

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 472

Short Title: North Carolina Appraisers Act.

(Public)

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Sponsors: Representatives Brubaker, DeVane; and Bowman.

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Referred to: Financial Institutions.

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March 23, 1993

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE ALL REAL ESTATE APPRAISERS TO BE LICENSED  
2 AND TO SEPARATE THE REAL ESTATE APPRAISAL BOARD FROM THE  
3 REAL ESTATE COMMISSION.  
4

5 The General Assembly of North Carolina enacts:

6 Section 1. G.S. 93A-73(b) reads as rewritten:

7 "(b) Each application for State licensure or certification as a real estate appraiser  
8 shall be accompanied by a fee fixed by the Commission but not to exceed one hundred  
9 fifty dollars ~~(\$150.00)-(\$150.00)~~, plus any additional fee as may be necessary to defray  
10 the cost of any competency examination administered by a private testing service."

11 Sec. 2. G.S. 93A-74(a) reads as rewritten:

12 "(a) Licenses and certificates issued under this Article shall expire on the 30th day  
13 of June of every year and shall become invalid after that date unless renewed prior to  
14 the expiration date by filing an application with and paying to the Executive Director of  
15 the Commission the fee required by the Commission, which may not exceed ~~one hundred~~  
16 ~~dollars (\$100.00)-three hundred dollars (\$300.00)~~. Prerequisite to the renewal of a real  
17 estate appraiser license or certificate, the licensee or certificate holder must satisfy any  
18 continuing education requirements which may be prescribed by the Commission under  
19 G.S. 93A-74(b). The Commission may adopt rules establishing a system of license and  
20 certificate renewal in which licenses and certificates expire annually with varying  
21 expiration dates."

22 Sec. 3. G.S. 93A-76 is amended by adding a new subsection to read:

1       "(c) The Commission may by rule establish a procedure for granting temporary  
2 licensure or certification and charging fees for granting temporary licensure or  
3 certification, but such fees shall not exceed one hundred dollars (\$100.00)."

4           Sec. 4. G.S. 93A-79(d) reads as rewritten:

5       "(d) All fees collected by the Commission under this Article shall be deposited  
6 into the operating account of the Commission. On April 1, 1994, those fees attributable  
7 to the Board's July 1, 1994 through June 30, 1995 fiscal year, including but not limited  
8 to, fees received in connection with appraisal license and certificate applications and  
9 renewals, shall be segregated into a separate account for the sole benefit of the Board  
10 and made available to the Board at any time thereafter, in its discretion, for fiscal year  
11 1994-95 operating expenses. All other fees collected by the Commission shall be  
12 retained by the Commission for its expenses, including expenses relating to the  
13 provision of technical, administrative, and financial support to the Board for its 1993-94  
14 fiscal year; said support to be provided by the Commission to the Board until Chapter  
15 93E of the General Statutes becomes effective. None of the expenses incurred by the  
16 Commission in administering this Article, or by the Board in implementing Chapter 93E  
17 of the General Statutes, including the compensation of expenses of the Real Estate  
18 Appraisal Board or any officer or employee of the Commission, may be paid or payable  
19 out of the Treasury of the State of North Carolina, and the Real Estate Appraisal Board  
20 may not make or incur any expense, debt or other financial obligation binding upon the  
21 Commission or the State of North Carolina."

22           Sec. 5. G.S. 93A-79(e) reads as rewritten:

23       "(e) In addition to those fees prescribed in this Article for making application for  
24 and renewing appraiser licenses and certificates, the Commission may collect from  
25 applicants and holders of such licenses and certificates and remit to the appropriate  
26 agency or instrumentality of the federal government any additional fees as may be  
27 required to render North Carolina State-licensed or State-certified appraisers eligible to  
28 perform appraisals in connection with federally related ~~transactions.~~ transactions as well  
29 as an additional fee of twenty-five dollars (\$25.00) to cover the administrative costs  
30 associated therewith."

