

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007

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SENATE BILL 1485
Commerce, Small Business and Entrepreneurship Committee Substitute Adopted
6/14/07
Finance Committee Substitute Adopted 7/25/07

Short Title: Amend NC Appraisers Act/Fees.

(Public)

Sponsors:

Referred to:

March 27, 2007

A BILL TO BE ENTITLED

AN ACT AMENDING EDUCATION REQUIREMENTS FOR REAL ESTATE APPRAISERS UNDER THE NORTH CAROLINA APPRAISERS ACT, ELIMINATING THE CATEGORY OF LICENSED RESIDENTIAL REAL ESTATE APPRAISER, AND AUTHORIZING THE NORTH CAROLINA APPRAISAL BOARD TO ESTABLISH AND INCREASE CERTAIN FEES.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 93E-1-2.1 reads as rewritten:

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

~~Beginning October 1, 1995, it shall be~~It is 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~~ is also 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."

SECTION 2. G.S. 93E-1-3 reads as rewritten:

"§ 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 registered ~~trainee, State licensed or State certified~~ trainee or licensed or certified real estate appraiser from rendering appraisals for or on behalf of a partnership, association, corporation, firm, or group, provided the appraisal report is prepared by a ~~State licensed or State certified~~ licensed or certified real estate appraiser or by a registered trainee under the immediate personal

1 direction of, the ~~State-licensed or State-certified~~licensed or certified real estate appraiser
2 and is reviewed and signed by that ~~State-licensed or State-certified~~licensed or certified
3 appraiser.

4 (b) Repealed by Session Laws 2001-399, s. 1.

5 (c) Nothing in this Chapter shall preclude a real estate broker or
6 ~~salesman~~licensed under Chapter 93A of the General Statutes from performing a
7 comparative market analysis as defined in G.S. 93E-1-4, provided the person does not
8 represent himself or herself as being a registered trainee or a ~~State-licensed or~~
9 ~~State-certified~~licensed or certified real estate appraiser. A real estate broker or
10 ~~salesperson~~ may perform a comparative market analysis for compensation or other
11 valuable consideration only for prospective or actual brokerage clients or for real
12 property involved in an employee relocation program.

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

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

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

- 24 (1) Any person, partnership, association, or corporation that performs
25 appraisals of property owned by that person, partnership, association,
26 or corporation for the sole use of that person, partnership, association,
27 or corporation;
- 28 (2) Any court-appointed commissioner who conducts an appraisal
29 pursuant to a judicially ordered evaluation of property;
- 30 (3) Any person to qualify as an expert witness for court or administrative
31 agency testimony, if otherwise qualified;
- 32 (4) A person who appraises standing timber so long as the appraisal does
33 not include a determination of value of any land;
- 34 (5) Any person employed by a lender in the performance of appraisals
35 with respect to which federal regulations do not require a licensed or
36 certified appraiser; and
- 37 (6) A person who performs ad valorem tax appraisals and is certified by
38 the Department of Revenue under G.S. 105-294 or G.S. 105-296;

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

42 **SECTION 3.** G.S. 93E-1-3.1 reads as rewritten:

43 "**§ 93E-1-3.1. Prohibited use of title; permissible use of title.**

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

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

- 13 (1) In each instance wherein the term is used, the name of the certifying
14 organization or body is prominently and conspicuously displayed
15 immediately adjacent to the term; and
16 (2) The use of the term does not create the impression of certification by
17 the State.

18 This subsection does not entitle any person certified only by a trade organization to
19 conduct an appraisal that requires a State registration, license, or certification.

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

25 **SECTION 4.** G.S. 93E-1-4 reads as rewritten:

26 **"§ 93E-1-4. Definitions.**

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

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

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

- 1 (15) ~~"State certified residential real estate appraiser" means a person who~~
2 ~~holds a current, valid certificate as a State certified residential real~~
3 ~~estate appraiser issued under the provisions of this Chapter.~~
- 4 (16) ~~"State licensed residential real estate appraiser" means a person who~~
5 ~~holds a current, valid license as a State licensed residential real estate~~
6 ~~appraiser issued under the provisions of this Chapter.~~
- 7 (17) "Temporary appraiser licensure or certification" means the issuance of
8 a temporary license or certificate by the Board to a person licensed or
9 certified in another state who enters this State for the purpose of
10 completing a particular appraisal assignment.
- 11 (18) "Trainee", "registered trainee", or "trainee real estate appraiser" means
12 a person who holds a current, valid registration as a trainee real estate
13 appraiser issued under the provisions of this Chapter.
- 14 (19) "Trainee registration" or "registration as a trainee" means the
15 document issued by the North Carolina Appraisal Board evidencing
16 that the person named therein has satisfied the requirements of
17 registration as a trainee real estate appraiser and bearing a registration
18 number assigned by the Board."

