

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

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SENATE BILL 1066

Short Title: Increase Appraisal Board Membership.

(Public)

Sponsors: Senator Hoyle.

Referred to: Commerce.

April 5, 2001

A BILL TO BE ENTITLED

AN ACT TO AMEND THE LAWS REGULATING REAL ESTATE APPRAISERS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 93E of the General Statutes is amended as follows:

"Chapter 93E.

"North Carolina Appraisers Act.

"Article 1.

"Real Estate Appraiser.

"§ 93E-1-1. Title.

This Chapter shall be known and may be cited as the "North Carolina Appraisers Act".

"§ 93E-1-2: [Repealed by Session Laws 1995, c. 482, s. 12.]

"§ 93E-1-2.1. Registration, License ~~license~~ or certificate required of real estate appraisers.

Beginning October 1, 1995, it shall be unlawful for any person in this State to act as a real estate appraiser, to directly or indirectly engage or assume to engage in the business of real estate appraisal, or to advertise or hold himself or herself out as engaging in or conducting the business of real estate appraisal without first obtaining a registration, license or certificate issued by the Appraisal Board under the provisions of this Chapter. It shall also be unlawful, with regard to any real property where any portion of that property is located within this State, for any person to perform any of the acts listed above without first being registered, licensed, or certified by the Appraisal Board under the provisions of this Chapter.

"§ 93E-1-3. When registration, license or certificate not required.

(a) No trainee registration, license or certificate shall be issued under the provisions of this Chapter to a partnership, association, corporation, firm, or group. However, nothing herein shall preclude a State-registered trainer, State-licensed or

1 State-certified real estate appraiser from rendering appraisals for or on behalf of a
2 partnership, association, corporation, firm, or group, provided the appraisal report is
3 prepared by a State-licensed or State-certified real estate appraiser or by a registered
4 trainee under the immediate personal direction of, the State-licensed or State-certified
5 real estate appraiser and is reviewed and signed by that State-licensed or State-certified
6 appraiser.

7 ~~(b) Any person who is not State licensed or State certified under this Chapter
8 may assist a State licensed or State certified real estate appraiser in the performance of
9 an appraisal provided that the person is registered trainee and is actively and personally
10 supervised by a State certified appraiser and provided further that any appraisal report
11 rendered in connection with the appraisal is reviewed and signed by the State certified
12 real estate appraiser.~~

13 (c) Nothing in this Chapter shall preclude a real estate broker or salesman
14 licensed under Chapter 93A of the General Statutes from performing a comparative
15 market analysis, provided the person does not represent himself or herself as being
16 State-registered as a trainee or State-licensed or State-certified as a real estate appraiser.

17 (d) Nothing in this Chapter shall abridge, infringe upon, or otherwise restrict the
18 right to use the term "certified ad valorem tax appraiser" or any similar term by persons
19 certified by the Department of Revenue to perform ad valorem tax appraisals, provided
20 that the term is not used in a manner that creates the impression of certification by the
21 State to perform real estate appraisals other than ad valorem tax appraisals.

22 (e) Nothing in this Chapter shall entitle a State-registered trainee, State-licensed
23 or State-certified real estate appraiser to appraise real estate for ad valorem tax purposes
24 unless the person has first been certified by the Department of Revenue pursuant to G.S.
25 105-294.

26 (f) A trainee registration, license or certificate is not required under this Chapter
27 for:

- 28 (1) Any person, partnership, association, or corporation that performs
29 appraisals of property owned by that person, partnership, association,
30 or corporation;
- 31 (2) Any court-appointed commissioner who conducts an appraisal
32 pursuant to a judicially ordered evaluation of property;
- 33 (3) Any person to ~~qualify~~ be qualified as an expert witness ~~for court or~~
34 ~~administrative agency testimony, if otherwise qualified;~~ by a trier of
35 fact to present testimony. Provided, however, that a written appraisal
36 report may be prepared by a person not accredited under this Chapter
37 only pursuant to an order by the trier of fact;
- 38 (4) A person who appraises standing timber so long as the appraisal does
39 not include a determination of value of any land;
- 40 (5) Any person employed by a lender in the performance of appraisals
41 with respect to which federal regulations do not require a licensed or
42 certified appraiser; and
- 43 (6) A person who performs ad valorem tax appraisals and is certified by
44 the Department of Revenue under G.S. 105-294 or G.S. 105-296;

1 however, any person who is registered, licensed, or certified under this Chapter and who
2 performs any of the activities set forth in subdivisions (1) through (5) of this subsection
3 must comply with all of the provisions of this Chapter.

