

July-August 2016

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From the Director

Even though we're at the beginning of summer, fall will be here before we know it. If your license renews at the end of this year, be sure to start scheduling courses. By completing the necessary education early, you won't have to worry about the availability of courses as the renewal deadline draws near.

Be sure to mark your calendar to take advantage of our last Caravan. A valuable education session will be presented by Len Elder. You can read more information about the Caravan in this newsletter.

Please keep in mind, if you are forming a team and plan to incorporate or form an LLC that will be paid a commission, you must register the corporation or LLC with the Commission office. Use the application form on the Commission website or if you have questions, give us a call.

By now you have may have heard that after 26 dedicated years with the Commission, Norma Schilling is retiring. Norma's last day with the Commission is October 7th. I don't know how we will get along without her! Norma's attention to detail has been invaluable. Her willingness to put in extra time and effort to meet deadlines has demonstrated a commitment to serving the licensees and citizens of South Dakota. Please take the time and wish Norma a happy retirement.

Have a wonderful summer!

Commission Calendar/Fall Caravan Dates

Thursday, July 14 – Commission Meeting, Pierre Wednesday & Thursday, September 7 & 8- Commission Meeting, Pierre Monday, September 26 – Fall Education Caravan – Sioux Falls Ramkota Tuesday, September 27 – Fall Education Caravan – Aberdeen Ramkota Wednesday, September 28 – Fall Education Caravan – Pierre Ramkota Thursday, September 29 – Fall Education Caravan – Rapid City Rushmore Plaza Civic Ctr.

Commission Office Temporarily Relocating

The South Dakota Real Estate Commission office will be moving to another office building temporarily due to construction. We will be located at the local Pierre Department of Labor and Regulation office at 116 W. Missouri Avenue, starting July 1 at 8 a.m. CDT. We anticipate being at this temporary location for approximately two weeks. You may continue to contact us by phone at 605.773.3600. We will not have access to our fax number at our temporary office. Applications and inquiries received during this time may experience some delayed processing.

Fall 2016 Caravan Registration Opens August 15th

South Dakota Real

Estate Commission

Melissa Miller Executive Director 221 W. Capitol Ave., Suite 101 Pierre, SD 57501 Phone: 605.773.3600 Fax: 605.773.4356

South Dakota Appraiser

Certification Program Sherry Bren Executive Director 308 S. Pierre St. Pierre SD 57501 Phone: 605.773.4608 Fax: 605.773.5405

Len Elder The Last Rodeo: Life After the Caravan & How To Keep From Falling Down

This course will provide a very informative overview of resources available to licensees including the Real Estate Commission website. There will also be an in depth look at compliance and how you, as a licensee, can protect yourself from making common mistakes that can lead to disciplinary action.

CE Approval 6 hours Required

Presenter:

Topics:

Registration forms will be mailed out or licensees can log on to the SDREC website to register online or print the registration form.

Registration Fee: \$60 online or **POSTMARKED NO LATER than September 16**; \$70 after September 16 and on-site (The Commission will retain \$10 of any refunded registration.)

Here are the dates and locations:

Dates/Locations – Registration begins at 8:15 a.m.; Class time 9 a.m. to 4 p.m. Monday, September 26 – Sioux Falls Ramkota Tuesday, September 27 – Aberdeen Ramkota Wednesday, September 27 –Pierre Ramkota Thursday, September 28 – Rapid City Rushmore Plaza Civic Center

Disciplinary Actions

There have been no Disciplinary Actions since the last newsletter was published.

NAR Urges Timely Guidance on REALTOR® Website ADA Accessibility (used with permission from ARELLO)

The National Association of REALTORS® (NAR) is asking the U.S. Department of Justice (DOJ) to pick up the pace in providing clear regulatory guidance on the applicability of the Americans with Disabilities Act to the websites of its REALTOR® members and the broader business community. The Americans with Disabilities Act (ADA) prohibits discrimination against persons with disabilities in employment, state and local government services, public accommodations, commercial facilities, and transportation. Title II of the ADA applies to state and local government entities, while Title III prohibits such discrimination in "places of public accommodation". In 2010, the DOJ published an Advanced Notice of Proposed Rulemaking (ANPRM) that sought input on proposed revision of existing ADA regulations to ensure that disabled persons have access to the Internet. The notice pointed out that the Internet "did not exist" when the ADA was enacted but, today, websites that operate as "places of public accommodation" under Title III play a critical role in the lives of most Americans. Of course, assistive technologies such as screen readers and speech recognition software are available. But, according to the DOJ, many websites do not incorporate features that enable disabled users to access users to access all of the site's information, to their great disadvantage. The DOJ's final Title III "public accommodation" rules were initially slated to be issued by 2016, but have been delayed and will not be finalized until 2018.

