

Regulatory Board Evaluation

Real Estate Appraiser Board

**State Regulation of Real Estate
Appraisers Serves Public Interest**

**The Board Complies with Some
Chapter 30 Requirements and Other
Applicable Laws And Has Made Several
Improvements Since Its Last Evaluation**



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John Sylvia
Director

November 7, 2004

The Honorable Edwin J. Bowman
State Senate
129 West Circle Drive
Weirton, West Virginia 26062

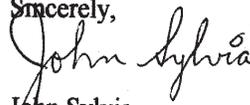
The Honorable J.D. Beane
House of Delegates
Building 1, Room E-213
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0470

Dear Chairs:

Pursuant to the West Virginia Sunset Law, we are transmitting a Regulatory Board Evaluation of the *Real Estate Appraiser Board*, which will be presented to the Joint Committee on Government Operations on Sunday, November 7, 2004. The issues covered herein are "State Regulation of Real Estate Appraisers Serves Public Interest;" and "The Board Complies with Some Chapter 30 Requirements and Other Applicable Laws and Has Made Several Improvements Since Its Last Evaluation."

We transmitted a draft copy of the report to the Real Estate Appraiser Board on October 19, 2004. The Board opted not to have an exit conference. We received the agency response on October 21, 2004.

Let me know if you have any questions.

Sincerely,

John Sylvia

JS/wsc

_____ *Joint Committee on Government and Finance* _____

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Executive Summary

Issue 1: State Regulation of Real Estate Appraisers Serves Public Interest.

Real estate appraisers are to accurately estimate and impartially value real property. Federal law requires that real estate appraisals utilized in connection with federally related transactions be performed by an individual whose competency has been demonstrated and whose professional conduct will be subject to effective supervision. Further, according to a report released in May 2003 by the General Accounting Office, 50% of mortgage loans in the United States are originated by mortgage brokers not federally regulated. Accurate appraisals can prevent consumers, lenders, and government from financial losses. Were West Virginia not to regulate the entire practice of real estate appraisal, not just those required by federal law, it would not have any regulatory authority over real estate appraisers conducting non-federally connected real estate appraisals and protect its citizens from possible financial harm. **Thus, in order to comply with federal law and to protect West Virginians, the Legislative Auditor determines that it is in the public interest to continue regulation.**

Accurate appraisals can prevent consumers, lenders, and government from financial losses.

Issue 2: The Board Complies with Some Chapter 30 Requirements and Other Applicable Laws And Has Made Several Improvements Since Its Last Evaluation.

The board complies with many Chapter 30 requirements, and has made improvements on its compliance since the last Legislative Auditor's report. The board has reduced the amount of time used for complaint resolution over the past year, and it is in compliance with federal regulations. Last year's data showed that the average length of days to resolve a complaint was 188. However, a review of 2003 and 2004 data showed an average of 140 days.

The board complies with many Chapter 30 requirements, and has made improvements on its compliance since the last Legislative Auditor's report.

The Legislative Auditor made a recommendation in last year's report regarding the board's use of a subcommittee in the resolution of complaints. In response to the Legislative Auditor's recommendation, the board has made several changes which have reformed the subcommittee's role in the complaint process. Namely, the board has amended its procedural rules, and subsequently, its practices. Subcommittees no longer make final decisions for the board.

The board's website continues to have outdated and incorrect information. However, the director of the board assures the Legislative Auditor that attempts are being made to fix that problem, and the board intends

to make changes to its website by the end of this fiscal year.

The board continues to be financially self-sufficient as required by West Virginia Code §30-12-6(c). The board had an ending cash balance for FY 2004 of \$58,056. During FY 2004, for the first time since before FY 2000, the board's revenue surpassed its expenditures.

The board continues to be financially self-sufficient and has significantly improved the documentation of administrative fees assessed to licensees.

The board has significantly improved the documentation of administrative fees assessed to licensees. Nine of the 48 complaints filed with the board since its last evaluation resulted in disciplinary action. Of those 9 complaints, 4 resulted in the assessment of administrative fees to a licensee. In each of those 4 cases, itemized documentation of administrative costs was kept during the complaint resolution process. The remaining 5 complaints that resulted in disciplinary action did not result in the assessment of administrative fees, because no administrative fees were incurred.

