



Executive Summary, to the House Committee on Energy and Environment

Report Related to House Bill 2801 (2013 Regular Session)

Presented By: Appraiser Certification and Licensure Board (ACLB)

3000 Market St NE, Suite 541

Salem, OR 97301

Telephone: (503) 485-2555

Website: www.oregonaclb.org

The complete report may be obtained at the ACLB website. Paper copies of the report may be provided upon written request.

House Bill 2801 involves a variety of state agencies working together to encourage and facilitate updating the energy efficiency of buildings in Oregon. Although primarily aimed at establishing inspection and rating criteria as well as licensing and regulation of home energy assessors, HB 2801 also requires the ACLB to determine ways to improve the education of state licensed and state certified appraisers with respect to assessing the value of improvements made to the structure of a building that make the building more energy efficient, and consider the implementation of a program whereby state licensed appraiser and state certified appraisers obtain certification for purposes of preparing, completing and issuing an opinion on the value of improvements made to the structure of a building that make the building more energy efficient.

RESEARCH FINDINGS

The Appraisal Practices Board (APB) was formed by the Appraisal Foundation in July 2010. The APB is charged with the responsibility of identifying and issuing opinions on recognized valuation methods and techniques, which may apply to all disciplines within the appraisal profession. The APB already is developing guidance related to the valuation of green buildings.

The Appraiser Qualifications Board (AQB), which establishes the minimum national standards each state must implement for appraisal continuing education, added the "valuation of green buildings" as an identified continuing education topic for its *Real Property Appraiser Qualifications Criteria*, effective in 2015. The 2015 AQB criteria will require that four appraisal pre-license education Core Curriculum courses include instruction on the valuation of energy efficient equipment. The national AQB appraiser licensing examination, required of all Oregon applicants, will also include questions on this subject.

In addition to its licensing-related activities, the ACLB is responsible for reviewing and approving course providers and educational programs for appraisers, both for qualifications for initial licensing and for continuing education for license/certification renewal. A listing of ACLB-approved courses is available on the ACLB website. The approved courses for continuing education cover a broad range

of topics including green buildings and energy efficiency. The ACLB currently has approved green and/or energy conservation and efficiency courses offered by proprietary schools, such as SEEC LLC, the Appraisal Institute, McKissock and the Earth Advantage Institute. Some of these proprietary schools are offering a green certification or designation. A listing of the specific approved courses is included in the complete report.

The Appraisal Institute (AI), recently has initiated a professional development program for members in the Valuation of Sustainable Buildings. The program is designed to lead to a level of competency in a specialty area and provides for participants who successfully complete the program to be included on a national registry on the AI website. Earth Advantage Institute offers a three-day course where the participants will earn the Accredited Green Appraiser (AGA) designation. Earth Advantage also is in the process of finalizing ACLB course approval for a Sustainable Homes Professional designation, a program that will include 84 hours of instruction.

The ACLB Interim Administrator has actively sought to network with various agencies and organizations involved in energy conservation and energy efficient buildings. Participation of these types of networking activities will continue to enable the ACLB to improve its awareness of programs and educational offerings that are developed and to better enable the ACLB to serve as a resource to appraisers interested in improving their competency in this specialty area.

CONCLUSION

The ACLB issues credentials signifying that the holder of the credential has met the national minimum requirements set forth by the AQB. The ACLB is unable to determine the competency of an appraiser to perform an appraisal on every particular type of property. Appraisers who are not qualified to appraise green homes are required by the Uniform Standards of Professional Appraisal Practice (USPAP) Competency Rule to decline or withdraw from those types of appraisal assignments until they do acquire the necessary competency. Thus, the ACLB believes that certification of competency of appraisers who value property with energy efficient features could be misleading to the public as well as exposes the State to liability.

However, based on review of various industry resources, the ACLB concludes that existing organizations and entities active in the "green" or building energy efficiency arena are well positioned to continue to develop meaningful data bases and continuing education programs to meet the needs of the various industry participants including licensed and certified appraisers.

RECOMMENDATION

Green building and energy efficiency are, in many respects, a developing industry. The ACLB includes a small number of staff already tasked with a number of important responsibilities. The Board believes that rather than devoting staff time and limited resources to initiate a program to develop specialized coursework, its resources would better be spent on efforts to monitor and evaluate the continuing education courses and curriculum of public and private institutional providers and to help with networking and promotion of existing and new programs as they are developed in the non-governmental arena rather than establish what likely would be duplicative courses to compete with the non-governmental sector which appears far better positioned to address this specialty area.