designate waters as being for the exclusive use of children or special populations, or both, for the purpose of fishing. The designation [shall

be] is effective when the waters are so posted after publication of a notice of designation in the Pennsylvania Bulletin.

* * * * *

(d) The Commission will not designate waters under this section:

(1) As being for the exclusive use of children unless the sponsor of the proposed exclusive use area agrees to be responsible for the administration and control of the area, posting signs and assisting in enforcement; the owner of the waters agrees to the designation[,] in writing; and the political subdivision where the area is to be located approves the designation [and agrees to post the area and assist in enforcement. Sponsors shall apply for designation of full-time exclusive use areas on an annual basis prior to June 1 of each year. Sponsors shall apply for designation of temporary exclusive use areas no later than 30 days before the proposed designation is to take effect] in writing. The sponsor also shall establish that the proposed exclusive use area will be used year-round by showing that fishing tournaments/derbies, stocking or special events are planned throughout the year.

(2) As being for the exclusive use of special populations unless the sponsor of the proposed exclusive use area agrees to be responsible for the administration and control of the area, posting of signs and assisting in enforcement; the owner of the waters agrees to the designation in writing; and the political subdivision where the area is to be located approves the designation in writing. The sponsor also shall describe how the proposed exclusive use area is accessible and what accommodations have been made for use by special populations. The sponsor further must certify that the requirements of the Americans with Disabilities Act of 1990 (42 U.S.C.A. §§ 12210—12213 and the regulations promulgated thereunder are currently met and will be met in the future.

(3) As being for the exclusive use of both children and special populations unless the sponsor meets the requirements of paragraphs (1) and (2).

(e) In determining whether to designate areas for the exclusive use of children, special populations or both, the Commission will consider whether the sponsors of the proposed areas have demonstrated the ability to meet the requirements of this section and whether exclusive use areas already exist within the same geographical area as the proposed areas.

(f) If a sponsor of an exclusive use area fails to continue to meet the requirements of this section, the Commission may remove the designation of the area as being for the exclusive use of children or special populations, or both.

[(e)] (g) The provisions of subsection (a) requiring advance approval of the Commission and publication of a notice of designation in the Pennsylvania Bulletin do not apply to temporary designations of exclusive use areas for children or, special [population] populations, or both. Sponsors seeking a temporary designation of an area for the exclusive use of children or special populations, or both, shall apply for a special activities permit in accordance with § 63.40 (relating

to fishing tournaments and fishing derbies). Sponsors shall apply for designation of temporary exclusive use areas no later than 30 days before the proposed designation is to take effect. The Executive Director or a designee may approve the temporary designation of waters for exclusive use for [periods of] no more than [30] 60 consecutive days upon application of project sponsors. Temporary designations shall be effective upon posting of the area. **Sponsors are responsible for administering and controlling the area, posting signs and assisting in enforcement.**

[(f)] (h) * * *

(i) Sponsors of all areas currently designated as being for the exclusive use of children or special populations, or both, shall reapply for designation by December 31, 2003.

Subpart C. BOATING
CHAPTER 93. BOAT REGISTRATION AND NUMBERING

Subchapter A. REGISTRATION OF BOATS

§ 93.5. Display of registration number and validation decal.

(a) The registration number shall be displayed above the waterline on both sides of the bow of the boat, considered to be any part of a boat's side forward of a point halfway between the front and the back of the boat.

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(5) Boats possessing a valid marine document, when used for recreational purposes and when Pennsylvania is the state of principal operation, shall display a valid registration decal but may not display the registration number.

CHAPTER 97. OPERATOR PROVIDED EQUIPMENT

APPENDIX A

FLOTATION DEVICES

PFD TYPE NUMBER	BRIEF DESCRIPTION OF THE DEVICE	BOATS ON WHICH THE DEVICE IS ACCEPTABLE
	* * * * *	
TYPE III	Flotation aid with at least 15.5 pounds of buoyancy. Not designed to turn unconscious person face up.	All boats. See Note (2).
TYPE IV	Throwable device such as the ring buoy or buoyant cushion with at least 16.5 pounds of buoyancy. Designed to be grasped not worn.	Acceptable as [primary] additional life-saving equipment [on boats less than 16 ft. in length (excluding sailboards & personal watercraft) and for canoes & kayaks]. Required on all boats as specified in § 97.1(b). See Note (1) and (3).
TYPE V	Special use devices are wearable devices approved only for certain activities and conditions. The label will show its approved uses and limitations. An example would be the work vest.	Acceptable on boats engaged in special restricted activities. See Note (2).