19 **SECTION 5.** G.S. 93E-1-6 reads as rewritten:

20 **"§ 93E-1-6. Qualifications for State registration, licensure, and certification;**
21 **applications; application fees; examinations.**

22 (a) Any person desiring to be registered as a trainee or to obtain licensure as a
23 ~~State licensed~~licensed real estate appraiser or certification as a ~~State certified~~certified
24 real estate appraiser shall make written application to the Board on the forms as are
25 prescribed by the Board setting forth the applicant's qualifications for registration,
26 licensure, or certification. Each applicant shall satisfy the following qualification
27 requirements:

28 (1) Each applicant for registration as a trainee must demonstrate to the
29 Board that the applicant possesses the knowledge and competence
30 necessary to perform appraisals of real property, by having
31 satisfactorily completed within the five-year period immediately
32 preceding the date application is made, a course ~~approved by the~~
33 ~~Board of instruction~~of instruction, approved by the Board, in real
34 estate appraisal principles and practices consisting of at least 90 hours
35 ~~or the minimum requirement as imposed by the federal government,~~
36 ~~whichever is greater,~~ of classroom instruction in subjects determined
37 by the Board; and by satisfying any additional qualification the Board
38 imposes by rule, not inconsistent with any requirements imposed by
39 the ~~federal government~~Appraisal Foundation.

40 (1a) Each applicant for licensure as a ~~State licensed~~licensed residential real
41 estate appraiser shall have demonstrated that the applicant possesses
42 the knowledge and competence necessary to perform appraisals of real
43 property by having satisfactorily completed within the five-year period
44 immediately preceding the date application is made a course ~~approved~~

1 by the Board of instruction of instruction, approved by the Board, in
2 real estate appraisal principles and practices consisting of at least 90
3 150 hours or the minimum requirement as imposed by the federal
4 ~~government, whichever is greater,~~ of classroom instruction in subjects
5 determined by the Board; shall present evidence satisfactory to the
6 Board of at least 2,000 hours or the minimum requirement as imposed
7 by the ~~federal government,~~Appraisal Foundation, whichever is greater,
8 of experience in real estate appraising; and shall satisfy the additional
9 qualifications as may be imposed by the Board by rule, not
10 inconsistent with any requirements imposed by the ~~federal~~
11 ~~government;~~Appraisal Foundation; or shall possess education or
12 experience which is found by the Board in its discretion to be
13 equivalent to the above requirements.

14 (2) Each applicant for certification as a ~~State-certified~~certified residential
15 real estate appraiser shall have demonstrated that the applicant
16 possesses the knowledge and competence necessary to perform
17 appraisals of real property as the Board may prescribe by having
18 satisfactorily completed, within the five-year period immediately
19 preceding the date the application is made, a course ~~approved by the~~
20 ~~Board of instruction~~of instruction, approved by the Board, in real
21 estate appraisal principles and practices consisting of at least ~~120~~200
22 hours, or the minimum requirement as imposed by the ~~federal~~
23 ~~government,~~Appraisal Foundation, whichever is greater, of classroom
24 instruction in subjects determined by the Board; shall present evidence
25 satisfactory to the Board of at least 2,500 hours, or the minimum
26 requirement as imposed by the ~~federal government,~~Appraisal
27 Foundation, whichever is greater, of experience in real estate
28 appraising within the five-year period immediately preceding the date
29 application is made, and over a period of at least two calendar years;
30 and shall satisfy the additional qualifications criteria as may be
31 imposed by the Board by rule, not inconsistent with any requirements
32 imposed by the ~~federal government;~~Appraisal Foundation; or shall
33 possess education and experience which is found by the Board in its
34 discretion to be equivalent to the above requirements.