4 **"§ 93E-1-3.1. Prohibited use of title; permissible use of title.**

5 (a) It shall be unlawful for any person to assume or use the title "Registered
6 trainee", "State-licensed real estate appraiser", "State-certified real estate appraiser", or
7 any title designation or abbreviation likely to create the impression of registration,
8 licensure or certification as a real estate appraiser, unless the person is registered,
9 licensed or certified by the Appraisal Board in accordance with the provisions of this
10 Chapter. The Board may adopt for the exclusive use of persons licensed or certified
11 under the provisions of this Chapter, a seal, symbol, or other mark identifying the user
12 as a State-licensed or State-certified real estate appraiser.

13 (b) Any person certified as a real estate appraiser by an appraisal trade
14 organization shall retain the right to use the term "certified" or any similar term in
15 identifying the person to the public, provided that:

- 16 (1) In each instance wherein the term is used, the name of the certifying
17 organization or body is prominently and conspicuously displayed
18 immediately adjacent to the term; and
- 19 (2) The use of the term does not create the impression of certification by
20 the State. This subsection does not entitle any person certified only by
21 a trade organization to conduct an appraisal that requires a State
22 registration, license or certification.

23 (c) The term "Registered trainee", "State-licensed real estate appraiser",
24 "State-certified real estate appraiser", or any similar term shall not be used following or
25 immediately in connection with the name of a partnership, association, corporation, or
26 other firm or group, or in a manner that might create the impression of registration,
27 licensure or certification as a real estate appraiser under this Chapter.

28 **"§ 93E-1-4. Definitions.**

29 When used in this Chapter, unless the context otherwise requires, the term:

- 30 (1) "Appraisal" or "real estate appraisal" means an analysis, opinion, or
31 conclusion as to the value of identified real estate or specified interests
32 therein performed for compensation or other valuable consideration.
- 33 (2) "Appraisal assignment" means an engagement for which an appraiser
34 is employed or retained to act, or would be perceived by third parties
35 or the public as acting, as a disinterested third party in rendering an
36 unbiased appraisal.
- 37 (3) "Appraisal Board" or "Board" means the North Carolina Appraisal
38 Board established under G.S. 93E-1-5.
- 39 (4) "Appraisal Foundation" or "Foundation" means The Appraisal
40 Foundation established on November 20, 1987, as a not-for-profit
41 corporation under the laws of Illinois.
- 42 (5) "Appraisal report" means any communication, written or oral, of an
43 appraisal.

- 1 (6) "Certificate" means that document issued by the North Carolina
2 Appraisal Board evidencing that the person named therein has satisfied
3 the requirements for certification as a State-certified real estate
4 appraiser and bearing a certificate number assigned by the Board.
- 5 (7) "Certificate holder" means a person certified by the Board under the
6 provisions of this Chapter.
- 7 (7a) "Comparative market analysis" means the analysis of sales of similar
8 recently sold properties in order to derive an indication of the probable
9 sales price of a particular property by a licensed real estate broker or
10 salesperson for the broker's or salesperson's principal.
- 11 (8) "License" means that document issued by the North Carolina
12 Appraisal Board evidencing that the person named therein has satisfied
13 the requirements for licensure as a State-licensed real estate appraiser
14 and bearing a license number assigned by the Board.
- 15 (9) "Licensee" means a person licensed by the Board under the provisions
16 of this Chapter.
- 17 (10) "Real estate" or "real property" means land, including the air above
18 and ground below and all appurtenances and improvements thereto, as
19 well as any interest or right inherent in the ownership of land.
- 20 (11) "Real estate appraiser" or "appraiser" means a person who for a fee or
21 valuable consideration develops and communicates real estate
22 appraisals or otherwise gives an opinion of the value of real estate or
23 any interest therein.
- 24 (12) "Real estate appraising" means the practice of developing and
25 communicating real estate appraisals.
- 26 (13) "Residential real estate" means any parcel of real estate, improved or
27 unimproved, that is exclusively residential in nature and that includes
28 or is intended to include a residential structure containing not more
29 than four dwelling units and no other improvements except those
30 which are typical residential improvements that support the residential
31 use for the location and property type. A residential unit in a
32 condominium, town house, or cooperative complex, or planned unit
33 development is considered to be residential real estate.
- 34 (14) "State-certified general real estate appraiser" means a person who
35 holds a current, valid certificate as a State-certified general real estate
36 appraiser issued under the provisions of this Chapter.
- 37 (15) "State-certified residential real estate appraiser" means a person who
38 holds a current, valid certificate as a State-certified residential real
39 estate appraiser issued under the provisions of this Chapter.
- 40 (16) "State-licensed residential real estate appraiser" means a person who
41 holds a current, valid license as a State-licensed residential real estate
42 appraiser issued under the provisions of this Chapter.
- 43 (17) "Temporary appraiser licensure or certification" means the issuance of
44 a temporary license or certificate by the Board to a person licensed or

1 certified in another state who enters this State for the purpose of
2 completing a particular appraisal assignment.