NOTES: (1) * * * * *

(2) PFD's Type I [and], II, III and V are acceptable on boats carrying passengers for hire which are not subject to Federal law and United States Coast Guard inspection.

(3) Persons on sailboards and personal watercraft shall wear a Type I, II, III or V Coast Guard approved personal flotation device. **Inflatable personal flotation devices may not be used to meet this requirement.**

[Pa.B. Doc. No. 99-1872. Filed for public inspection November 5, 1999, 9:00 a.m.]

**STATE BOARD OF
CERTIFIED REAL ESTATE
APPRAISERS**

**[49 PA. CODE CH. 36]
Qualifications for Certification**

The State Board of Certified Real Estate Appraisers (Board), proposes to amend §§ 36.11 and 36.12 (relating to residential real estate appraiser; and general real estate appraiser) to read as set forth in Annex A.

Background and Statutory Authority

The Real Estate Appraisers Certification Act (REACA) (63 P. S. §§ 457.1—457.19) enacted in June 1990, established the certification classes of residential appraiser and general appraiser to perform appraisals in Federally related transactions under the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (FIRREA), Public Law 101-73, 103 Stat. 183. Federally related appraisals are those performed for Federally-regulated financial institutions where the transaction amounts exceed certain levels; since September 3, 1996, residential and general appraisers have been authorized under section 18 of the REACA (63 P. S. § 457.18), to perform appraisals in non-Federally related transactions as well.

Section 6(d) and (e) of the REACA (63 P. S. § 457.6(d) and (e)), provides that an applicant for certification as a general appraiser or residential appraiser shall, as a prerequisite to taking the certification examination, complete the minimum education and experience requirements established under the FIRREA. The Appraisal Qualifications Board (AQB) of The Appraisal Foundation is charged with establishing education and experience qualifications for appraisers under the FIRREA. Section 6(f) of the REACA, directs the Board to prescribe and define the educational topics and types of experience that will satisfy education and experience requirements under the FIRREA. Section 5(2) of the REACA (63 P. S. § 457.5(2)), authorizes the Board to adopt regulations necessary to carry out the provisions of the REACA.

Sections 36.11 and 36.12 set forth, for residential certification and general certification, minimum hours of education and experience; mandatory course topics (including 15 hours of coverage on the Uniform Standards of Professional Appraisal Practice (USPAP)); acceptable types of appraisal experience; and special rules relating to education matters (for example, credit for teaching, correspondence courses, challenge examinations). The content and language of §§ 36.11 and 36.12 are derived, almost verbatim, from the AQB's qualifications criteria and interpretations. In February 1994, the AQB increased, effective January 1, 1998, the minimum hours of education for general certification from 165 hours to 180 hours; the minimum hours of experience for general certification from 2,000 hours to 3,000 (during at least a 30-month period); and the minimum hours of experience for residential certification from 2,000 hours to 2,500 hours (during at least a 24-month period). By operation of law under section 6(d) and (e) of the REACA, these new requirements automatically took effect in this Commonwealth on January 1, 1998, and have been applied by the Board to persons applying for residential or general certification on or after that date. Sections 36.11 and 36.12, which were last revised in December 1994, do not reflect the AQB's current education and experience requirements.

In April 1999, as the result of an effort to achieve consistency in appraisal standards education throughout the United States, the Appraisal Foundation completed development of a 15-hour National USPAP Course, which has been approved by the AQB and recommended to state appraiser regulatory bodies for adoption as the required course for mandatory training in the USPAP.

Description of Proposed Amendments

§ 36.11.