35 (3) Each applicant for certification as a ~~State-certified~~certified general real
36 estate appraiser shall have demonstrated that the applicant possesses
37 the knowledge and competence necessary to perform appraisals of all
38 types of real property by having satisfactorily completed, within the
39 five-year period immediately preceding the date application is made,
40 a course ~~approved by the Board of instruction~~of instruction, approved by
41 the Board, in general real estate appraisal practices consisting of at
42 least ~~180 hours~~300 hours, or the minimum requirement as imposed by
43 the ~~federal government,~~Appraisal Foundation, whichever is greater, of
44 classroom instruction in subjects determined by the Board; shall

1 present evidence satisfactory to the Board of at least 3,000 hours or the
2 minimum requirement as imposed by the federal
3 ~~government~~, Appraisal Foundation, whichever is greater, of experience
4 in real estate appraising within the five-year period immediately
5 preceding the date application is made, and over a period of at least
6 two and one-half calendar years, fifty percent (50%) of which must be
7 in appraising nonresidential real estate; and shall satisfy the additional
8 qualifications criteria as may be imposed by the Board by rule, not
9 inconsistent with any requirements imposed by the federal
10 ~~government~~, Appraisal Foundation; or the applicant shall possess
11 education or experience which is found by the Board in its discretion
12 to be equivalent to the above requirements.

13 (4) Repealed by Session Laws 2001-399, s. 1.

14 (b) Each application for registration as a trainee or for ~~State~~-licensure or
15 certification as a real estate appraiser shall be accompanied by a fee of ~~one hundred fifty~~
16 ~~dollars (\$150.00)~~, two hundred dollars (\$200.00), plus any additional fee as may be
17 necessary to defray the cost of any competency examination administered by a private
18 testing service.

19 (c) Any person who files with the Board an application for ~~State~~-registration,
20 licensure, or certification as a real estate appraiser shall be required to pass an
21 examination to demonstrate the person's competence. The Board shall also make an
22 investigation as it deems necessary into the background of the applicant to determine
23 the applicant's qualifications with due regard to the paramount interest of the public as
24 to the applicant's competency, honesty, truthfulness, and integrity. All applicants shall
25 obtain criminal record reports from one or more reporting services designated by the
26 Board to provide criminal record reports. Applicants are required to pay the designated
27 reporting service for the cost of the reports. In addition, the Board may investigate and
28 consider whether the applicant has had any disciplinary action taken against any other
29 professional license in North Carolina or any other state, or if the applicant has
30 committed or done any act which, if committed or done by any real estate trainee or
31 appraiser, would be grounds under the provisions hereinafter set forth for disciplinary
32 action including the suspension or revocation of registration, licensure, or certification,
33 or whether the applicant has been convicted of or pleaded guilty to any criminal act. If
34 the results of the investigation shall be satisfactory to the Board, and the applicant is
35 otherwise qualified, then the Board shall issue to the applicant a trainee registration,
36 license or certificate authorizing the applicant to act as a registered trainee real estate
37 appraiser, ~~State-licensed~~ licensed real estate appraiser, or a ~~State-certified~~ certified real
38 estate appraiser in this State.

39 (d) If the applicant has not affirmatively demonstrated that the applicant meets
40 the requirements for registration, licensure, or certification, action on the application
41 will be deferred pending a hearing before the Board."

42 **SECTION 6.** Effective January 1, 2008, G.S. 93E-1-6, as amended by
43 Section 5 of this act, reads as rewritten:

1 "§ 93E-1-6. **Qualifications for registration and certification; applications;**
2 **application fees; examinations.**

3 (a) Any person desiring to be registered as a trainee or to obtain certification as a
4 certified real estate appraiser shall make written application to the Board on the forms as
5 are prescribed by the Board setting forth the applicant's qualifications for registration or
6 certification. Each applicant shall satisfy the following qualification requirements:

7 (1) Each applicant for registration as a trainee ~~must~~shall:

8 a. Have obtained a high school diploma or its equivalent; and

9 b. ~~demonstrate~~Demonstrate to the Board that the applicant
10 possesses the knowledge and competence necessary to perform
11 appraisals of real property, ~~by~~by: (i) having satisfactorily
12 completed within the five-year period immediately preceding
13 the date application is made, a course of instruction, approved
14 by the Board, in real estate appraisal principles and practices
15 consisting of at least 90 hours of classroom instruction in
16 subjects determined by the Board; and ~~by~~(ii) satisfying any
17 additional qualification the Board imposes by rule, not
18 inconsistent with any requirements imposed by the Appraisal
19 Foundation.