31           Sec. 6. The General Statutes are amended by adding the following new  
32 Chapter:

33   **"CHAPTER 93E.**

34                           **"NORTH CAROLINA APPRAISERS ACT.**

35   **"ARTICLE 1.**

36   **"REAL ESTATE APPRAISERS.**

37 **"§ 93E-1-1. Title.**

38       This Chapter shall be known and may be cited as the 'North Carolina Appraisers  
39 Act'.

40 **"§ 93E-1-2. License or certificate required of real estate appraisers.**

41       (a) From and after July 1, 1994, it shall be unlawful for any person in this State  
42 to act as a real estate appraiser, or to directly or indirectly engage or assume to engage  
43 in the business of real estate appraisal or to advertise or hold himself or themselves out  
44 as engaging in or conducting such business without first obtaining a license or

1 certificate issued by the North Carolina Appraisal Board (hereinafter referred to as the  
2 Board), under the provisions of this Chapter.

3 (b) No license or certificate shall be issued under the provisions of this Chapter  
4 to a partnership, association, corporation, firm or group. However, nothing herein shall  
5 preclude a State-licensed or State-certified real estate appraiser from rendering  
6 appraisals for or on behalf of a partnership, association, corporation, firm or group,  
7 provided the appraisal report is prepared by, or under the immediate personal direction  
8 of, the State-licensed or State-certified real estate appraiser and is reviewed and signed  
9 by such State-licensed or State-certified appraiser.

10 (c) Any person who is not State-licensed or State-certified under this Chapter  
11 may assist a State-licensed or State-certified real estate appraiser in the performance of  
12 an appraisal provided that he has satisfactorily completed the course of instruction  
13 required by the Board for licensure as a real estate appraiser, has passed the examination  
14 for licensure described in G.S. 93E-1-7(c), has registered with the Board as a trainee  
15 and is actively and personally supervised by a State-certified appraiser and provided  
16 further that any appraisal report rendered in connection with the appraisal is reviewed  
17 and signed by the State-certified real estate appraiser.

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

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

27 (f) The provisions of this Chapter shall not be construed to require a license or  
28 certificate of:

29 (1) Any person, partnership, association or corporation who, as owner,  
30 shall perform appraisals of property owned by them;

31 (2) Any person who conducts an appraisal pursuant to a judicially ordered  
32 evaluation of property;

33 (3) Any licensed real estate broker or salesman who prepares a  
34 comparative market analysis; and

35 (4) Any forester registered under the provisions of Chapter 89B of the  
36 General Statutes who appraises standing timber provided that the  
37 appraisal does not include a determination of the value of any land.

38 (g) Provided, however, this Chapter shall apply to any person registered, licensed  
39 or certified under this Chapter who performs any of the acts described in subsection (f)  
40 of this section.

41 "93E-1-3. Real Estate Appraiser Licensure and Certification Use.

42 (a) It shall be unlawful for any person in this State to assume or use the title  
43 'State-licensed real estate appraiser' or 'State-certified real estate appraiser', or any title,  
44 designation, or abbreviation likely to create the impression of licensure or certification

1 by the State of North Carolina as a real estate appraiser, unless the person has first been  
2 licensed or certified by the North Carolina Appraisal Board under the provisions of this  
3 Chapter. The Board may adopt for the exclusive use of persons certified under the  
4 provisions of this Chapter, a seal, symbol, or other mark identifying the user as a State-  
5 licensed or State-certified real estate appraiser.

6 (b) Any person certified as a real estate appraiser by an appraisal trade  
7 organization shall retain the right to use the term 'certified' or any similar term in  
8 identifying himself to the public, provided that in each instance wherein such term is  
9 used, the name of the certifying organization or body is prominently and conspicuously  
10 displayed immediately adjacent to such term, and provided further that the use of such  
11 term does not create the impression of certification by the State of North Carolina.  
12 However, nothing herein shall entitle any person certified only by a trade organization,  
13 and not certified or licensed by the State, the right to conduct any appraisal which  
14 requires a State license or certification to perform.

15 (c) The term 'State-licensed real estate appraiser', 'State-certified real estate  
16 appraiser', or any similar term shall not be used following or immediately in connection  
17 with the name of a partnership, association, corporation or other firm or group or in  
18 such manner that it might create the impression of licensure or certification by the State  
19 of North Carolina as a real estate appraiser.