3 (18) "Trainee", "registered trainee", or "trainee real estate appraiser" means
4 a person who ~~has satisfied the requirements to be registered as a~~
5 ~~trainee pursuant to G.S. 93E-1-6, but who has not satisfied the~~
6 ~~experience and other requirements set forth in G.S. 93E-1-6 to be~~
7 ~~licensed as a~~ holds a current, valid registration as a trainee real estate
8 appraiser.

9 (19) "Trainee registration" or "registration as a trainee" means the
10 document issued by the North Carolina Appraisal Board evidencing
11 that the person named therein has satisfied the requirements of
12 registration as a trainee real estate appraiser and bearing a registration
13 number assigned by the Board.

14 **"§ 93E-1-5. Appraisal Board.**

15 (a) There is created the North Carolina Appraisal Board for the purposes set forth
16 in this Chapter. The Board shall consist of seven members. The Governor shall appoint
17 five members of the Board, and the General Assembly shall appoint two members in
18 accordance with G.S. 120-121, one upon the recommendation of the President Pro
19 Tempore of the Senate and one upon the recommendation of the Speaker of the House
20 of Representatives. Each member appointed by the Governor shall be appointed from a
21 different congressional district. The appointee recommended by the Speaker of the
22 House of Representatives and the appointees of the Governor shall be persons who have
23 been engaged in the business of real estate appraising in this State for at least five years
24 immediately preceding their appointment and are also State-licensed or State-certified
25 real estate appraisers. No more than four of the appointees may be members of the same
26 appraiser trade organization, group, or committee at any one time. The appointee
27 recommended by the President Pro Tempore of the Senate shall be a person not
28 involved directly or indirectly in the real estate, real estate appraisal, or the real estate
29 lending industry. Members of the Board shall serve three-year terms, so staggered that
30 the terms of three members expire in one year, the terms of two members expire in the
31 next year, and the terms of two members expire in the third year of each three-year
32 period. The members of the Board shall elect one of their members to serve as chairman
33 of the Board for a term of one year. The Governor may remove any member of the
34 Board appointed by the Governor for misconduct, incompetency, or neglect of duty.
35 The General Assembly may remove any member appointed by it for the same reasons.
36 Successors shall be appointed by the appointing authority making the original
37 appointment. All vacancies occurring on the Board shall be filled, for the unexpired
38 term, by the appointing authority making the original appointment. Vacancies in
39 appointments made by the General Assembly shall be filled in accordance with G.S.
40 120-122. Initial terms of office ~~commence~~ commenced July 1, 1994.

41 (b) The Board is an occupational licensing agency governed by Chapter 150B of
42 the General Statutes; its decisions are final agency decisions subject to judicial review
43 under Article 4 of Chapter 150B of the General Statutes.

1 (c) Members of the Board shall be paid the per diem, subsistence, and travel
2 allowances at the rates set forth in G.S. 93B-5; provided that none of the expenses of the
3 Board or the compensation or expenses of any officer or employee thereof shall be
4 payable out of the treasury of the State of North Carolina; the total expenses of the
5 administration of this Chapter shall not exceed the total income therefrom; and neither
6 the Board nor any officer or employee thereof shall have any power or authority to
7 make or incur any expense, debt, or other financial obligation binding upon the State of
8 North Carolina.

9 (d) The Board shall adopt a seal for its use, which shall bear thereon the words
10 "North Carolina Appraisal Board". Copies of all papers in the office of the Board duly
11 certified and authenticated by the seal of the Board shall be received in evidence in all
12 courts and administrative bodies and with like effect as the originals.

13 (e) The Board may employ an Executive Director and professional and clerical
14 staff as may be necessary to carry out the provisions of this Chapter and to put into
15 effect the rules that the Board may promulgate. The Board shall fix salaries. The Board
16 shall have the authority to issue to its employees credentials or other means of
17 identification.