The proposed amendments would revise paragraph (1) to delete references to the 105-hour education requirement for residential certification in effect prior to January 1994, and to renumber subsequent subparagraphs and clauses to reflect the deletion. The proposed amendments to paragraph (1) also would adopt the National USPAP Course as part of the current 120-hour education requirement. The proposed amendments would revise paragraph (2), which lists the 16 mandatory course topics for residential certification, to include the subtopics for each as developed by the AQB. The proposed amendments would revise paragraph (3) to reflect the current experience requirement of 2,500 hours obtained over a period of at least 24 months. The proposed amendments to paragraph (3) also would make editorial changes to reflect current AQB terminology and give an updated example of how an applicant may accumulate the necessary hours over a 5-year period. The proposed amendments would

revise paragraph (4), which states in part that a residential appraiser is authorized to perform residential appraisals in Federally related transactions without regard to value, to reflect the fact that residential appraisers are now authorized to perform residential appraisals in non-Federally related transactions as well.

§ 36.12.

The proposed amendments would revise paragraph (1) to reflect the current 180-hour education requirement for general certification and to adopt the National USPAP Course as part of the 180-hour requirement. The proposed amendments would revise paragraph (2), which lists the 16 mandatory course topics for general certification, to include the AQB's recommended subtopics. The proposed amendments would revise paragraph (3) to reflect the current experience requirement of 3,000 hours obtained over a period of at least 30 months. The proposed amendments to paragraph (3) also would make editorial changes and give an updated example of how the required hours may be accumulated over a 5-year period. The proposed amendments to paragraph (4) would clarify that a general appraiser is authorized to perform appraisals in non-Federally related transactions as well as Federally-related transactions without regard to value.

Fiscal Impact and Paperwork Requirements

The proposed amendments would have no fiscal impact on the Commonwealth or its political subdivisions. While the proposed amendments reflect increased education and experience requirements for applicants for residential or general certification, the proposed amendments would have no fiscal impact on those applicants because the increased requirements have already taken effect by operation of law.

The proposed amendments would not create new paperwork requirements for the Commonwealth, its political subdivisions or the private sector. Prior to January 1, 1998, the Board amended its application forms and instructions to reflect the increased education and experience requirements.

Compliance with Executive Order 1996-1

In accordance with Executive Order 1996-1 (relating to regulatory review and promulgation), the Board solicited preproposal comments from the major trade associations representing the real estate appraising industry in this Commonwealth.

Regulatory Review

As required by section 5(a) of the Regulatory Review Act (71 P. S. § 745.5(a)), on October 21, 1999, the Board submitted copies of the proposed amendments to the Independent Regulatory Review Commission (IRRC) and the Chairpersons of the Senate Consumer Protection and Professional Licensure Committee and the House Professional Licensure Committee (Committees). The Board also provided IRRC and the Committees with copies of a regulatory analysis form prepared in compliance with Executive Order 1996-1. Copies of the form are available to the public upon request.

If IRRC has objections to any portion of the proposed amendments, it will notify the Board within 10 days following the close of the Committees' review period, specifying the regulatory review criteria that have not been met. The Regulatory Review Act sets forth procedures that permit IRRC, the General Assembly and the Governor to review objections prior to final adoption of the amendments.

Public Comment

The Board invites interested persons to submit written comments, suggestions or objections regarding the proposed amendments to Steven Wennberg, Counsel, State Board of Certified Real Estate Appraisers, P. O. Box 2649, Harrisburg, PA 17105-2649, within 30 days following publication of this notice of proposed rulemaking in the *Pennsylvania Bulletin*

DAVID J. KING,
Chairperson

Fiscal Note: 16A-7010. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS

PART I. DEPARTMENT OF STATE

Subpart A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS

CHAPTER 36. STATE BOARD OF CERTIFIED REAL ESTATE APPRAISERS

**Subchapter A. GENERAL PROVISIONS
QUALIFICATIONS FOR CERTIFICATION**

§ 36.11. Residential real estate appraiser.

An applicant for certification as a residential real estate appraiser shall be of good moral character, meet the following education and experience requirements and pass an examination for certification as a residential real estate appraiser. Neither a real estate salesperson's license nor a real estate broker's license issued under the Real Estate Licensing and Registration Act (63 P.S. §§ 455.101—455.902) is a prerequisite to certification as a real estate appraiser.