In the previous evaluation, the Legislative Auditor recommended that a register be maintained as required by WVC §30-1-12(a). Currently, the board maintains a roster that is in compliance with WVC § 30-1-13; however, it does not maintain a register that is in compliance with WVC §30-1-12(a). Currently, the board does not have the above information in one complete list, but according to the director of the board, all required register information is stored in the board's computer database, and can be provided upon request.

A legal opinion from Legislative Services indicates that the practice of paying members compensation for travel days is not illegal. The Legislative Auditor contends that the practice was not the intention of the Legislature.

A survey of the board's travel reimbursement log for 2003 and 2004 showed that the board is following travel regulations. During the last Legislative Auditor's evaluation, the board was posting board member compensation as travel per diem. Since then, it has come to the board's attention that compensation should be included in payroll, and the board has amended its practice in that regard.

Board members used to be paid compensation for travel days. Last year, the Legislative Auditor noted that Legislators are not compensated for travel days before and after meetings, and that board members should be compensated likewise. However, a legal opinion from Legislative Services indicates that the practice of paying members compensation for travel days is not illegal. The Legislative Auditor contends that the practice was not the intention of the Legislature. In the 2003 regular legislative session, House Bill 2729 was introduced that was meant to prohibit travel day compensation; however, that bill did not pass out of the Senate. The Legislative Auditor recommends that a similar bill be introduced during the 2005 regular legislative session.

WVC §30-38-6(b) restricts any member of the board from serving

more than nine consecutive years. Currently, some of the board's members have served more than nine years. The board has notified the governor of the need for new appointments; however, no appointments have been made.

Recommendations

1. *The Legislative Auditor recommends that the Legislature continue regulation of real estate appraisers in accordance with federal law and regulate appraisers of non-federally related transactions.*
2. *The Legislative Auditor recommends that a register be maintained as required by West Virginia Code §30-1-12(a).*
3. *The Legislative Auditor recommends that the board update its website to reflect proper Code citations.*
4. *The Legislative Auditor recommends that when complaints require disciplinary action and no administrative cost accrue from the investigation process, a note should be made in the complaint file and in the board's complaint log stating that no administrative fees were assessed because no administrative fees were accrued.*
5. *The Legislative Auditor recommends that the Legislature should consider amending West Virginia Code §30-1-11 in order to prohibit compensation for travel days that are before and after meetings.*

Review Objective, Scope and Methodology

This regulatory board evaluation of the Real Estate Appraiser Licensing and Certification Board is required and authorized by the West Virginia Sunset Law, Chapter 4, Article 10, Section 5b of the West Virginia *Code*.

Objective

As stated in *Code*, a regulatory board evaluation is to determine whether a Board is: 1) necessary for the protection of public health and safety, and 2) whether the Board is operating in compliance with applicable laws and rules. This evaluation also examines the Board's use of its funds.

Scope

This regulatory board evaluation covers the period from FY 2003 through April 2004.

Methodology

Information compiled in this evaluation was acquired from the West Virginia *Code*, interviews with the Board's staff, examinations of annual reports, meeting minutes, expenditure schedules, and complaint files. This evaluation is in accordance with Generally Accepted Government Auditing Standards.

Issue 1

State Regulation of Real Estate Appraisers Serves Public Interest.

Issue Summary

In order to comply with federal law and to protect West Virginians, the Legislative Auditor determines that it is in the public interest to continue regulation of real estate appraisers.