18 (f) The Board shall be entitled to the services of the Attorney General in
19 connection with the affairs of the Board or may, in its discretion, employ an attorney to
20 assist or represent it in the enforcement of this Chapter.

21 (g) The Board may prefer a complaint for violation of this Chapter before any
22 court of competent jurisdiction, and it may take the necessary legal steps through the
23 proper legal offices of the State to enforce the provisions of this Chapter.

24 (h) The Board shall have the power to acquire, hold, rent, encumber, alienate,
25 and otherwise deal with real property in the same manner as a private person or
26 corporation, subject only to the approval of the Governor and the Council of State as to
27 the acquisition, rental, encumbering, leasing, and sale of real property. Collateral
28 pledged by the Board for an encumbrance is limited to the assets, income, and revenues
29 of the Board.

30 (i) The Board may purchase, rent, or lease equipment and supplies, and purchase
31 liability insurance or other insurance to cover the activities of the Board, its operations,
32 or its employees.

33 **"§ 93E-1-6. Qualifications for State registration, licensure and certification;**
34 **applications; application fees; examinations.**

35 (a) Any person desiring to be registered as a trainee or to obtain licensure as a
36 State-licensed real estate appraiser or certification as a State-certified real estate
37 appraiser shall make written application to the Board on the forms as are prescribed by
38 the Board setting forth the applicant's qualifications for registration, licensure or
39 certification. Each applicant shall satisfy the following qualification requirements:

40 (1) ~~Each applicant for licensure as a State-licensed residential real estate~~
41 ~~appraiser shall have demonstrated registration as a trainee must~~
42 ~~demonstrate to the Board that the applicant possesses the knowledge~~
43 ~~and competence necessary to perform appraisals ~~of residential and~~~~
44 ~~other real estate as the Board may prescribe of real property, by having~~

1 satisfactorily completed within the five-year period immediately
2 preceding the date application is made, a ~~Board-approved~~ course
3 approved by the Board, of instruction in real estate appraisal principles
4 and practices consisting of at least 90 hours of classroom instruction in
5 subjects determined by the Board; and by satisfying any additional
6 qualification the Board imposes by rule, not inconsistent with any
7 requirements imposed by the federal government.

8 (1a) Each applicant for licensure as a State-licensed resident real estate
9 appraiser shall have demonstrated that the applicant possesses the
10 knowledge and competence necessary to perform appraisals of real
11 property by having satisfactorily completed within the five-year period
12 immediately preceding the date application is made a course approved
13 by the Board, of instruction in real estate appraisal principles and
14 practices consisting of at least 90 hours of classroom instruction in
15 subjects determined by the Board; shall present evidence satisfactory to
16 the Board of at least 2,000 ~~hours~~-hours, or the minimum requirement
17 as imposed by the federal government, whichever is greater, of
18 experience in real estate appraising; and shall satisfy the additional
19 qualifications as may be imposed by the Board by rule, not
20 inconsistent with any requirements imposed by the federal
21 government; or shall possess education or experience which is found
22 by the Board in its discretion to be equivalent to the above
23 requirements.

24 (2) Each applicant for certification as a State-certified residential real
25 estate appraiser shall have demonstrated that the applicant possesses
26 the knowledge and competence necessary to perform appraisals of
27 ~~residential and other real estate~~ real property as the Board may
28 prescribe by having satisfactorily completed, within the five-year
29 period immediately preceding the date the application is made, a
30 ~~Board-approved~~ course approved by the Board, of instruction in real
31 estate appraisal principles and practices consisting of at least 120 ~~hours~~
32 hours, or the minimum requirement as imposed by the federal
33 government, whichever is greater, of classroom instruction in subjects
34 determined by the Board; shall present evidence satisfactory to the
35 Board of at least ~~2,000~~2,500 ~~hours~~-hours, or the minimum requirement
36 as imposed by the federal government, whichever is greater, of
37 experience in real estate appraising within the five-year period
38 immediately preceding the date application is made, and over a period
39 of at least two calendar years; and shall satisfy the additional
40 qualifications criteria as may be imposed by the Board by rule, not
41 inconsistent with any requirements imposed by the federal
42 government; or shall possess education and experience which is found
43 by the Board in its discretion to be equivalent to the above
44 requirements.