(1) *Education.*

[(i) Prior to January 1, 1994: An applicant shall submit evidence to the Board of having completed 105 classroom hours of courses in subjects related to real estate appraisal, 15 hours of which shall include coverage of the Uniform Standards of Professional Appraisal Practice, together with coverage of the topics listed in paragraph (2). There is no time limit regarding when qualifying education credit may have been obtained.

(ii) On or after January 1, 1994:] An applicant shall submit evidence to the Board of having completed 120 classroom hours of courses in subjects related to real estate appraisal, **[15 hours of which shall include coverage of the] including the 15-hour National Uniform Standards of Professional Appraisal Practice Course**, together with coverage of the topics listed in paragraph (2). There is no time limit regarding when qualifying education credit **[may have been] shall be** obtained.

[(A)] (i) * * *

[(B)] (ii) * * *

[(C)] (iii) * * *

[(D)] (iv) Correspondence courses. Correspondence courses may be acceptable to meet the classroom hour requirement if each course is approved by the Board and meets the following conditions:

[(I)] (A) * * *

[(II)] (B) * * *

[(III)] (C) The content and length of the course meets the requirements of **[clause (A)] subparagraph (i)** and paragraph (2).

[(E)] (v) Video and remote television courses. Video and remote television courses may be acceptable to meet the classroom hour requirement if each offering is approved by the Board and meets the following conditions:

[(I)] (A) * * *

[(II)] (B) * * *

[(III)] (C) The content and length of the course meets the requirements of **[clause (A)] subparagraph (i)** and paragraph (2).

[(F)] (vi) * * *

(2) *Mandatory course topics.* Applicants shall demonstrate that their education included coverage of the topics listed in this paragraph with particular emphasis on the appraisal of one-to-four unit residential properties:

(i) Influences in real estate value.

(A) Physical and environmental.

(B) Economic.

(C) Governmental and legal.

(D) Social.

(ii) Legal considerations in appraisal.

(A) Real estate verses real property.

(B) Real property verses personal property.

(C) Limitations on real estate ownership.

(D) Legal rights and interests.

(E) Forms of property ownership.

(F) Legal descriptions.

(G) Transfer of title.

(iii) Type of values.

(A) Market value or value in exchange.

(B) Price.

(C) Cost.

(D) Investment value.

(E) Value in use.

(F) Assessed value.

(G) Insurable value.

(iv) Economic principles.

(A) Anticipation.

(B) Balance.

(C) Change.

(D) Competition.

(E) Conformity.

(F) Contribution.

(G) Increasing and decreasing returns.

(H) Opportunity cost.

(I) Substitution.

(J) Supply and demand.

(K) Surplus productivity.

- (v) Real estate markets and analysis.
 - (A) **Characteristics of real estate markets.**
 - (B) **Absorption analysis.**
 - (C) **Role of money and capital markets.**
 - (D) **Real estate financing.**
- (vi) Valuation process.
 - (A) **Definition of the problem.**
 - (B) **Collection and analysis of data.**
 - (C) **Analysis of highest and best use.**
 - (D) **Application and limitations of each approach to value.**
 - (E) **Reconciliation and final value estimate.**
 - (F) **The appraisal report.**
- (vii) Property description.
 - (A) **Site description.**
 - (B) **Improvement description.**
 - (C) **Basic construction and design.**
- (viii) Highest and best use analysis.
 - (A) **Four tests.**
 - (B) **Vacant site or as if vacant.**
 - (C) **As improved.**
 - (D) **Interim use.**
- (ix) Appraisal [**statistical concepts**] **math and statistics.**
 - (A) **Compound interest concepts.**
 - (B) **Statistical concepts used in appraisal.**
- (x) Sales comparison approach.
 - (A) **Research and selection of comparables.**
 - (B) **Elements of comparison.**
 - (C) **Adjustment process.**
 - (D) **Application of sales comparison approach**
- (xi) Site value.
 - (A) **Sales comparison.**
 - (B) **Land residual.**
 - (C) **Allocation.**
 - (D) **Extraction.**
 - (E) **Plottage and assemblage.**
- (xii) Cost approach.
 - (A) **Steps in cost approach.**
 - (B) **Application of the cost approach.**
- (xiv) Valuation of partial interests.
 - (A) **Life estates.**
 - (B) **Undivided interest in commonly held property**
 - (C) **Easements.**
 - (D) **Timeshares.**
 - (E) **Cooperatives.**
 - (F) **Leased fee estate.**
 - (G) **Leasehold estate.**