20 **"§ 93E-1-4. Definitions.**

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

- 22 (1) 'Appraisal' or 'real estate appraisal' means an analysis, opinion or  
23 conclusion as to the value of identified real estate or specified interests  
24 therein performed for compensation or other valuable consideration.
- 25 (2) 'Appraisal assignment' means an engagement for which an appraiser is  
26 employed or retained to act, or would be perceived by third parties or  
27 the public as acting, as a disinterested third party in rendering an  
28 unbiased appraisal.
- 29 (3) 'Appraisal Board' or 'Board' means the body established by G.S. 93E-  
30 1-5.
- 31 (4) 'Appraisal Foundation' or 'Foundation' means The Appraisal  
32 Foundation established on November 20, 1987, as a not-for-profit  
33 corporation under the laws of Illinois.
- 34 (5) 'Appraisal report' means any communication, written or oral, of an  
35 appraisal.
- 36 (6) 'Certificate' means that document issued by the North Carolina  
37 Appraisal Board evidencing that the person named therein has satisfied  
38 the requirements for certification as a State-certified real estate  
39 appraiser and bearing a certificate number assigned by the Board.
- 40 (7) 'Certificate holder' means a person certified by the Board under the  
41 provisions of this Chapter.
- 42 (8) 'Comparative Market Analysis' means the analysis of sales of similar  
43 recently-sold properties in order to derive an indication of the probable  
44 sales price of a particular property undertaken by a licensed real estate

- 1 broker or salesman, for his principal, in connection with a real estate  
2 transaction.
- 3 (9) 'License' means that document issued by the North Carolina Appraisal  
4 Board evidencing that the person named therein has satisfied the  
5 requirements for licensure as a State-licensed real estate appraiser and  
6 bearing a license number assigned by the Board.
- 7 (10) 'Licensee' means a person licensed by the Board under the provisions  
8 of this Chapter.
- 9 (11) 'Real estate' or 'real property' means land, including the air above and  
10 ground below and all appurtenances and improvements thereto, as well  
11 as any interest or right inherent in the ownership of land.
- 12 (12) 'Real estate appraiser' or 'appraiser' means a person who for a fee or  
13 valuable consideration develops and communicates real estate  
14 appraisals or otherwise gives an opinion of the value of real estate or  
15 any interest therein.
- 16 (13) 'Real estate appraising' means the practice of developing and  
17 communicating real estate appraisals.
- 18 (14) 'Residential real estate' means any parcel of real estate, improved or  
19 unimproved, that is exclusively residential in nature and that includes  
20 or is intended to include a residential structure containing not more  
21 than four dwelling units and no other improvements except those  
22 which are typical residential improvements that support the residential  
23 use for the location and property type. A residential unit in a  
24 condominium, town house, or cooperative complex or planned unit  
25 development is considered to be residential real estate.
- 26 (15) 'State-certified general real estate appraiser' means a person who holds  
27 a current, valid certificate as a State-certified general real estate  
28 appraiser issued under the provisions of this Chapter.
- 29 (16) 'State-certified residential real estate appraiser' means a person who  
30 holds a current, valid certificate as a State-certified residential real  
31 estate appraiser issued under the provisions of this Chapter.
- 32 (17) 'State-licensed residential real estate appraiser' means a person who  
33 holds a current, valid license as a State-licensed residential real estate  
34 appraiser issued under the provisions of this Chapter.
- 35 (18) 'Temporary appraiser licensure or certification' means the issuance of a  
36 temporary license or certificate by the Board to a person licensed or  
37 certified in another state who enters this State for the purpose of  
38 completing a particular appraisal assignment.
- 39 (19) 'Trainee' or 'registered trainee' means a person not yet licensed or  
40 certified under the provisions of this Chapter who has satisfactorily  
41 completed the course of instruction required by the Board for licensure  
42 as a real estate appraiser, has passed the examination for licensure, is  
43 actively and personally supervised by a State-certified real estate

1                    appraiser and has not satisfied the experience and other requirements  
2                    to be licensed as a real estate appraiser.

3                    (20) 'Trainee registration' or 'registration' means the document issued by the  
4                    North Carolina Appraisal Board evidencing that the person named  
5                    therein has satisfied the requirements for registration as a trainee real  
6                    estate appraiser and bearing a registration number assigned by the  
7                    Board.