1 (3) Each applicant for certification as a State-certified general real estate
2 appraiser shall have demonstrated that the applicant possesses the
3 knowledge and competence necessary to perform appraisals of all
4 types of real estate ~~property~~ by having satisfactorily completed, within
5 the five-year period immediately preceding the date application is
6 made, a ~~Board-approved~~ course approved by the Board, of instruction
7 in general real estate appraisal practices consisting of at least 180
8 ~~hours-hours~~, or the minimum requirement as imposed by the federal
9 government, whichever is greater, of classroom instruction in subjects
10 determined by the Board; shall present evidence satisfactory to the
11 Board of at least ~~2,000~~3,000 hours-hours, or the minimum requirement
12 as imposed by the federal government, whichever is greater, of
13 experience in real estate appraising within the five-year period
14 immediately preceding the date application is made, and over a period
15 of at least two calendar years, fifty percent (50%) of which must be in
16 appraising nonresidential real estate; and shall satisfy the additional
17 qualifications criteria as may be imposed by the Board by rule, not
18 inconsistent with any requirements imposed by the federal
19 government; or the applicant shall possess education or experience
20 which is found by the Board in its discretion to be equivalent to the
21 above requirements.

22 ~~(4) Each applicant for registration as a trainee must demonstrate to the~~
23 ~~Board that the applicant possesses the knowledge and competence~~
24 ~~necessary to perform an appraisal of residential and other real estate,~~
25 ~~as prescribed by the Board, by:~~

26 ~~a. Having satisfactorily completed within the five year period~~
27 ~~immediately preceding the date application is made, a course,~~
28 ~~approved by the Board, of instruction in real estate appraisal~~
29 ~~principles and practices consisting of at least 90 hours of~~
30 ~~classroom instruction in subjects determined by the Board; and~~

31 ~~b. Satisfying any additional qualifications the Board imposes by~~
32 ~~rule, not inconsistent with any requirements imposed by the~~
33 ~~federal government;~~

34 ~~or shall possess education or experience that the Board, in its~~
35 ~~discretion, determines to be equivalent to the requirements set forth in~~
36 ~~sub-subdivisions a. and b. of this subdivision. Provided, however, that~~
37 ~~any persons who, on the effective date of this Chapter, have a State~~
38 ~~license or certificate to engage in business as a real estate appraiser~~
39 ~~issued by the predecessor of the Board, shall be entitled to and shall~~
40 ~~receive the same license or certificate from the Board as they are then~~
41 ~~holding without further education, experience, examination, or~~
42 ~~application fee.~~

43 (b) Each application for registration as a trainee or for State licensure or
44 certification as a real estate appraiser shall be accompanied by a fee of one hundred fifty

1 dollars (\$150.00), plus any additional fee as may be necessary to defray the cost of any
2 competency examination administered by a private testing service.

3 (c) Any person who files with the Board an application for State registration,
4 licensure or certification as a real estate appraiser shall be required to pass an
5 examination to demonstrate the person's competence. The Board shall also make an
6 investigation as it deems necessary into the background of the applicant to determine
7 the applicant's qualifications with due regard to the paramount interest of the public as
8 to the applicant's competency, honesty, truthfulness, and integrity. In addition, the
9 Board may investigate and consider whether the applicant has had any disciplinary
10 action taken against any other professional license in North Carolina or any other state,
11 or if the applicant has committed or done any act which, if committed or done by any
12 real estate trainee or appraiser would be grounds under the provisions hereinafter set
13 forth for disciplinary action including the suspension or revocation of registration,
14 licensure or certification, or whether the applicant has been convicted of or pleaded
15 guilty to any criminal act. If the results of the investigation shall be satisfactory to the
16 ~~Board~~ Board, and the applicant is otherwise qualified, then the Board shall issue to the
17 applicant a trainee registration, license or certificate authorizing the applicant to act as a
18 registered trainee real estate appraiser, State-licensed real estate appraiser or a
19 State-certified real estate appraiser in this State.

20 ~~(d) If, based upon the results of the investigation, the moral character of the~~
21 ~~applicant is in question, If the applicant has not affirmatively demonstrated that the~~
22 ~~applicant meets the requirements for registration, licensure or certification,~~ action on the
23 application will be deferred pending a hearing before the Board.