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(3) *Experience.* In addition to meeting the education requirements, an applicant shall submit evidence to the Board of having completed [**2 years**] **2,500 hours** of acceptable appraisal experience **obtained during no fewer than 24 months.** [**Effective December 26, 1995, 50%**] **Fifty percent** of the experience obtained by an applicant shall be in the actual preparation of real estate appraisal reports which include a physical inspection of the interior and exterior of the subject property. [**One year is defined in terms of hours within a calendar year. One thousand hours constitutes 1 year of appraisal experience. A minimum of 2 calendar years is required. Although there is no minimum or maximum number of creditable experience hours which must be earned during a calendar year, an applicant shall be able to demonstrate having obtained 2,000 hours of appraisal experience within not less than 2 calendar years.**] Hours may be treated as cumulative to achieve the necessary [**2,000**] **2,500** hours of appraisal experience. Cumulative is defined to mean that experience may be acquired over any time period in excess of [**2 years**] **24 months.** There is no minimum number of hours which must be acquired in any [**1 year**] **12 months.** The following will serve as an example:

Year 1	[200] 400 Hours
Year 2	800 Hours
Year 3	[100] 200 Hours
Year 4	[400] 500 Hours
Year 5	[500] 600 Hours
Total	[2,000] 2,500 Hours

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(4) *State certified residential real estate appraiser.* An applicant who has passed an examination and who is certified under this section will be deemed to have met the minimum criteria for the certified residential real property appraiser classification adopted by the Appraiser Qualifications Board of the Appraisal Foundation, and shall be qualified to perform residential real property appraisals in [**connection with**] **Federally-related and non-Federally related** transactions without regard to value.

§ 36.12. General real estate appraiser.

An applicant for certification as a general real estate appraiser shall be of good moral character, meet the following education and experience requirements and pass an examination for certification as a general real estate appraiser. Neither a real estate salesperson's license nor a real estate broker's license issued under the Real Estate Licensing and Registration Act (63 P. S. §§ 455.101—455.902) is a prerequisite to certification as a real estate appraiser.

(1) *Education.* An applicant shall submit evidence to the Board of having completed [**165**] **180** classroom hours of courses in subjects related to real estate appraisal, [**15 hours of which shall include coverage of the**] **including the 15-hour National Uniform Standards of Professional Appraisal Practice [, including] Course, together with** coverage of the topics [**listed**] in paragraph (2). There is no time limit regarding when qualifying education credit [**shall have been**] **must be** obtained.

* * * * *

(2) *Mandatory course topics.* Applicants shall demonstrate that their education included coverage of the topics listed in this paragraph with particular emphasis on the appraisal of nonresidential properties. Residential is defined as one to four residential units.

- (i) Influences on real estate value.
 - (A) **Physical and environmental.**
 - (B) **Economic.**
 - (C) **Governmental and legal.**
 - (D) **Social.**
- (ii) Legal considerations in appraisal.
 - (A) **Real estate verses real property.**
 - (B) **Real property verses personal property.**
 - (C) **Limitations on real estate ownership.**
 - (D) **Legal rights and interests.**
 - (E) **Forms of property ownership.**
 - (G) **Legal descriptions.**
 - (H) **Transfer of title.**
- (iii) Type of values.
 - (A) **Market value or value in exchange.**
 - (B) **Price.**
 - (C) **Cost.**
 - (D) **Investment value.**
 - (E) **Value in use.**
 - (F) **Assessed value.**
 - (G) **Insurable value.**
 - (H) **Going concern value.**
- (iv) Economic principles.
 - (A) **Anticipation.**
 - (B) **Balance.**
 - (C) **Change.**
 - (D) **Competition.**
 - (E) **Conformity.**
 - (F) **Contribution.**
 - (G) **Increasing and decreasing returns.**
 - (H) **Opportunity cost.**
 - (I) **Substitution.**
 - (J) **Supply and demand.**
 - (K) **Surplus productivity.**
- (v) Real estate markets and analysis.
 - (A) **Characteristics of real estate markets.**
 - (B) **Absorption analysis.**
 - (C) **Role of money and capital markets.**
 - (D) **Real estate financing.**
- (vi) Valuation process.
 - (A) **Definition of the problem.**
 - (B) **Collection and analysis of data.**
 - (C) **Analysis of highest and best use.**
 - (D) **Application and limitations of each approach to value.**