8 **"§ 93E-1-5. Appraisal Board.**

9                    (a) There is created an Appraisal Board for the purposes set forth in this Chapter.  
10 The Board shall consist of seven members. The Governor shall appoint three members  
11 of the Board, and the General Assembly shall appoint four members in accordance with  
12 G.S. 120-121, two upon the recommendation of the President Pro Tempore of the  
13 Senate and two upon the recommendation of the Speaker of the House of  
14 Representatives. One of the appointees recommended by the President Pro Tempore of  
15 the Senate, the Speaker of the House of Representatives, and the appointees of the  
16 Governor shall be persons who have been engaged in the business of real estate  
17 appraising in this State for at least five years immediately preceding their appointment  
18 and are also State-licensed or State-certified real estate appraisers. One of the  
19 appointees recommended by the President Pro Tempore of the Senate and one of the  
20 appointees recommended by the Speaker of the House of Representatives shall be  
21 persons not involved directly or indirectly in the real estate, real estate appraisal, or the  
22 real estate lending industry. Members of the Board shall serve three-year terms, so  
23 staggered that the terms of three members expire in one year, the terms of two members  
24 expire in the next year, and the terms of two members expire in the third year of each  
25 three-year period. The members of the Board shall elect one of their members to serve  
26 as chairman of the Board for a term of one year. The Governor may remove any  
27 member of the Board appointed by the Governor for misconduct, incompetency, or  
28 neglect of duty. The General Assembly may remove any member appointed by it for  
29 the same reasons. Successors shall be appointed by the appointing authority making the  
30 original appointment. All vacancies occurring on the Board shall be filled, for the  
31 unexpired term, by the appointing authority making the original appointment.  
32 Vacancies in appointments made by the General Assembly shall be filled in accordance  
33 with G. S. 120-122. Initial terms of office commence July 1, 1994.

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

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

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

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

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

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

16 **"§ 93E-1-6. Qualifications for registration, State-licensure and State-certification;**  
17 **applications; application fees; examinations.**

18 (a) Any person desiring to be registered as a trainee or to obtain licensure as a  
19 State-licensed real estate appraiser or certification as a State-certified real estate  
20 appraiser shall make written application to the Board on such forms as are prescribed by  
21 the Board setting forth the applicant's qualifications for licensure or certification. Each  
22 applicant shall satisfy the following qualification requirements:

23 (1) Each applicant for registration as an appraiser trainee shall have  
24 demonstrated to the Board that he possesses the knowledge and  
25 competence necessary to perform appraisals of residential and other  
26 real estate as the Board may prescribe by having satisfactorily  
27 completed within the five-year period immediately preceding the date  
28 application is made, a Board-approved course of instruction in real  
29 estate appraisal principles and practices consisting of at least 90 hours  
30 of classroom instruction in subjects determined by the Board; and shall  
31 satisfy such additional qualifications as may be imposed by the Board  
32 by rule, not inconsistent with any requirements imposed by the federal  
33 government; 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 licensure as a State-licensed residential real estate  
37 appraiser shall have demonstrated that he possesses the knowledge and  
38 competence necessary to perform appraisals of residential and other  
39 real estate as the Board may prescribe by having satisfactorily  
40 completed within the five-year period immediately preceding the date  
41 application is made, a Board-approved course of instruction in real  
42 estate appraisal principles and practices consisting of at least 90 hours  
43 of classroom instruction in subjects determined by the Board; shall  
44 present evidence satisfactory to the Board of at least 2,000 hours of

1 experience in real estate appraising; and shall satisfy such additional  
2 qualifications as may be imposed by the Board by rule, not  
3 inconsistent with any requirements imposed by the federal  
4 government; or shall possess education or experience which is found  
5 by the Board in its discretion to be equivalent to the above  
6 requirements.

7 (3) Each applicant for certification as a State-certified residential real  
8 estate appraiser shall have demonstrated that he possesses the  
9 knowledge and competence necessary to perform appraisals of  
10 residential and other real estate as the Board may prescribe by having  
11 satisfactorily completed, within the five-year period immediately  
12 preceding the date the application is made, a Board-approved course of  
13 instruction in real estate appraisal principles and practices consisting of  
14 at least 120 hours of classroom instruction in subjects determined by  
15 the Board; shall present evidence satisfactory to the Board of at least  
16 2,000 hours of experience in real estate appraising within the five-year  
17 period immediately preceding the date application is made, and over a  
18 period of at least two calendar years; and shall satisfy such additional  
19 qualifications criteria 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 and experience which is found  
22 by the Board in its discretion to be equivalent to the above  
23 requirements.