This report is a *Regulatory Board Evaluation* of the Real Estate Appraiser Licensing and Certification Board. By law, it must be determined if it is in the public interest to continue licensure. Real estate appraisers are to accurately estimate and impartially value real property. Federal law requires that real estate appraisals utilized in connection with federally related transactions be performed by an individual whose competency has been demonstrated and whose professional conduct will be subject to effective supervision. Further, according to a report released in May 2003 by the General Accounting Office, 50% of mortgage loans in the United States are originated by mortgage brokers who are not federally regulated. Accurate appraisals can protect consumers and lenders, often the government, from financial losses. If West Virginia did not regulate the entire practice of real estate appraisal, not just those required by federal law, it would not have any regulatory authority over real estate appraisers conducting non-federally connected real estate appraisals and protect its citizens from possible financial harm. **Thus, in order to comply with federal law and to protect West Virginians, the Legislative Auditor determines that it is in the public interest to continue regulation.**

Real Estate Appraisals Can Help Protect Consumers from Financial Harm and the Government from Financial Losses

As of March 2003, the Real Estate Appraiser Licensure and Certification Board had 751 licensees. Real estate appraisers estimate the value of real estate through sales comparisons, cost of replacement, and income potential. They deal with both land and the buildings on the land. Real estate appraisers consider the value of trees, landscaping, water supply, minerals, farm crops, garages, bridges, and other features in order to arrive at market value. While an appraisal of business or industrial property may require more detailed steps, the work of real estate appraisers consist of six basic steps:

- investigation,
- research of court records and deeds,
- analysis of the neighborhood around the property,
- property inspection,
- analysis of the data, and
- writing of the appraisal report.

Real estate appraisers provide opinions of the value of a property as of a specific date. These opinions of the value of a property are to provide evidence that the collateral value of the property is sufficient to avoid losses on loans if the borrower was unable to repay the loan. **Fraudulent and/or inflated appraisals can cause consumers, lenders, and governments financial losses.**

Appraisals of Federally Related Real Estate Transactions

Fraudulent and/or inflated appraisals can cause consumers, lenders, and governments financial losses.

The Real Estate Appraiser Licensure and Certification Board was created by the Legislature in 1990 in response to the passage of Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA). The law resulted from many cases of abuse nationally in which substandard or fraudulent appraisals performed without sufficient independence contributed to billions of dollars in losses and failures of lending institutions. The law requires that **all appraisals in connection with federally related real estate transactions** must be performed by state licensed or state certified appraisers, and all federally related real estate transactions having a value of a million dollars or more must be performed by a certified appraiser.

Federal law requires that the profession be supervised when the appraisal is utilized in connection with a federally related transaction. FIRREA, Section 1101 of Title XI states,

*...to provide that federal financial and public policy interests in real estate related transactions will be protected by requiring that real estate appraisals utilized in connection with federally related transactions are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated and **whose professional conduct will be subject to effective supervision.** [Emphasis added]*

Under the provisions of Title XI of the FIRREA, the Appraiser Qualifications Board (AQB) establishes the minimum education, experience and examination requirements for real property appraisers to obtain a state certification. State agencies must consider whether transactions, either individually or collectively, are of sufficient financial or public policy importance to the United States government that an individual who performs an appraisal in connection with such transactions should be a state certified appraiser.

Title XI, Section 1117 states,

*To assure the availability of State certified and licensed appraisers for the performance in a State of appraisals in federally related transactions and to assure effective supervision of the activities of certified and licensed appraisers, a State **may** establish a State appraiser certifying and licensing agency. [Emphasis added]*

Regulation of non-federally related transactions is not required by federal law but West Virginia and 25 other states regulate these appraisals.

The statute above does not require West Virginia to establish a state appraiser certifying and licensing agency. However, the establishment of one has permitted the state to: 1) monitor and enforce appraiser compliance within its borders, and 2) ensure that individuals wishing to purchase real property in West Virginia can find a certified or licensed person within the state.

Appraisal in Non-Federally Related Real Estate Transactions

Regulation of non-federally related transactions is not required by federal law but West Virginia and 25 other states regulate these appraisals. The other twenty-four states, including West Virginia's bordering states of Maryland, Ohio and Kentucky, either only have mandatory licensing for federally related real estate transactions or have voluntary licensing requirements. The Legislative Auditor recommends that the state continue regulating those persons who conduct appraisals of non-federally related transactions. Licensure of all appraisers ensures that the state can serve the public interest by setting minimum qualifications and experience.

Licensure of all appraisers ensures that the state can serve the public interest by setting minimum qualifications and experience.