ADA Accessibility (cont.)

In an April 28, 2016 letter to the DOJ's Civil Rights Division, NAR expressed the increasing concern of its members about the lack of clear guidance regarding the application of Title III to business websites. The letter points out that, while the ADA itself "is silent" on the issue, the 2010 ANPRM took the position that websites operated by places of public accommodation must be ADA-compliant. The letter expresses NAR's disappointment in the delay in issuing the final Title III rules and notes that, as a result, there are split opinions among the federal courts regarding the question of whether the ADA's accessibility obligations extend to a business' online presence. The letter also states that DOJ enforcement actions, legal demand letters, and civil complaints received by REALTORs® from private litigants alleging civil rights violations are all contributing to the confusion. In addition, NAR says that some state and local governments have started to enact laws regarding website accessibility for their agencies and, given the DOJ's delay in issuing a rule, "...it's foreseeable that such governments would attempt to enact similar laws pertaining to private businesses"; thus leading to potential inconsistency among jurisdictions.

NAR's letter urges that, considering the growing confusion surrounding ADA website accessibility requirements, the DOJ "...should issue a final rule providing clear guidance as soon as possible."

New Licenses

Auctioneer

Stormo, Nicholas M Hayti

Broker Associate

Allison, Angela M Braley, Steven D Dreessen, David E Fedt, Michael C Fontaine, Cindy Gengler, Anthony Gibson, Adrian L Giedd, Shawn D Gilger, Paul D Gross, Michael Gross, Sarah Heid, Krista L Hendricks, Jonathan Hoftiezer, Kara M Jacobsen, Daniel J Johnson, Heath A Johnson, Josh W Kemp, Christopher A Knight, Tiffany A Mayes, Raymond E McDowall, Brian J Miller, Brandon B Miller, Leslie A Moller, Tamara Nielsen, Lorna K Orose, Katherine L

Rapid City Brandon Sioux Falls Sioux Falls Hermosa Sioux Falls Huron Alcester **Belle Fourche** Brandon Harrisburg Spearfish Lead Watertown Piedmont Aberdeen Sioux Falls Brandon Black Hawk Rapid City Russellville Sioux Falls Sioux Falls Black Hawk

Brookings

Piedmont

New Licenses (cont.)

Broker Associate

| Reichert, Haylee M | Spearfish |
|------------------------|-------------|
| Rice, Jessica L | Sioux Falls |
| Rounsley, Datona J | Rapid City |
| Schoenfelder, Andrew J | Sioux Falls |
| Schreck, Philip G | Sioux Falls |
| Thomas, Trista K | Sioux Falls |
| Tolliver, Rebecca L | Sioux Falls |
| Van Roekel, Nathan | Sioux Falls |
| Williams, Courtney T | Rapid City |
| Woodward, Logan C | Piedmont |
| Zieske, Griffin T | Sioux Falls |

Broker

| Ahlsten, Dale A | Coon Rapids |
|-----------------|-------------|
| Hogue, Tina M | Black Hawk |
| Quasney, Jacob | Brandon |

Salesperson

| Bobian, Theresa A | Sioux City |
|--------------------|-------------|
| Kern, Jessica L | Sioux City |
| Kovarna, Kyle S | Merrill |
| Mielke, Brian D | St. Michael |
| Ortmann, Elizabeth | Hinton |

Residential Rental Agent

| Dalmas, Martine R | Sioux Falls |
|----------------------|-------------|
| DeBoer, Heidi M | Huron |
| Duimstra, Duane R | Sioux Falls |
| Fernandez, Jessica | Sioux Falls |
| Johnson, Linda D | Harrisburg |
| Moore, Tanya L | Spearfish |
| Stienstra, Laura A | Sioux Falls |
| Stroschine, Krisha M | Sioux Falls |
| Taggart, Sophia M | Vermillion |
| Williams, Samantha R | Sioux Falls |
| Zimmerman, Irma J | Mitchell |

Property Manager

Savageau, Samantha R Rapid City

Home Inspector

| Hewer, Chayson D | Brandon |
|--------------------|-------------|
| Knutson, Brian K | Sioux Falls |
| Underberg, Clark J | Sioux Falls |

Timeshare Agent

Bilyeu, Braden L

Rapid City

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Appraiser Update

New Licensees – May/June 2016

Jeremy J. Strecker, State-Certified General- Minneapolis, MN

Upgrades

Keith Newman, State-Certified General-Rapid City SD

Review of Cases

For the period January 1, 2016 through June 16, 2016, the Department has opened six cases – one complaint investigation, five upgrades, and no new applicants claiming experience.