24 (4) Each applicant for certification as a State-certified general real estate  
25 appraiser shall have demonstrated that he possesses the knowledge and  
26 competence necessary to perform appraisals of all types of real estate  
27 by having satisfactorily completed, within the five-year period  
28 immediately preceding the date application is made, a Board-approved  
29 course of instruction in general real estate appraisal practices  
30 consisting of at least 180 hours of classroom instruction in subjects  
31 determined by the Board; shall present evidence satisfactory to the  
32 Board of at least 2,000 hours of experience in real estate appraising  
33 within the five-year period immediately preceding the date application  
34 is made, and over a period of at least two calendar years, fifty percent  
35 (50%), of which must be in appraising nonresidential real estate; and  
36 shall satisfy such additional qualifications criteria as may be imposed  
37 by the Board by rule, not inconsistent with any requirements imposed  
38 by the federal government; or the applicant shall possess education or  
39 experience which is found by the Board to be equivalent to the above  
40 requirements.

41 Provided, however, that any person who, on the effective date of this Chapter, has a  
42 State license or certificate to engage in business as a real estate appraiser issued by the  
43 predecessor of the Board, shall be entitled to and shall receive the same such license or



1 certificate from the Board as they are then holding without further education,  
2 experience, examination, or application fee.

3 (b) Each application for registration as a trainee or for State licensure or  
4 certification as a real estate appraiser shall be accompanied by a fee fixed by the Board  
5 but not to exceed one hundred and fifty dollars (\$150.00), plus such additional fee as  
6 may be necessary to defray the cost of any competency examination administered by a  
7 private testing service.

8 (c) Any person who files with the Board an application for registration as a  
9 trainee or for State licensure or certification as a real estate appraiser shall be required to  
10 pass an examination to demonstrate his competence. The Board shall also make such  
11 investigation as it deems necessary into the background of the applicant to determine his  
12 qualifications with due regard to the paramount interest of the public as to his honesty,  
13 truthfulness and integrity. If the results of the investigation shall be satisfactory to the  
14 Board and the applicant is otherwise qualified, then the Board shall issue to the  
15 applicant a trainee registration, license, or certificate authorizing the applicant to act as a  
16 registered trainee, State-licensed real estate appraiser or a State-certified real estate  
17 appraiser in this State. If, based upon the results of the investigation, the moral  
18 character of the applicant is in question, action on the application will be deferred  
19 pending a hearing before the Board.

20 **"§ 93E-1-7. Registration, license and certificate renewal; renewal fees; continuing**  
21 **education; reinstatement; replacement licenses and certificates; licensure**  
22 **and certification history.**

23 (a) Trainee registration, licenses and certificates issued under this Chapter shall  
24 expire on the 30th day of June of every year, and shall become invalid after that date  
25 unless renewed prior to the expiration date by filing an application with and paying to  
26 the Executive Director of the Board the fee required by the Board, which may not  
27 exceed three hundred dollars (\$300.00). As a prerequisite to the renewal of a trainee  
28 registration or a real estate appraiser license or certificate, the licensee or certificate  
29 holder must satisfy any continuing education requirements which may be prescribed by  
30 the Board under G.S. 93E-1-8(b). The Board may adopt rules establishing a system of  
31 registration, license and certificate renewal in which registrations, licenses and  
32 certificates expire annually with varying expiration dates.

33 (b) The Board may by rule require, as a prerequisite to registration, license or  
34 certificate renewal, the completion of Board-approved education courses in subject  
35 matters determined by the Board, or courses determined by the Board to be equivalent  
36 to such instruction, not inconsistent with any requirements of federal authorities.

37 (c) All registrations, licenses and certificates reinstated after the expiration dates  
38 shall be subject to a late filing fee of twenty dollars (\$20.00) per month for each month  
39 or part thereof that such license or certificate is lapsed, not to exceed two hundred forty  
40 dollars (\$240.00). Such late filing fee shall be in addition to the required renewal fee.  
41 In the event a trainee, licensee or certificate holder fails to reinstate his registration,  
42 license or certificate within 12 months after the expiration date thereof, the Board may,  
43 in its discretion, consider such person as not having been previously registered, licensed  
44 or certified, and thereby subject to the provisions of this Chapter relating to the issuance

1 of an original registration, license or certificate, including the examination requirements  
2 set forth herein. Applications to reinstate registrations, licenses or certificates expired  
3 for 12 or more months shall be accompanied by the fee required for an original  
4 registration, license or certificate and the accrued two hundred forty dollars (\$240.00)  
5 late filing fee.