Conclusion

Real estate appraisers are responsible for ensuring that appraisals are correct and unbiased. Licensure of real estate appraisers serves the public interest because if competency were not regulated, the public and government could sustain substantial monetary losses. **Therefore, it is the Legislative Auditor's opinion that licensure of this profession protects the public interest and should be continued.**

Recommendation

1. *The Legislative Auditor recommends that the Legislature continue regulation of real estate appraisers in accordance with federal law and regulate appraisers of non-federally related transactions.*

Issue 2

The Board Complies with Some Chapter 30 Requirements and Other Applicable Laws And Has Made Several Improvements Since Its Last Evaluation.

Issue Summary

The Real Estate Appraiser Licensing and Certification Board has complied with some of the applicable state laws and rules. These laws and rules, primarily found within the board's own article in the code and in the general provisions of Chapter 30, are important in the effective operation of a licensing board. The board has complied with the following requirements:

- A board representative attended the orientation session provided by the State Auditor's Office in the required two year time frame (§30-1-2a);
 - The board meets at least once annually (§30-1-5(a));
 - The board has set fees by rule (§30-1-6(c));
 - The board has developed continuing education criteria, which includes course content, course approval, hours required and reporting periods (§30-1-7a(a));
 - The board has procedural rules that outline the procedures for investigation and resolution of complaints (§30-1-8(h));
 - The board maintains a record of its proceedings (§30-1-12(a));
 - The board has a listing in the state government section of the Charleston area telephone book (§30-1-12(c)); and
 - A roster of licensees is maintained (§30-1-13).
-

Complaint Process Has Improved

Every year, the board receives complaints against some of its licensed appraisers, and it is the board's duty to resolve those complaints. During the board's last evaluation, the Legislative Auditor found that the complaint process was too slow occasionally, and that some final decisions in the complaint process were being made by a subcommittee rather than the full board. In response to the Legislative Auditor's findings, the board has made the essential changes needed to rectify the aforementioned problems in its complaint process.

The board has reduced the amount of time used for complaint resolution.

1. Complaint Resolution Process Is Timely

Last year's evaluation found that some complaints took over two years to resolve. The board has reduced the amount of time used for complaint resolution over the past year. Currently, the board's oldest open complaint was filed July 16, 2003, making it just over fourteen months old. The last Legislative Auditor's review found that the board's oldest complaint was nearly three years old. Fourteen months is a significant improvement from the last review's data. Also, last year's data showed that the average length of days to resolve a complaint was 188. However, a review of 2003 and 2004 data showed an average of 140 days for complaint resolution. According to the director of the board, all complaints filed prior to 2003 are resolved. Table 1 shows the number and status of complaints filed since 2003.

Year	# of Complaints	Dismissed	Open**	Disciplinary Action
2003	26	18	3	5
2004*	22	3	15	4

* Data as of August 24, 2004
** Open means under investigation, going to hearing, or waiting to be reviewed by the board

The Appraisal Subcommittee sets some of the standards for federal review of state real estate appraisers certification agencies in a document called "Policy Statements Regarding State Certification and Licensing of Real Estate Appraisers." A section of statement 10 of that policy says, "State agencies need to process complaints of appraiser misconduct or wrongdoing on a timely basis. Absent special documented circumstances, final state agency

administrative decisions regarding complaints should occur within one year of complaint filing date.”

There are two complaints that the board has had open beyond one year. Both complaints are going to hearing, which constitutes a special documented circumstance. **Therefore, the board is meeting federal regulations for complaint resolution, in that most complaints are resolved within one year of filing, and any that are not are due to special circumstances.** The Legislative Auditor finds that the board has made improvements upon its complaint resolution process. The board should continue to monitor the timeliness of complaint resolution in light of federal regulations.

The board has made several changes that have reformed the subcommittee's role in the complaint process.

2. **Subcommittees Have A Proper Role In Complaint Investigation**

The Legislative Auditor made a recommendation in last year's report regarding the board's use of a subcommittee in the resolution of complaints. The board's procedural rules were vague, and as a result, the subcommittee not only investigated complaints, it also made final decisions about complaints. According to a legal opinion received last year by the Legislative Auditor, only the full board has the authority to make final decisions.