20 (1a) ~~Each applicant for licensure as a licensed residential real estate~~
21 ~~appraiser shall have demonstrated that the applicant possesses the~~
22 ~~knowledge and competence necessary to perform appraisals of real~~
23 ~~property by having satisfactorily completed within the five-year period~~
24 ~~immediately preceding the date application is made a course of~~
25 ~~instruction, approved by the Board, in real estate appraisal principles~~
26 ~~and practices consisting of at least 150 hours of classroom instruction~~
27 ~~in subjects determined by the Board; shall present evidence~~
28 ~~satisfactory to the Board of at least 2,000 hours or the minimum~~
29 ~~requirement as imposed by the Appraisal Foundation, whichever is~~
30 ~~greater, of experience in real estate appraising; and shall satisfy the~~
31 ~~additional qualifications as may be imposed by the Board by rule, not~~
32 ~~inconsistent with any requirements imposed by the Appraisal~~
33 ~~Foundation; or shall possess education or experience which is found~~
34 ~~by the Board in its discretion to be equivalent to the above~~
35 ~~requirements.~~

36 (2) Each applicant for certification as a certified residential real estate
37 appraiser ~~shall have demonstrated~~shall:

38 a. Hold an associate's degree or higher from an accredited college,
39 junior college, community college, or university; or have a high
40 school diploma or its equivalent and have successfully
41 completed at least 21 semester credit hours of college courses
42 from an accredited college, junior college, community college,
43 or university in English composition, principles of economics,
44 finance, higher mathematics, such as geometry or algebra,

- 1 statistics, introduction to computers, and business or real estate
2 law;
- 3 b. Demonstrate that the applicant possesses the knowledge and
4 competence necessary to perform appraisals of real property as
5 the Board may prescribe by having satisfactorily completed,
6 within the five-year period immediately preceding the date the
7 application is made, a course of instruction, approved by the
8 Board, in real estate appraisal principles and practices
9 consisting of at least 200 hours, ~~or the minimum requirement as~~
10 ~~imposed by the Appraisal Foundation, whichever is greater, of~~
11 ~~classroom instruction in subjects determined by the Board; shall~~
12 ~~present~~ hours;
- 13 c. Present evidence satisfactory to the Board of at least 2,500
14 hours, or the minimum requirement as imposed by the
15 Appraisal Foundation, whichever is greater, of experience in
16 real estate appraising within the five-year period immediately
17 preceding the date application is made, and over a period of at
18 least two calendar years; ~~and shall satisfy~~
- 19 d. Satisfy the additional qualifications criteria as may be imposed
20 by the Board by rule, not inconsistent with any requirements
21 imposed by the Appraisal Foundation; or
- 22 e. shall possess Possess education and experience which is found
23 by the Board in its discretion to be equivalent to the above
24 requirements.
- 25 (3) Each applicant for certification as a certified general real estate
26 appraiser ~~shall have demonstrated~~ shall:
- 27 a. Hold a bachelor's degree or higher from an accredited college or
28 university; or have a high school diploma or its equivalent and
29 have successfully completed at least 30 semester credit hours of
30 college courses from an accredited college or university in
31 English composition, macroeconomics and microeconomics,
32 finance, higher mathematics, such as geometry or algebra,
33 statistics, introduction to computers, and business or real estate
34 law and two elective courses in accounting, geography,
35 business management, or real estate;
- 36 b. Demonstrate that the applicant possesses the knowledge and
37 competence necessary to perform appraisals of all types of real
38 property by having satisfactorily completed, within the
39 five-year period immediately preceding the date application is
40 made, a course of instruction, approved by the Board, in general
41 real estate appraisal practices consisting of at least 300 hours, ~~or~~
42 ~~the minimum requirement as imposed by the Appraisal~~
43 ~~Foundation, whichever is greater, of classroom instruction in~~
44 ~~subjects determined by the Board; shall present~~ hours;

- 1 c. Present evidence satisfactory to the Board of at least 3,000
2 hours or the minimum requirement as imposed by the Appraisal
3 Foundation, whichever is greater, of experience in real estate
4 appraising within the five-year period immediately preceding
5 the date application is made, and over a period of at least two
6 and one-half calendar years, fifty percent (50%) of which must
7 be in appraising nonresidential real estate; and ~~shall satisfy~~
8 d. Satisfy the additional qualifications criteria as may be imposed
9 by the Board by rule, not inconsistent with any requirements
10 imposed by the Appraisal Foundation; or
11 e. ~~the applicant shall possess~~ Possess education or experience
12 which is found by the Board in its discretion to be equivalent to
13 the above requirements.