Complaints – One pending. Upgrades – Two pending, three closed.

Information Regarding Disciplinary Actions

Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Labor and Regulation, Appraiser Certification Program, 308 South Pierre Street, Pierre, South Dakota 57501 or e-mail: Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser's city and state of residence. (Disciplinary action includes but may not be limited to denial, suspension, censure, reprimand, or revocation of a certification by the department. (ARSD 20:14:11:03)

New AMC Registration Issued May - 2016

Exos Valuations, LLC, Moon Township, Pennsylvania

Appraisers- 2016 Renewal

NOTICE! The 2016 appraiser renewal applications will be mailed the first week in July. The applications are due in the Appraiser Certification Program office by August 17, 2016 for renewal of certificates for state-certified general, state-certified residential, state-licensed and state-registered appraisers.

Supervisory Appraisers- 2016 Renewal

NOTICE! The 2016 supervisory appraiser endorsement renewal applications will be mailed the first week in July. The applications are due in the Appraiser Certification Program office by August 17, 2016 for renewal of the supervisory appraiser endorsement.

Notice of Public Hearing to Adopt Rules Department of Labor and Regulation Appraiser Certification Program

A public hearing will be held in the Appraiser Certification Program Conference Room, 308 South Pierre Street, Pierre, South Dakota, on July 8, 2016 at 10:00 a.m., to consider the adoption and amendment of proposed rules numbered

§§20:14:05:05.05, 20:14:10:05.01, 20:14:11:01, and 20:14:11:01.01, inclusive

The effect of the rules will be to allow appraisers to submit appraisals for compliance review midway through the experience hours required to upgrade to a higher level of licensure or certification; add midway review upgrade fees; establish allegation of non-compliance as the first step for initiation of an investigation and prior to formal complaint charges; and replace the term anonymous complaint with allegation of non-compliance.

The reason for adopting the proposed rules is to provide a voluntary compliance review of appraisals midway through the experience hours so that deficiencies may be identified and remedied prior to applying for upgrade and to ensure that the appraiser and supervisory appraiser are not disciplined at the midway compliance review if deficiencies are identified; allow for collection of fees from licensees to cover the cost of the midway appraisal compliance review; to first ascertain through an investigation of allegations of non-compliance if there is sufficient evidence for a formal complaint to be entered against a licensee by the secretary; and remove the term "anonymous complaint" and replace with "allegation of noncompliance" and describe the criteria an allegation of non-compliance must meet in order for an investigation to be initiated.

Copies of the proposed rules may be obtained without charge from the South Dakota Department of Labor and Regulation Appraiser Certification Program 308 South Pierre Street Pierre, South Dakota 57501-3137 Or the website at http://dlr.sd.gov/appraisers

Appraiser Qualifications Board Q&A Volume 8, No. 1- June 2016

TRAINEE / SUPERVISOR REQUIREMENTS

Question: Can a Trainee Appraiser inspect a property without a Supervisory Appraiser?

Response: Yes, however, the Trainee Appraiser must be competent to do so. The *Criteria* require Supervisory Appraisers to personally inspect properties along with the Trainees until the Trainee is competent to do so without supervision. The *Criteria* mandate such supervision to include:

Appraiser Qualifications Board Q&A (cont.)

Personally inspecting each appraised property with the Trainee Appraiser until the Supervisory Appraiser determines the Trainee Appraiser is competent to inspect the property, in accordance with the COMPETENCY RULE of USPAP for the property type.

Competency to inspect without supervision will vary from assignment-toassignment. For example, after numerous assignments a supervisor may deem a trainee competent to inspect single-unit residential tract-type homes.

However, that does not mean the trainee is competent to perform inspections without supervision for large custom homes, condominiums, 2-4 unit residential properties, or atypical/complex property types or assignments. Competency to inspect a property is determined by the Supervisory Appraiser on an individual assignment basis.

[Note: South Dakota – The supervisory appraiser is responsible for personally inspecting with the State-Registered Appraiser a minimum of 50 residential subject properties/25 nonresidential subject properties. See ARSD 20:14:04:17(3)(a) and (b).]

Question: Can A trainee Appraiser sign an appraisal report?

Response: Yes, and the Supervisory Appraiser must co-sign the appraisal report. This is required regardless of whether the Supervisory Appraiser personally inspected the property.

SCOPE OF PRACTICE

Question: I was asked to appraise a "condotel," which is defined as:

A hotel in which an investor takes title to a specific hotel room (unit), which remains in the pool to be rented to transient guests whenever the investor is not using the unit.¹

¹ Dictionary of Real Este Appraisal, 6th ed. Chicago: Appraisal Institute, 2015.