In response to the Legislative Auditor's recommendation, the board has made several changes that have reformed the subcommittee's role in the complaint process. Title 190, Series 4 of the Code of State Rules contains the board's procedural rules, including the delegation of complaint investigation duties to a subcommittee. On November 18, 2003, the board voted to amend Title 190, Series 4 so that final decisions in the complaint process are clearly delegated to the full board. Those rule changes have resulted in a change in practice as well. According to the director of the board,

When a complaint is received it is presented to the board at the next scheduled meeting. The board decides whether or not a complaint should be dismissed or sent to the Standards Committee for investigation. When the Standards Committee completes its investigation, they bring the information back to the full board for discussion and review. The Standards Committee makes a recommendation to the board as to the disposition of the complaint; however, the board can accept, reject or modify the Standard Committee's recommendation.

The Legislative Auditor finds that the board has made adequate amendments to both its procedural rules and practice since its last evaluation.

Public Accessibility Is Adequate

The Legislative Auditor commends the board for creating a website.

The Legislative Auditor commends the board for creating a website, even though doing so is not required by law. The website increases the board's accessibility by providing useful information about the board to the public. Last year's report noted the website makes incorrect references to statutory authority and rules. Those incorrect references continue to exist. For example, in the opening paragraph of the board's website, Chapter 38 of the Code of West Virginia is given as the reference for the *West Virginia Real Estate Appraiser Licensing & Certification Act*, when the proper reference is Chapter 30. The Legislative Auditor recommends that simple corrections, such as the previous example, should be made to the board's website. The director of the board noted that as time and money allows, she will work with IS&C to revamp the website. The director projects that appropriate updates will be made by the end of this fiscal year, June 2005.

From FY 2000 to FY 2003 annual expenditures increased by an average of \$13,822 per fiscal year.

Additionally, last year's review found that some public meeting notices were filed late, and the Legislative Auditor recommended that timely submissions be made. Since the last evaluation, one public meeting notice has been filed late, but by only one day. Timely submissions of public meeting notices does not seem to be a significant problem for the board at this time.

The Board is Financially Self-Sufficient

During FY 2004, for the first time since before FY 2000, the board's revenue surpassed its expenditures by \$2,110.

The board continues to be financially self-sufficient as required by West Virginia Code §30-12-6(c). The board had an ending cash balance for FY 2004 of \$58,056. The board's average annual expenditures for the past five fiscal years is \$222,648, with the lowest annual expenditure being \$197,061 in FY 2000 and the highest being \$238,528 in FY 2003. From FY 2000 to FY 2003, annual expenditures increased by an average of \$13,822 per fiscal year. From FY 2000 to FY 2003, the board spent more than it made each year, causing its account balance to drop from \$185,142 in FY 2000 to \$55,946 by FY 2003.

In contrast, during FY 2004, for the first time since before FY 2000, the board's revenue surpassed its expenditures by \$2,110. In FY 2004, the board's annual expenditures decreased from FY 2003 by \$6,857. That reduction in expenditures can be attributed to several factors. For example, reductions are apparent when comparing FY 2004 to FY 2002. Such reductions include, a travel expense reduction of \$10,237, a training and development reduction of \$1,604, and a maintenance contracts reduction of

\$135. Table 2 shows the board's revenues and expenses for FY 2000-2004.

Table 2			
Revenues and Expenses 2000-2004			
Fiscal year	Actual Revenues	Actual Expenditures	EOY Cash Balances
2000	\$174,527	\$197,061	\$185,142
2001	\$177,454	\$216,172	\$146,424
2002	\$181,920	\$229,812	\$98,288
2003	\$196,401	\$238,528	\$55,946
2004	\$233,781	\$231,670	\$58,056

Assessment of Administrative Costs Is Documented

The last Legislative Auditor's report noted that the board did not keep adequate documentation of administrative fees assessed to appraisers during the complaint process. Since then, the board has significantly improved such documentation. Nine of the 48 complaints filed with the board since its last evaluation resulted in disciplinary action. Of those 9 complaints, 4 resulted in the assessment of administrative fees to a licensee. In each of those 4 cases, itemized documentation of administrative costs was kept during the complaint resolution process.