- (E) **Reconciliation and final value estimate.**
- (F) **The appraisal report.**
 - (vii) Property description.
 - (A) **Site development.**
 - (B) **Improvement description.**
 - (C) **Basic construction and design.**
 - (viii) Highest and best use analysis.
 - (A) **Four tests.**
 - (B) **Vacant site or as if vacant.**
 - (C) **As improved.**
 - (D) **Interim use.**
 - (ix) Appraisal [**statistical concepts**] **math and statistics.**
 - (A) **Compound interest concepts.**
 - (B) **Statistical concepts used in appraisal.**
 - (x) Sales comparison approach.
 - (A) **Research and selection of comparables.**
 - (B) **Elements of comparison.**
 - (C) **Adjustment process.**
 - (D) **Application of sales comparison approach.**
 - (xi) Site value.
 - (A) **Sales comparison.**
 - (B) **Land residual.**
 - (C) **Allocation.**
 - (D) **Extraction.**
 - (E) **Ground rent capitalization.**
 - (F) **Subdivision analysis.**
 - (G) **Plottage and assemblage.**
 - (xii) Cost approach.
 - (A) **Steps in cost approach.**
 - (B) **Application of the cost approach.**
 - (xiii) Income approach.
 - (A) [**Gross net multiplier analysis**] **Estimation of income and expenses.**
 - (B) [**Estimation of income and expenses**] **Operating statement ratios.**
 - (C) [**Operating expense ratios**] **Direct capitalization.**
 - (D) [**Direct capitalization**] **Cash flow estimates (before tax only).**
 - (E) **Measures of cash flow.**
 - (F) **Discounted cash flow analysis (DCF).**
 - (xiv) Valuation of partial interests.
 - (A) **Interests created by a lease.**
 - (B) **Lease provisions.**
 - (C) **Valuation considerations.**
 - (D) **Other partial interests.**

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(3) *Experience.* In addition to meeting the education requirements, an applicant shall submit evidence to the Board of having completed [2 years] 3,000 hours of acceptable appraisal experience, including 1,500 hours in nonresidential work, obtained during no fewer than 30 months. [Effective December 26, 1995, 50%] Fifty percent of the experience obtained by an applicant shall be in the actual preparation of real estate appraisal reports which include a physical inspection of the interior and exterior of the subject property. [One year is defined in terms of hours within a calendar year. One thousand hours constitutes 1 year of appraisal experience. A minimum of 2 calendar years is required. An applicant, for 2 years experience credit, shall have accumulated a total of 2,000 hours of appraisal experience of which at least 50% (1,000 hours) is in nonresidential appraisal work. Although there is no minimum or maximum number of creditable experience hours which must be earned during any calendar year, an applicant shall be able to demonstrate having obtained 2,000 hours of appraisal experience within not less than 2 calendar years.] Hours may be treated as cumulative [in order] to achieve the necessary [2,000] 3,000 hours of appraisal experience. Cumulative is defined to

mean that experience may be acquired over any time period in excess of [2 years] 30 months. There is no minimum number of hours which must be acquired in any 1 year. The following will serve as an example:

Year 1	[200] 1,000 Hours
	* * * * *
Year 4	[400] 1,000 Hours
Year 5	[500] 100 Hours
<u>Total</u>	<u>[2,000] 3,000 Hours</u>
	* * * * *

(4) *State certified general real estate appraiser.* An applicant who has passed an examination and who is certified under this section will be deemed to have met the minimum criteria for the Certified General Real Property Appraiser Classification adopted by the Appraiser Qualifications Board of the Appraisal Foundation, and shall be qualified to perform residential and nonresidential real property appraisals in [connection with] Federally related and non-Federally-related transactions without regard to value.

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