6 (d) Replacement trainee registrations, licenses and certificates may be issued by  
7 the Board upon payment of ten dollars (\$10.00) by the trainee or the licensee or  
8 certificate holder. Certification by the Board of the trainee registration, licensure or  
9 certification history of a person registered, licensed or certified under this Chapter shall  
10 be made only after the payment of a fee of twenty-five dollars (\$25.00) to the Board.

11 **"§ 93E-1-8. Education program approval and fees.**

12 (a) The Board may by rule prescribe minimum standards for the approval and  
13 renewal of approval of schools and other course sponsors and their instructors to  
14 conduct appraiser prelicensing and precertification courses required by G.S. 93E-1-7(a).  
15 Such standards may address subject matter, program structuring, instructional materials,  
16 requirements for satisfactory course completion, instructors' qualifications, and other  
17 related matters relevant to the provision of such courses in a manner that best serves the  
18 public interest.

19 (b) The Board may by rule set nonrefundable fees chargeable to private real  
20 estate appraisal schools or course sponsors, including appraisal trade organizations, for  
21 the approval and annual renewal of approval of their prelicensing and precertification  
22 courses required by G.S. 93E-1-7(a), or equivalent courses. Such fees shall not exceed  
23 one hundred fifty dollars (\$150.00) per course for approval and one hundred dollars  
24 (\$100.00) per course for renewal of approval of private school courses, and shall not  
25 exceed three hundred dollars (\$300.00) per course for approval and two hundred dollars  
26 (\$200.00) per course for renewal of approval for course sponsors, including appraisal  
27 trade organizations. No fees shall be charged for the approval or renewal of approval to  
28 conduct appraiser prelicensing or precertification courses where such courses are  
29 offered by a North Carolina college, university, junior college, or community or  
30 technical college accredited by the Southern Association of Colleges and Schools, or an  
31 agency of the federal, State, or local government.

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

38 (d) Nonrefundable fees may be charged to schools and course sponsors for the  
39 approval and annual renewal of approval to conduct appraiser continuing education  
40 courses, provided that such fees shall not exceed two hundred dollars (\$200.00) per  
41 course for approval and one hundred dollars (\$100.00) per course for renewal of  
42 approval, and provided further that no fees shall be charged for the approval or renewal  
43 of approval to conduct appraiser continuing education courses where such courses are  
44 offered by a North Carolina college, university, junior college, or community or

1 technical college accredited by the Southern Association of Colleges and Schools, or by  
2 an agency of the federal, State, or local government. A nonrefundable fee not to exceed  
3 one hundred dollars (\$100.00) per course may be charged to current or former licensees  
4 or certificate holders requesting approval by the Board of a course for continuing  
5 education credit when approval of such course has not been previously obtained by the  
6 offering school or course sponsor.

7 **"§ 93E-1-9. Nonresident licensure and certification.**

8 (a) An applicant from another state which offers real estate appraiser licensing or  
9 certification privileges to residents of North Carolina may become State-licensed or  
10 certified by conforming to all of the provisions of this Chapter, and, in the discretion of  
11 the Board, such other terms and conditions as are required of North Carolina residents  
12 applying for certification or licensure in such other state.

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

17 (c) The Board may by rule establish a procedure for granting temporary licensure  
18 or certification and to charge fees for application for temporary licensure or certification  
19 provided that such fees shall not exceed one hundred dollars (\$100.00).

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

25 **"§ 93E-1-10. Rule-making authority.**

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

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

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

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

1       (b) The Executive Director of the Board shall also keep a current roster showing  
2 the names and places of business of all registered trainees and State-licensed and State-  
3 certified real estate appraisers, which roster shall be kept on file in the office of the  
4 Board and be open to public inspection.

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

11       (d) In addition to those fees prescribed in this Chapter for making application for  
12 and renewing appraiser licenses and certificates, the Board may collect from applicants  
13 any holders of such licenses and certificates and remit to the appropriate agency or  
14 instrumentality of the federal government any additional fees as may be required to  
15 render North Carolina State-licensed or State-certified appraisers eligible to perform  
16 appraisals in connection with federally-related transactions as well as an additional fee  
17 of twenty-five dollars (\$25.00) to cover the administrative costs associated therewith.

