

DEPARTMENT OF TAXATION

2008 Fiscal Impact Statement

1. **Patron** Harvey B. Morgan

2. **Bill Number** HB 314

3. **Committee** Senate Finance

House of Origin:

 Introduced

 Substitute

 Engrossed

4. **Title** Real Property Tax; Qualifications of
Assessors and Appraisers

Second House:

 X **In Committee**

 Substitute

 Enrolled

5. **Summary/Purpose:**

This bill would require the Department of Taxation ("TAX") to establish a certification program for all supervisors, assessors and appraisers contracted by any county or city to perform assessments or reassessments of real property. The certification requirements would include (i) minimum education, training and experience; and (ii) standards of conduct and practice. The bill would require such supervisors, assessors and appraisers to be certified by TAX prior to being contracted to perform assessment and reassessment services for localities.

Under current law, TAX certifies one full time assessor or real estate appraiser in each city and county. To be certified by TAX, the applicant must have (i) a comprehensive knowledge of modern real estate appraisal and assessment practices and related regulations and laws; (ii) graduated from college preferably with a degree in Business, Real Estate, or Economics and six years of real estate appraisal experience, including three year administrative experience, or any equivalent combination of experience and training; and (ii) a valid Virginia driver's license.

The effective date of this bill is not specified.

6. **Fiscal Impact:** Not available. (See Line 8.)

7. **Budget amendment necessary:** No.

Fiscal implications:

Administrative Costs

TAX would implement the new certification process imposed by this bill in the same manner as the current certification process for local assessors. As the current process is limited to the review of each applicant's application and supporting documentation, TAX believes that it can handle additional applications resulting from the new certification process with existing resources. TAX estimates that approximately 60 to 100 appraisers will apply for a certificate under the new process.

Revenue Impact

This bill would have no impact on state or local revenues.

9. Specific agency or political subdivisions affected:

TAX

All Localities

10. Technical amendment necessary: No.

11. Other comments:

Current Law

TAX is currently required to "certify" one full time assessor or real estate appraiser employed by each city and county. In addition, TAX provides training through the Advanced Assessors School, which offers week long courses as well as workshops. The course content and instructors are provided through the International Association of Assessing Officers. The school is an optional program provided to local assessors for a fee. The courses count toward continuing education credit hours for licensure through the Real Estate Appraiser Board.

The Real Estate Appraiser Board regulates individuals and firms who estimate the value of real estate. There are four levels of licensure. To receive licensure from the Real Estate Appraiser Board, appraisers must meet the following requirements:

Licensure Level	Requirements
Appraiser Trainee	
	75 hours education
	Examination
	(no experience required)
Licensed Residential Appraiser	
	90 hours education
	2,000 hours experience
	Examination
Certified Residential Appraiser	
	120 hours education
	2,500 hours experience
	Examination
Certified General Appraiser	
	180 hours education
	3,000 hours experience
	Examination

Proposal

This bill would require TAX to establish a certification program for all supervisors, assessors and appraisers contracted by any county or city to perform assessments or reassessments of real property. The certification requirements would include (i) minimum education, training and experience; and (ii) standards of conduct and practice. The bill would require such supervisors, assessors and appraisers to be certified by TAX prior to being contracted to perform assessment and reassessment services for localities.

TAX would be authorized to establish requirements for continuing education as a prerequisite to renewal of this certification.

TAX would also be authorized to require remedial education or suspend, revoke, or deny renewal of the certificate of any supervisor, assessor or appraiser who is found to be in violation of any regulations established by TAX for this certification. TAX would also be authorized to suspend, revoke, or deny the renewal of an existing certificate, or refuse to issue a certificate, to any supervisor, assessor or appraiser who is shown to have a substantial identity of interest with a supervisor, assessor or appraiser whose certificate has been revoked or not renewed by TAX.

cc : Secretary of Finance

Date: 2/15/2008 jkl
HB314FE161