14 (4) Repealed by Session Laws 2001-399, s. 1.

15 (b) Each application for registration as a trainee or for ~~licensure or~~ certification as
16 a real estate appraiser shall be accompanied by a fee of two hundred dollars (\$200.00),
17 plus any additional fee as may be necessary to defray the cost of any competency
18 examination administered by a private testing service.

19 (c) Any person who files with the Board an application for State ~~registration,~~
20 ~~licensure, registration~~ or certification as a real estate appraiser shall be required to pass
21 an examination to demonstrate the person's competence. The Board shall also make an
22 investigation as it deems necessary into the background of the applicant to determine
23 the applicant's qualifications with due regard to the paramount interest of the public as
24 to the applicant's competency, honesty, truthfulness, and integrity. All applicants shall
25 obtain criminal record reports from one or more reporting services designated by the
26 Board to provide criminal record reports. Applicants are required to pay the designated
27 reporting service for the cost of the reports. In addition, the Board may investigate and
28 consider whether the applicant has had any disciplinary action taken against any other
29 professional license in North Carolina or any other state, or if the applicant has
30 committed or done any act which, if committed or done by any real estate trainee or
31 appraiser, would be grounds under the provisions hereinafter set forth for disciplinary
32 action including the suspension or revocation of registration, licensure, or certification,
33 or whether the applicant has been convicted of or pleaded guilty to any criminal act. If
34 the results of the investigation shall be satisfactory to the Board, and the applicant is
35 otherwise qualified, then the Board shall issue to the applicant a trainee ~~registration,~~
36 ~~licensure~~ registration or certificate authorizing the applicant to act as a registered trainee
37 real estate ~~appraiser, State licensed real estate appraiser, or a State certified~~ appraiser or
38 certified real estate appraiser in this State.

39 (d) If the applicant has not affirmatively demonstrated that the applicant meets
40 the requirements for ~~registration, licensure, registration~~ or certification, action on the
41 application will be deferred pending a hearing before the Board."

42 **SECTION 7.** G.S. 93E-1-6.1 reads as rewritten:

43 "**§ 93E-1-6.1. Trainee supervision.**

1 All trainees shall perform all real estate appraisal-related activities under the
2 immediate, active, and personal supervision of a ~~State-licensed—~~or
3 ~~State-certified~~licensed or certified real estate appraiser. All appraisal reports must be
4 signed by the ~~State-licensed or State-certified~~ appraiser who supervised the trainee. By
5 signing the appraisal report, the ~~State-licensed or State-certified~~ appraiser accepts
6 shared responsibility, with the trainee, for the content of and conclusions in the report."

7 **SECTION 8.** G.S. 93E-1-7 reads as rewritten:

8 "**§ 93E-1-7. Registration, license and certificate renewal; renewal fees; continuing**
9 **education; reinstatement; replacement registrations, licenses and**
10 **certificates; registration, licensure, and certification history; address**
11 **changes.**

12 (a) Trainee registrations, licenses, and certificates issued under this Chapter shall
13 expire on the 30th day of June of every year and shall become invalid after that date
14 unless renewed prior to the expiration date by filing an application with and paying to
15 the Executive Director of the Board the fee of ~~two hundred dollars (\$200.00)~~two
16 hundred twenty-five dollars (\$225.00). As a prerequisite to the renewal of a trainee
17 registration or a real estate appraiser license or certificate, the trainee registration holder,
18 the licensee, or the certificate holder must satisfy any continuing education requirements
19 that may be prescribed by the Board under subsection (b) of this section. The members
20 of the General Assembly are exempt from this requirement and any education program
21 regarding trainee supervision during their term of office. The Board may adopt rules
22 establishing a system of trainee registration, license, and certificate renewal in which
23 trainee registrations, licenses, and certificates expire annually with varying expiration
24 dates.

25 (b) The Board may by rule require, as a prerequisite to trainee registration,
26 license, or certificate renewal, the completion of Board-approved education courses in
27 subject matters determined by the Board, or courses determined by the Board to be
28 equivalent to the instruction, not inconsistent with any requirements of federal
29 authorities.

30 (b1) Course sponsors shall pay to the Board a fee of five dollars (\$5.00) for each
31 licensee completing an approved continuing education course conducted by the sponsor.