The Legislative Auditor recommends that when complaints require disciplinary action and no administrative costs accrue from the investigation process, a note should be made in the complaint file and in the board's complaint log stating that no administrative fees were assessed because no administrative fees were accrued.

The remaining five complaints that resulted in disciplinary action did not result in the assessment of administrative fees. Those five complaints were easily concluded and did not result in administrative costs; therefore, no administrative fees were assessed for those five instances. The board's complaint log indicates that disciplinary action was taken in each of those instances; however, it does not note that administrative costs were not incurred. The Legislative Auditor recommends that when complaints require disciplinary action and no administrative costs accrue from the investigation process, a note should be made in the complaint file and in the board's complaint log stating that no administrative fees were assessed because no administrative fees were accrued. Doing so will bring clarification for the public as to why some appraisers are assessed administrative fees after a complaint results in disciplinary action and others are not. The director of the board has assured the Legislative Auditor that it will adopt such documentation procedure.

The Board's Register Remains Incomplete

In the previous evaluation, the Legislative Auditor recommended that a register be maintained as required by WVC §30-1-12(a). Currently, the board maintains a roster that is in compliance with WVC § 30-1-13; however, it does not maintain a register that is in compliance with WVC §30-1-12(a). WVC §30-1-12(a) requires that a register contain the following information:

- All applicants for license or registration
- Date of application
- Name
- Age
- Educational and other qualifications
- Place of residence
- Whether and examination was required
- Whether the applicant was rejected or a certification of license or registration was granted
- The date of rejection or granting of certificate
- License/registration number
- All renewals of the license or registration
- Any suspensions or revocations

The board does not maintain a register that is in compliance with WVC §30-1-12(a).

It has come to the board's attention that compensation should be included in payroll, and the board has amended its practice in that regard.

Currently, the board does not have the above information in one complete list. However, according to the director of the board, all required register information is stored in the board's computer database. Members of the public can request such information from the board, and although register information is not readily available as a whole document or spreadsheet, questions pertaining to such information can be answered upon request. The Legislative Auditor recommends that in accordance with WVC §30-1-12(a), the board should consider creating a complete register in either hard copy or electronic spreadsheet format.

Travel Regulations Are Being Followed

A survey of the board's travel reimbursement log for 2003 and 2004 showed that the board is following travel regulations. During the last Legislative Auditor's evaluation, the board was posting board member compensation as travel per diem. Since then, it has come to the board's attention that compensation should be included in payroll, and the board has amended its practice in that regard.

Travel Day Compensation Should Be Prohibited

Board members used to be paid \$150 compensation for days in which they traveled before or after the day of a board meeting. A legal opinion from Legislative Services indicated that this practice was not illegal. However, the Legislative Auditor contends that this practice was not the intention of the Legislature. Since October 2001, members have not been compensated for travel days. Last year, the Legislative Auditor noted that legislators are not compensated for travel days before and after meetings, and that board members should be compensated likewise. In the 2003 regular legislative session, House Bill 2729 was introduced that was meant to prohibit travel day compensation; however, that bill did not pass out of the Senate. The Legislative Auditor recommends that a similar bill be introduced during the 2005 regular legislative session.

A legal opinion from Legislative Services indicated that travel day compensation was not illegal. However, the Legislative Auditor contends that this practice was not the intention of the Legislature.

Some Board Members Have Served For More Than Nine Years

WVC §30-38-6(b) restricts any member of the board from serving more than nine consecutive years. That law was enacted in 2001. Currently, some of the board's members have served more than nine years. The board has notified the governor of the need for new appointments; however, no appointments have been made.

