

Good morning Madam Chairman and members of the committee.

My name is Tim Moore and I am a self employed real estate appraiser doing business as Moore Appraisals Inc., located at 1275 Maple Street, Helena, MT.

I am currently the chairman of the State Board of Real Estate Appraisers and am here today representing the board that is in unanimous opposition to this bill.

We oppose this bill for several reasons. First of all, it would appear as though this bill is an attempt to micro-manage the State Board of Appraisers, who has previously held hearings as required by law, considered input from all interested parties and passed into rule the current trainee process. This bill is an end run around the rule making process, by someone with an admitted self interest in the process.

Secondly and more importantly, there is the issue of the appraisal profession being closed and protectionistic. I recently testified on a bill regarding the comments that I hear that it is very difficult to find mentors in Montana; however facts that I have researched since that original testimony would dispute this opinion.

According the boards records there are currently 428 licensed appraisers in the state. In addition there are at present, 41 registered trainees for a total of 469 appraisers actively involved in this profession. Let me point out that 41 trainees is approximately 10% of the currently licensed population. According to our recent records, a copy of which I have attached to my testimony, there are 55 more appraisers that reside in the state today than there were four years ago, which is nearly a 16% increase.

Just last year, our board granted 67 new licenses. While several of these were for upgrades, the majority were for new applicants. Exact numbers are not available as we do not track applicants by upgrade or new status, however it would be very conservative to say that at least 50% were new applicants. This would calculate to 33 or 34 new licensees in just 2004, which is around a 7% annual growth in the appraiser population of the state. According to Dept of Labor statistics, employment in the state rose at a 3% rate last year, indicating that appraising is growing at twice the rate of average employment in the State. The overall population of the state grew less than 2% during this same period, again indicating that the appraisal profession is growing at a significant pace as compared to the population.

At our upcoming March 8<sup>th</sup> Board meeting we will be hearing a total of 16 applications, 12 of which are for new licensure. And that is only the first of four scheduled meetings this year. Over the past several years we have seen the number of applicants rise steadily, having more than doubled in numbers in the past three years, from approximately 14 new appraisers licensed in 2001 to over 30 last year. This does not appear to support an opinion that this is a "closed" profession.

The argument is being made that not everyone can be a mentor. In the past year we have received over 50 applications to be a mentor. Only four of those have been denied and of those one of those has come back with updated information that satisfied the Boards requirements. By requesting applications from mentors, we are only making sure that these people possess the proper knowledge to be passing on to a trainee. Many certified appraisers were grandfathered into the profession and have not necessarily kept up with all of the latest rules and standards. By reviewing these applications, we are simply ensuring that everyone is familiar with and following the same rules. We have not attempted, nor is it our intent to pursue any type of enforcement for issues raised in these applications, it is simply our way of assisting both the mentor and the trainee in the overall process and attempting to have some type of consistency in the training received.

On another note, at the upcoming March meeting the rule regarding the 100 mile radius is already on the agenda for re-consideration. I am asking you to allow the board the opportunity to create the rules that it is responsible for enforcing.

As for the number of trainees per mentor, I would like each of you to think about how many people at one time you could train. Training is more than simply supervision. You are completely and solely responsible for each report a trainee contributes to for a period of two years. I have had a trainee for just over two years now and I am convinced that it would be very difficult to accurately train four people at one time to be responsible appraisers. I won't dispute the fact that anyone can sign on reports for two, four or ten people, however this does not mean that they receive the proper guidance that they need.

Appraisers nationwide have struggled over the past 10 years to make real estate appraisal more of a profession as opposed to its historic perception as an industry. I have heard from many, even in this room, about the members of the appraisal profession being protectionist of their field. You have all hopefully received numerous e-mails and phone calls regarding this bill and there are several members of the profession here today to testify.