32 (b2) The Board shall not charge a course application fee, a course renewal fee, or
33 any other fee for a continuing education course offered by a North Carolina college,
34 university, junior college, or community or technical college accredited by the Southern
35 Association of Colleges and Schools or an agency of the federal, State, or local
36 government.

37 (c) All trainee registrations, licenses, and certificates reinstated after the
38 expiration dates shall be subject to a late filing fee of ~~five dollars (\$5.00)~~ten dollars
39 (\$10.00) per month for each month or part thereof that the trainee registration, license,
40 or certificate is lapsed, not to exceed ~~sixty dollars (\$60.00)~~one hundred twenty dollars
41 (\$120.00). The late filing fee shall be in addition to the required renewal fee. In the
42 event a trainee, licensee, or certificate holder fails to reinstate the trainee registration,
43 license, or certificate within 12 months after the expiration date thereof, the Board may,
44 in its discretion, consider the person as not having been previously registered, licensed,

1 or certified, and thereby subject to the provisions of this Chapter relating to the issuance
2 of an original trainee registration, license, or certificate, including the examination
3 requirements set forth herein. Applications to reinstate trainee registrations, licenses, or
4 certificates expired for 12 or more months shall be accompanied by the fee required for
5 an original trainee registration, license, or certificate.

6 (d) Replacement trainee registrations, licenses, and certificates may be issued by
7 the Board upon payment of ~~five dollars (\$5.00)~~ ten dollars (\$10.00) by the trainee,
8 licensee, or certificate holder. Certification by the Board of the trainee registration
9 history or the licensure or certification history of a person registered, licensed, or
10 certified under this Chapter shall be made only after the payment of a fee of ten dollars
11 (\$10.00) to the Board."

12 **SECTION 9.** G.S. 93E-1-8 reads as rewritten:

13 **"§ 93E-1-8. Education program approval and fees.**

14 (a) The Board may by rule prescribe minimum standards for the approval and
15 renewal of approval of schools and other course sponsors and their instructors to
16 conduct appraiser prelicensing and precertification courses required by G.S. 93E-1-6(a).
17 Such standards may address subject matter, program structuring, instructional materials,
18 requirements for satisfactory course completion, instructors' qualifications, and other
19 related matters relevant to the provision of such courses in a manner that best serves the
20 public interest. The standards may require that schools and course sponsors obtain
21 approval for the content of prelicensing and precertification courses from the Appraiser
22 Qualifications Board of the Appraisal Foundation as part of the application process with
23 the Appraisal Board and pay any fees directly to the Appraiser Qualifications Board as
24 required by the Appraiser Qualifications Board for the approval.

25 (b) The Board may by rule set nonrefundable fees chargeable to private real
26 estate appraisal schools or course sponsors, including appraisal trade organizations, for
27 the approval and annual renewal of approval of their prelicensing and precertification
28 courses required by G.S. 93E-1-6(a), or equivalent courses. ~~Such~~ The fees shall be ~~forty~~
29 ~~dollars (\$40.00)~~ one hundred dollars (\$100.00) per course for approval and ~~twenty~~
30 ~~dollars (\$20.00)~~ per course for renewal of approval of private school courses, and three
31 ~~hundred dollars (\$300.00) per course for approval and fifty dollars (\$50.00) per course~~
32 ~~for renewal of approval for course sponsors, including appraisal trade~~
33 ~~organizations.~~ approval. No fees shall be charged for the approval or renewal of approval
34 to conduct appraiser prelicensing or precertification courses where such courses are
35 offered by a North Carolina college, university, junior college, or community or
36 technical college accredited by the Southern Association of Colleges and Schools, or an
37 agency of the federal, State, or local government.

38 (c) The Board may by rule prescribe minimum standards for the approval and
39 annual renewal of approval of schools and other course sponsors and their instructors to
40 conduct appraiser continuing education courses. Such standards may address subject
41 matter, instructional materials, requirements for satisfactory course completion,
42 minimum course length, instructors' qualifications, and other related matters relevant to
43 the provision of such courses in a manner that best serves the public interest.