Conclusion

The Real Estate Licensure and Certification Board complies with many of the general provisions of Chapter 30 of the West Virginia Code. The board made positive responses to the last Legislative Auditor's evaluation. It has amended its complaint process, use of committees, and travel reimbursement procedures. The board is financially self-sufficient, and should continue to closely monitor its spending. Public accessibility is adequate, but the website needs to be updated and public meeting notices should be filed in a timely manner. Administrative costs that result from complaint resolution should be documented fully when disciplinary action is taken. A register should be maintained. Although the board no longer compensates for travel days before and after meetings, the Legislature should consider prohibiting travel day compensation. Additionally, the board is sending proper notification to the governor in relation to board appointments. Timely appointments should be made in accordance with WVC §30-38-6(b).

In the 2003 regular legislative session, House Bill 2729 was introduced that was meant to prohibit travel day compensation; however, that bill did not pass out of the Senate

Recommendations

2. *The Legislative Auditor recommends that a register be maintained as required by West Virginia Code § 30-1-12(a).*
3. *The Legislative Auditor recommends that the board update its website to reflect proper Code citations.*
4. *The Legislative Auditor recommends that when complaints require disciplinary action and no administrative cost accrue from the investigation process, a note should be made in the complaint file and in the board's complaint log stating that no administrative fees were assessed because no administrative fees were accrued.*
5. *The Legislative Auditor recommends that the Legislature should consider amending West Virginia Code §30-1-11 in order to prohibit compensation for travel days that are before and after meetings.*

Appendix A: Transmittal Letter

WEST VIRGINIA LEGISLATURE *Performance Evaluation and Research Division*

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1900 Kanawha Boulevard, East
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(304) 347-4890
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John Sylvia
Director

October 19, 2004

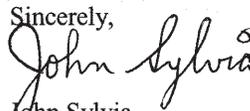
Sharron L. Knotts, Executive Director
Real Estate Appraiser Licensing & Certification Board
2110 Kanawha Boulevard, East Suite 101
Charleston, WV 25311

Dear Ms. Knotts:

This is to transmit a draft copy of the Regulatory Board Evaluation of the Real Estate Appraisers Licensing and Certification Board. This report is scheduled to be presented during the November interim meeting of the Joint Committee on Government Operations. We will inform you of the exact time and location once the information becomes available. It is expected that a representative from your agency be present at the meeting to orally respond to the report and answer any questions the committee may have.

If you would like to schedule an exit conference to discuss any concerns you may have with the report, please notify us between October 20, 2004 and October 25, 2004. We need your written response by noon on October 27, 2004, in order for it to be included in the final report. If your agency intends to distribute additional material to committee members at the meeting, please contact the House Government Organization staff at 340-3192 by Thursday, November 4, 2004 to make arrangements.

We request that your personnel not disclose the report to anyone not affiliated with your agency. Thank you for your cooperation.

Sincerely,

John Sylvia

Joint Committee on Government and Finance

Appendix B: Agency Response



STATE OF WEST VIRGINIA

REAL ESTATE APPRAISER LICENSING AND CERTIFICATION BOARD

Enola G. Ellis
Administrative Assistant

Sharron L. Knotts, Executive Director
2110 Kanawha Blvd., East Suite 101
Charleston, West Virginia 25311
304-558-3919 Fax 304-558-3983
October 20, 2004

Karen Hudson
Administrative Assistant

John Sylvia
West Virginia Legislature
Performance Evaluation & Research Division
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1900 Kanawha Boulevard, East
Charleston, West Virginia 25305

RECEIVED
OCT 21 2004

PERFORMANCE EVALUATION AND
RESEARCH DIVISION

RE: Regulatory Board Evaluation

Dear Mr. Sylvia:

I have reviewed the draft copy of the Regulatory Board Evaluation dated October 19, 2004, and commend you and your staff for all the time and effort in evaluating our agency. You have sufficiently addressed the items of concern which surfaced during the previous evaluation and have concluded that the Board has complied with the recommendations in that report, and we concur that every effort is being made to comply with the general provisions of Chapter 30 and those specific requirements found within the Board's own article in the Code.

Sincerely,

A handwritten signature in black ink, appearing to read "Sharron L. Knotts", with a long horizontal flourish extending to the right.

Sharron L. Knotts
Executive Director

BOARD MEMBERS

David Shields, Bluefield Virginia Shaw, New Haven Glenn Rohr, Buckhannon
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