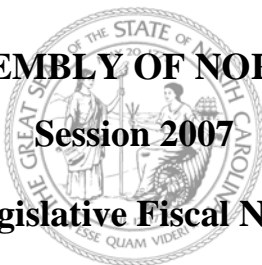


GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 1485 (Second Edition)

SHORT TITLE: Amend NC Appraisers Act/Fees.

SPONSOR(S): Senator Rand

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES	No General Fund Impact				
NC Appraisal Board		\$100,000	\$100,000	\$100,000	\$100,000
	See Assumptions and Methodology				
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Appraisal Board					
EFFECTIVE DATE: Effective October 1, 2007					

BILL SUMMARY: Under current law, real estate appraisers are designated as “certified general”, “certified residential,” and “licensed residential.” Amends GS 93E-1-12(c) to provide that after January 1, 2008, the NC Appraisal Board will no longer issue a license for a licensed residential real estate appraiser but will allow any individual holding that license on that date to maintain the license as long as it is properly renewed. Amends GS 93E-1-3 to limit performance of a comparative market analysis to a real estate broker (was, real estate broker or salesman). Makes technical and conforming changes to GS Chapter 93E to remove the qualifying term “State” from preceding references to “certified and licensed real estate appraisers. Amends GS 93E-1-6 to make adjustments to qualifications for registration as a trainee and sets minimum requirements imposed by the Appraisal Foundation (was, the federal government). Increases the number of instructional hours required for certification or licensing as a real estate appraiser. Requires applicants for registration, licensure, or certification to provide criminal record reports and to obtain the reports from reporting services designated by the Board. Effective January 1, 2008, additionally amends GS 93E-1-6 to specify new education requirements including course credit hours, course content, and competency standards, for applicants for registration, certification, or licensure as real estate appraisers. The act makes additional changes authorizing the Board to establish and increase fees for registration, certification, and licensure.

June 14, 2007

S 1485. AMEND NC APPRAISERS ACT/FEES. Filed 3/26/07. Senate committee substitute makes the following changes to 1st edition. Amends GS 93E-1-7 to decrease the application fee for real estate appraisers to \$225 (current law is \$200; 1st edition was \$250). Also decreases the

proposed new fee that must be paid by course sponsors from \$10 to \$5 for each licensee that completes the sponsor's continuing education course. Amends the effective date to clarify that Section 6 (amendments to GS 93E-1-6, qualifications for registration and certification; applications; application fees; examinations) applies to any person applying on or after January 1, 2008, and changes the effective date for the remainder of the act to July 1, 2007, applicable to applicants whose registration, license, or certification is renewed under the act on or after July 1, 2007

Source: Bill Digest S.B. 1485 (03/26/0200).

ASSUMPTIONS AND METHODOLOGY:

The NC Appraisal Board estimates that there are 4,000 appraisers that are currently subject to the increase in \$25 for the renewal fee. This would result in an increase of approximately \$100,000 in revenues for the board. The PCS moves the effective date to October 1, 2007 so the change has no impact in the first year as the fees will have been collected by this point.

The Board estimates that the \$50 increase in the application fee will be offset by the decrease in the number of applications due to the more stringent regulations resulting in no net increase in revenues.

The increase of \$5 for late registrations is anticipated by the board to have a negligible impact on revenues due to its magnitude.

This bill also changes the fees charged educational programs that provide training related to pre-licensing and pre-certification. The fee for course approval increases from \$40 to \$100. The fee for renewal increases from \$20 to \$50 per course for renewal in certain instances and decreases from \$300 to \$50 in other instances. The Board has redesigned this fee structure to treat both instances equally in a means that will result in a revenue neutral manner.

Therefore the only change in anticipated revenue results from the \$25 increase in the renewal fee resulting in a \$100,000 per year net gain. This figure is expected to decline in subsequent years due to the increased educational requirements but Fiscal Research has no means of determining the magnitude of this decrease.

SOURCES OF DATA: NC Appraisal Board

TECHNICAL CONSIDERATIONS: None

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DATE: July 25, 2007



Signed Copy Located in the NCGA Principal Clerk's Offices