24 ~~(d) Any person who files with the Board an application for registration as a~~
25 ~~trainee real estate appraiser shall be required to pass an examination to demonstrate the~~
26 ~~person's competence. The Board shall also make an investigation as it deems necessary~~
27 ~~into the background of the applicant to determine the applicant's qualifications with due~~
28 ~~regard to the paramount interest of the public as to the applicant's honesty, truthfulness,~~
29 ~~and integrity. If the results of the investigation shall be satisfactory to the Board and the~~
30 ~~applicant is otherwise qualified, then the Board shall issue to the applicant a registration~~
31 ~~authorizing the applicant to act as a registered trainee real estate appraiser in this State.~~
32 ~~If, based upon the results of the investigation, the moral character of the applicant is in~~
33 ~~question, action on the application will be deferred pending a hearing before the Board.~~

34 **"§ 93E-1-6.1. Trainee supervision.**

35 All trainees shall perform all real estate appraisal related activities under the
36 immediate, active, and personal supervision of a State-licensed or State-certified real
37 estate appraiser. All appraisal reports must be signed by the State-licensed or State-
38 certified appraiser who supervised the trainee. By signing the appraisal report, the State-
39 licensed or State-certified appraiser accepts shared responsibility, with the trainee, for
40 the content of and conclusions in the report.

41 **"§ 93E-1-7. Registration, license and certificate renewal; renewal fees; continuing**
42 **education; reinstatement; replacement registrations, licenses and**
43 **certificates; registration, licensure and certification ~~history.~~history;**
44 **address changes.**

1 **"§ 93E-1-9. Nonresident registration, licensure and certification.**

2 (a) An applicant from another state which offers real estate trainee registration or
3 the equivalent, appraiser licensing or certification privileges to residents of North
4 Carolina may become registered, licensed or certified in North Carolina by conforming
5 to all of the provisions of this Chapter, and, in the discretion of the Board, such other
6 terms and conditions as are required of North Carolina may become State licensed or
7 certified by conforming to all of the provisions of this Chapter, and, in the discretion of
8 the Board, such other terms and conditions as are required of residents applying for
9 certification or licensure accreditation in such other state.

10 (b) The Board, in its discretion, may undertake to register, license or certify on a
11 reciprocal basis, persons registered, licensed or certified in other states who are deemed
12 by the Board to possess qualifications equivalent to resident North Carolina
13 State-licensed or State-certified real estate appraisers.

14 (c) The Board may by rule establish a procedure for granting temporary trainee
15 registration, appraiser licensure or certification and may charge an application fee of
16 ~~fifty dollars (\$50.00)~~ one hundred fifty dollars (\$150.00) for temporary trainee
17 registration, appraiser licensure or certification.

18 (d) Every applicant for trainee registration, State licensure or certification under
19 this Chapter who is not a resident of this State shall submit with his application an
20 irrevocable consent that service of process in any action against the applicant arising out
21 of the applicant's activities as a registered trainee or State-licensed or State-certified real
22 estate appraiser may be made by delivery of the process on the Executive Director of
23 the Board.

24 **"§ 93E-1-10. Rule-making authority.**

25 The Board may adopt rules not inconsistent with the provisions of this Chapter and
26 the General Statutes of North Carolina which may be reasonably necessary to
27 implement, administer, and enforce the provisions of this Chapter, including, but not
28 limited to, the authority to:

- 29 (1) Prescribe forms and procedures for submitting information to the
30 Board;
- 31 (2) Prescribe standards of practice for persons registered as a trainee,
32 licensed or certified under this Chapter; and
- 33 (3) Prescribe standards for the operation of real estate appraiser education
34 programs.

35 **"§ 93E-1-11. Register of applicants; roster of trainees, State-licensed and**
36 **State-certified appraisers; financial report to Secretary of State;**
37 **administrative expenses.**

38 (a) The Executive Director of the Board shall keep a register of all applicants for
39 State trainee registration or for State licensure or certification as real estate appraisers,
40 showing for each the date of application, name, business or residence address, and
41 whether the registration, license or certificate was granted or refused. The register shall
42 be prima facie evidence of all matters received therein.

43 (b) The Executive Director of the Board shall also keep a current roster showing
44 the names and places of business of all registered trainees and State-licensed and

1 State-certified real estate appraisers, which roster shall be kept on file in the office of
2 the Board and be open to public inspection.

3 (c) On or before the first day of November of each year, the Board shall file with
4 the Secretary of State a copy of the roster of registered trainees and real estate
5 appraisers licensed or certified by the Board and a report containing a complete
6 statement of income received by the Board in connection with the trainee registration
7 and the licensure and certification of real estate trainees and appraisers for the preceding
8 fiscal year ending June 30th, attested by the affidavit of the Executive Director of the
9 Board.