1 (d) Nonrefundable fees of one hundred dollars (\$100.00) per course may be
2 charged to schools and course sponsors for the approval to conduct appraiser continuing
3 education courses and fifty dollars (\$50.00) per course for renewal of approval.
4 However, no fees shall be charged for the approval or renewal of approval to conduct
5 appraiser continuing education courses where such courses are offered by a North
6 Carolina college, university, junior college, or community or technical college
7 accredited by the Southern Association of Colleges and Schools, or by an agency of the
8 federal, State, or local government. A nonrefundable fee of fifty dollars (\$50.00) per
9 course may be charged to current or former licensees or certificate holders requesting
10 approval by the Board of a course for continuing education credit when approval of
11 such course has not been previously obtained by the offering school or course sponsor."

12 **SECTION 10.** G.S. 93E-1-12(a) reads as rewritten:

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

24 The Board may suspend or revoke the registration, license, or certificate granted to
25 any person under the provisions of this Chapter or reprimand any registered trainee,
26 licensee, or certificate holder if, following a hearing or by consent, the Board finds the
27 registered trainee, licensee, or certificate holder to have:

- 28 (1) Procured registration, licensure, or certification pursuant to this
29 Chapter by making a false or fraudulent representation;
- 30 (2) Made any willful or negligent misrepresentation or any willful or
31 negligent omission of material fact;
- 32 (3) Accepted an appraisal assignment when the employment is contingent
33 upon the appraiser reporting a predetermined result, analysis, or
34 opinion, or when the fee to be paid for the performance of the
35 appraisal assignment is contingent upon the opinion, conclusion, or
36 valuation reached or upon consequences resulting from the appraisal
37 assignment;
- 38 (4) Acted or held himself or herself out as a registered trainee or a
39 ~~State-licensed or State-certified~~licensed or certified real estate
40 appraiser when not so registered, licensed, or certified;
- 41 (5) Failed as a ~~State-licensed or State-certified~~licensed or certified real
42 estate appraiser to actively and personally supervise any person not
43 licensed or certified under this Chapter who assists the ~~State-licensed~~

- 1 ~~or State certified~~ licensed or certified real estate appraiser in
2 performing real estate appraisals;
- 3 (6) Failed to make available to the Board for its inspection without prior
4 notice, originals or true copies of all written contracts engaging the
5 person's services to appraise real property, and all reports and
6 supporting data assembled and formulated by the appraiser in
7 preparing the reports;
- 8 (7) Paid a fee or valuable consideration to any person for acts or services
9 performed in violation of this Chapter;
- 10 (8) Acted as a real estate appraiser in an unworthy or incompetent manner
11 as to endanger the interest of the public;
- 12 (9) Violated any of the standards of practice for real estate appraisers or
13 any other rule promulgated by the Board;
- 14 (10) Performed any other act which constitutes improper, fraudulent, or
15 other dishonest conduct; or
- 16 (11) Violated any of the provisions of this Chapter.

17 The Executive Director of the Board shall transmit a certified copy of all final orders
18 of the Board suspending or revoking registrations, licenses, or certificates issued under
19 this Chapter to the clerk of superior court of the county in which the licensee or
20 certificate holder maintains the person's principal place of business. The clerk shall
21 enter these orders upon the judgment docket of the county."

22 **SECTION 11.** G.S. 93E-1-12(c) reads as rewritten:

23 "(c) When a person registered as a trainee or licensed or certified as a real estate
24 appraiser under this Chapter is accused of any act, omission, or misconduct which
25 would subject the person to disciplinary action, the registered trainee, licensee, or
26 certificate holder, with the consent and approval of the Board, may surrender his or her
27 registration, license, or certificate and all the rights and privileges pertaining to it for a
28 period of time established by the ~~Board~~ Board of at least five years. A person who
29 surrenders his or her registration, license, or certificate shall not thereafter be eligible
30 for or submit any application for registration, licensure, or certification as a real estate
31 appraiser during the period that the registration, license, or certificate is surrendered."

32 **SECTION 12.** After January 1, 2008, the North Carolina Appraisal Board
33 will no longer issue a license for a licensed residential real estate appraiser. Any
34 individual holding a license as a licensed residential real estate appraiser on that date
35 shall be allowed to maintain the license so long as it is properly renewed in accordance
36 with G.S. 93E-1-7.

37 **SECTION 13.** Section 6 of this act becomes effective January 1, 2008, and
38 applies to any person applying under this section on or after that date. The remainder of
39 this act becomes effective October 1, 2007, and applies to applicants for registration,
40 licensure, or certification under this act and to persons whose registration, license, or
41 certification is renewed under this act on or after October 1, 2007.