We are attempting to do no more than any other profession would do when faced with the same issue. We do not choose to ignore an attempt to lower the standards which have been so diligently pursued over the past several years. It is not our intent to keep people out of the profession, only to make sure that those entering it are as well prepared as they may be. Doctors, lawyers, accountants, any other profession would do no less, so please don't confuse the amount of interest in this bill to be anything other than a group of professionals attempting to protect their standards - not to prohibit entry to the field.

Another argument being made is that rural areas of the state do not have enough appraisers, nor people to train new ones. These areas are typically the most difficult to appraise in due to the lack of data available and the wide variety of property types. Do you want those appraisers with the least amount of experience to be working on the most difficult properties? That does not appear to protect the public very well. Furthermore, the comment has been made that the "bad ones will weed themselves out".

Well, let me ask you, would you like to own one of the properties that the "bad ones" appraised prior to their being "weeded out". Again, I don't think that this is doing our best to protect the public, as is our charge as Board members.

In closing, I would ask the members of this committee to see this bill for what it is, and to not get into the micro-management of the Boards rules. The facts dispute the arguments that this is closed profession and that not everyone can be a mentor. I request that you vote no on this bill.

Thank you

Tim J. Moore  
Chairman – State Board of Real Estate Appraisers

411 active appraisers  
as of 4/3/2001

338 reside in Montana 73 out of state

470 active appraisers  
as of 1/20/2005

393 reside in Montana 77 out of state

County Number and Number of *active* Appraisers in each county.

Co..		2001 Number	2005	Co. Number		2001	2005
No.. County Seat	County	Appraisers		No. County Seat	County	Appraisers	
1 Butte	Silver Bow	11	8	31 Choteau	Teton	3	2
2 Great Falls	Cascade	28	30	32 Columbus	Stillwater	0	0
3 Billings	Yellowstone	54	55	33 Hysham	Treasure	0	0
4 Missoula	Missoula	44	54	34 Plentywood	Sheridan	1	1
5 Helena	Lewis & Clark	26	28	35 Thompson Falls	Sanders	5	5
6 Bozeman	Gallatin	34	56	36 Stanford	Judith Basin	1	1
7 Kalispell	Flathead	40	53	37 Scobey	Daniels	0	0
8 Lewistown	Fergus	5	4	38 Cut Bank	Glacier	0	0
9 Broadus	Powder River	1	1	39 Baker	Fallon	0	0
10 Red Lodge	Carbon	4	5	40 Big Timber	Sweet Grass	1	1
11 Malta	Phillips	2	2	41 Circle	McCone	1	1
12 Havre	Hill	5	6	42 Ekalaka	Carter	0	0
13 Hamilton	Ravalli	14	14	43 Townsend	Broadwater	0	0
14 Miles City	Custer	4	7	44 Harlowton	Wheatland	0	0
15 Polson	Lake	13	14	45 Terry	Prairie	0	0
16 Glendive	Dawson	2	2	46 Phillipsburg	Granite	1	1
17 Wolf Point	Roosevelt	2	1	47 White Sulphur	Meagher	0	0
18 Dillon	Beaverhead	3	4	48 Chester	Liberty	0	0
19 Fort Benton	Chouteau	1	1	49 Livingston	Park	4	7
20 Glasgow	Valley	3	2	50 Jordan	Garfield	1	1
21 Shelby	Toole	0	0	51 Boulder	Jefferson	5	4
22 Hardin	Big Horn	2	3	52 Wibaux	Wibaux	0	0
23 Roundup	Musselshell	0	0	53 Ryegate	Golden Valley	0	0
24 Chinook	Blaine	0	0	54 Superior	Mineral	0	1
25 Virginia City	Madison	3	4	55 Winnett	Petroleum	0	0
26 Conrad	Pondera	2	2	56 Libby	Lincoln	3	6
27 Sidney	Richland	3	0				
28 Deer Lodge	Powell	4	4				
29 Forsyth	Rosebud	1	1				
30 Anaconda	Deer Lodge	1	1				