10 (d) In addition to those fees prescribed in this Chapter for making application for
11 and renewing trainee registration, appraiser licenses and certificates, the Board may
12 collect from applicants and holders of the licenses and certificates and remit to the
13 appropriate agency or instrumentality of the federal government any additional fees as
14 may be required to render North Carolina State-licensed or State-certified appraisers
15 eligible to perform appraisals in connection with federally related transactions as well as
16 an additional fee of twenty dollars (\$20.00) to cover the administrative costs associated
17 therewith.

18 **"§ 93E-1-12. Disciplinary action by Board.**

19 (a) The Board may take disciplinary action against registered trainees and
20 State-licensed or State-certified real estate appraisers. Upon its own motion or the
21 complaint of any person, the Board may investigate the actions of any person registered
22 as a trainee or licensed or certified as a real estate appraiser under this Chapter, any
23 person who performs appraisals without an appropriate registration, license, or
24 certificate, or any person who holds himself or herself out to be registered as a trainee or
25 licensed or certified as a real estate appraiser when the person holds no registration,
26 license, or certificate. If the Board finds probable cause to believe that a person
27 registered as a trainee or licensed or certified as a real estate appraiser under this
28 Chapter has violated any of the provisions of this Chapter, the Board may hold a hearing
29 on the allegations of misconduct.

30 The Board may suspend or revoke the registration, license, or certificate granted to
31 any person under the provisions of this Chapter or reprimand any registered trainee,
32 licensee, or certificate holder if, following a hearing, the Board finds the registered
33 trainee, licensee, or certificate holder to have:

- 34 (1) Procured registration, licensure, or certification pursuant to this
35 Chapter by making a false or fraudulent representation;
- 36 (2) Made any willful or negligent misrepresentation or any willful or
37 negligent omission of material fact;
- 38 (3) Accepted an appraisal assignment when the employment is contingent
39 upon the appraiser reporting a predetermined result, analysis, or
40 opinion, or when the fee to be paid for the performance of the
41 appraisal assignment is contingent upon the opinion, conclusion, or
42 valuation reached or upon consequences resulting from the appraisal
43 assignment;

- 1 (4) Acted or held himself or herself out as a registered trainee or a
2 State-licensed or State-certified real estate appraiser when not so
3 registered, licensed, or certified;
- 4 (5) Failed as a State-licensed or State-certified real estate appraiser to
5 actively and personally supervise any person not licensed or certified
6 under this Chapter who assists the State-licensed or State-certified real
7 estate appraiser in performing real estate appraisals;
- 8 (6) Failed to make available to the Board for its inspection without prior
9 notice, originals or true copies of all written contracts engaging the
10 person's services to appraise real property, and all reports and
11 supporting data assembled and formulated by the appraiser in
12 preparing the reports;
- 13 (7) Paid a fee or valuable consideration to any person for acts or services
14 performed in violation of this Chapter;
- 15 (8) Acted as a real estate appraiser in an unworthy or incompetent manner
16 as to endanger the interest of the public;
- 17 (9) Violated any of the standards of practice for real estate appraisers or
18 any other rule promulgated by the Board;
- 19 (10) Performed any other act which constitutes improper, fraudulent, or
20 other dishonest conduct; or
- 21 (11) Violated any of the provisions of this Chapter.

22 The Executive Director of the Board shall transmit a certified copy of all final orders
23 of the Board suspending or revoking licenses or certificates issued under this Chapter to
24 the clerk of superior court of the county in which the licensee or certificate holder
25 maintains the person's principal place of business. The clerk shall enter these orders
26 upon the judgment docket of the county.

27 (b) Following a hearing, or by consent, the Appraisal Board may also suspend or
28 revoke any registration, license, or certificate issued under the provisions of this Chapter
29 or reprimand any registered trainee, licensee, or certificate holder when:

- 30 (1) The registered trainee, licensee, or certificate holder has been
31 convicted of or has entered a plea of guilty or no contest upon which
32 final judgment is entered by a court of competent jurisdiction in this
33 State, or any other state, to an offense which, involves moral turpitude,
34 in which an essential element is dishonesty, fraud, or deceit, or which,
35 in the discretion of the Board, would reasonably affect the
36 performance of the registered trainee, licensee, or certificate holder in
37 the real estate appraisal business;
- 38 (2) A final civil judgment has been entered against the registered trainee,
39 licensee, or certificate holder on grounds of fraud, misrepresentation,
40 or deceit in the making of any appraisal of real estate; ~~or~~
- 41 (3) The ~~registered~~ trainee, licensee, or certificate holder has violated any of
42 the provisions of G.S. 93E-1-13(a) when appraising his own property.
- 43 (4) The trainee, licensee, or certificate holder has had a real estate trainee
44 registration or its equivalent, real estate appraiser license or real estate

1 appraiser certification suspended, revoked, or denied by a real estate
2 licensing board in another state;

3 (5) The trainee, licensee, or certificate holder has had any disciplinary
4 action taken against any other professional license in North Carolina or
5 any other state;

6 (6) The trainee, licensee, or certificate holder has been adjudged mentally
7 incompetent by a court; or

8 (7) The trainee, licensee, or certificate holder performs any of the duties of
9 a real estate appraiser, including, but not limited to, site inspection and
10 public records checks, while impaired by alcohol or drugs.

11 (b1) If any of the actions taken in subdivision (1), (2), or (4) through (6) of
12 subsection (b) of this section are taken against a trainee, licensee, or certificate holder,
13 the trainee, licensee, or certificate holder must report such actions within 60 days of the
14 final judgment or final order in the case.

15 (c) When a person registered as a trainee or licensed or certified as a real estate
16 appraiser under this Chapter is accused of any act, omission, or misconduct which
17 would subject the person to disciplinary action, the registered trainee, licensee, or
18 certificate holder, with the consent and approval of the Board, may surrender his or her
19 registration, license, or certificate and all the rights and privileges pertaining to it for a
20 period of time established by the Board. A person who surrenders his or her registration,
21 license, or certificate shall not thereafter be eligible for or submit any application for
22 registration, licensure, or certification as a real estate appraiser during the period that the
23 registration, license, or certificate is surrendered.

24 (d) The Board shall have the power to issue subpoenas requiring the attendance
25 of persons and the production of papers and records before the Board in any hearing,
26 investigation, inquiry, or other proceeding conducted by it. Upon the production of any
27 papers, records, or documents, the Board shall have the power to authorize true copies
28 thereof to be substituted in the permanent record of the matter in which the books,
29 records, or documents shall have been introduced in evidence.

30 **"§ 93E-1-12.1. Investigations and complaints.**

31 (a) The Board may dismiss a complaint, accept a consent order, or hold a
32 hearing, or may accept a voluntary surrender of a registration, license or certificate of
33 approval as a course sponsor.

34 (b) Records, papers, and other documents containing information received,
35 collected, or compiled by the Board, its members, or its employees, as a result of a
36 complaint or investigation shall not be considered public records within the meaning of
37 Chapter 132 of the General Statutes. Any statement of charges contained within a notice
38 of a hearing to be held by the Board is a public record, even though it may contain
39 information collected and compiled as a result of a complaint or investigation against a
40 trainee, licensee, or certificate holder or an applicant. Any record, paper, or other
41 document admitted into evidence in a hearing held by the Board, and any final decisions
42 and orders by the Board, including consent orders, shall be public records within the
43 meaning of Chapter 132 of the General Statutes.

1 (c) The Board may inspect records maintained pursuant to G.S. 93E-1-12(e)
2 periodically, without prior notice, and may also inspect these records whenever the
3 Board determines that they are pertinent to an investigation of any specific complaint
4 against a person registered, licensed, or certified by the Board.

5 **"§ 93E-1-13. Penalty for violation of this Chapter.**

6 (a) Any person who acts as, or holds himself or herself out to be, a registered
7 trainee or a State-licensed or State-certified real estate appraiser without first obtaining a
8 registration, license, or certificate as provided in this Chapter, or who willfully performs
9 the acts specified in G.S. 93E-1-12(a)(1) through ~~(40)~~,(11), shall be guilty of a Class 1
10 misdemeanor.

11 (b) The Board may appear in its own name in superior court in actions for
12 injunctive relief to prevent any person from violating the provisions of this Chapter or
13 the rules promulgated by the Board. The superior court shall have the power to grant
14 these injunctions whether or not criminal prosecution has been or may be instituted as a
15 result of the violations, and whether or not the person is the holder of a registration
16 license or certificate issued by the Board under this Chapter."

17 **SECTION 2.** G.S. 53-238 is amended by adding the following new
18 subdivisions:

19 "(7) Influencing or attempting to influence through direct or indirect means
20 the outcome of a real estate appraisal sought in connection with a
21 mortgage loan, or to otherwise engage in a practice or course of
22 business which induces or attempts to induce a real estate appraiser to
23 violate the Uniform Standards of Professional Appraisal Practice.

24 (8) Failing to pay within 30 days of the delivery date for completed
25 appraisals ordered by or for the mortgage lender or mortgage broker."

26 **SECTION 3.** This act is effective when it becomes law.