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

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

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

32           (1) Procured registration, licensure or certification pursuant to this Chapter  
33 by making a false or fraudulent representation;

34           (2) Made any willful or negligent misrepresentation or any willful or  
35 negligent omission of material fact;

36           (3) Accepted an appraisal assignment when the employment is contingent  
37 upon the appraiser reporting a predetermined result, analysis, or  
38 opinion, or when the fee to be paid for the performance of the  
39 appraisal assignment is contingent upon the opinion, conclusion, or  
40 valuation reached, or upon consequences resulting from the appraisal  
41 assignment;

42           (4) Acted or held himself out as a State-licensed or State-certified real  
43 estate appraiser when not so licensed or certified;

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

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

23       (b) Following a hearing, the Appraisal Board may also suspend or revoke any  
24 registration, license or certificate issued under the provisions of this Chapter or to  
25 reprimand any registered trainee, licensee or certificate holder when:

- 26           (1) The trainee, licensee or certificate holder has been convicted of, or has  
27 entered a plea of guilty or no contest upon which final judgment is  
28 entered by a court of competent jurisdiction in this State, or any other  
29 state, to an offense which, in the discretion of the Board, would  
30 reasonably affect the performance of the trainee, licensee or certificate  
31 holder in the real estate appraisal business;
- 32           (2) A final civil judgment has been entered against the trainee, licensee or  
33 certificate holder on grounds of fraud, misrepresentation, or deceit in  
34 the making of any appraisal of real estate; or
- 35           (3) The trainee, licensee or certificate holder has violated any of the  
36 provisions of G.S. 93E-1-13(a) when appraising his own property.

37       (c) When a person registered as a trainee, or licensed or certified under this  
38 Chapter is accused of any act, omission, or misconduct which would subject him to  
39 disciplinary action, the trainee, licensee or certificate holder, with the consent and  
40 approval of the Board, may surrender his registration, license or certificate and all the  
41 rights and privileges pertaining to it for a period of time established by the Board. A  
42 person who surrenders his registration, license or certificate shall not thereafter be  
43 eligible for or submit any application for registration, licensure or certification as a real

1 estate appraiser during the period that the registration, license or certificate is  
2 surrendered.

3 (d) The Board shall have the power to issue subpoenas requiring the attendance  
4 of persons and the production of papers and records before the Board in any hearing,  
5 investigation, inquiry, or other proceeding conducted by it. Upon the production of any  
6 papers, records, or documents, the Board shall have the power to authorize true copies  
7 thereof to be substituted in the permanent record of the matter in which such books,  
8 records, or documents shall have been introduced in evidence.

9 **"§ 93E-1-13. Penalty for violation of this Chapter.**

10 (a) Any person who acts as, or holds himself out to be, a registered trainee or a  
11 State-licensed or State-certified real estate appraiser without first obtaining a  
12 registration, license or certificate as provided in this Chapter, or who willfully performs  
13 the acts specified in G.S. 93E-1-12(a)(1) through (10), shall be guilty of a misdemeanor  
14 and shall be punished by a fine or imprisonment, or by both, in the discretion of the  
15 court.

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

22 **"§ 93E-1-14. Referral of cases by courts.**

23 Whenever any registered trainee, licensee or certificate holder is adjudged by a civil  
24 or criminal court to have injured or damaged any person, partnership, association, or  
25 corporation through gross negligence, incompetency, fraud, dishonesty, or other civil or  
26 criminal misconduct, such court may, as part of its judgment or decree, order a written  
27 copy of the transcript of the record in said case to be forwarded by the clerk of court to  
28 the Board with a recommendation that the registration, license or certificate of the  
29 trainee, licensee or certificate holder be revoked or otherwise subject to disciplinary  
30 action."

31 Sec. 7. Effective July 1, 1994, Article 5 of Chapter 93A of the General  
32 Statutes is repealed.

33 Sec. 8. (a) The members of the Appraisal Board as described in G.S. 93E-5  
34 shall serve terms according to the following schedule:

35 (1) The terms of those two appraiser members of the Appraisal Board  
36 appointed by the Governor whose terms were to expire June 30, 1994,  
37 under Chapter 93A of the General Statutes, and the appointments made  
38 pursuant thereto, shall expire on that date. Thereafter, each Board  
39 member shall continue to serve until such time as he is reappointed or  
40 replaced by the Governor with another appraiser member.

41 (2) The term of the public member of the Appraisal Board appointed by  
42 the Governor whose term was to expire June 30, 1994, under Chapter  
43 93A of the General Statutes, and the appointments made pursuant  
44 thereto, shall expire on that date. Thereafter, said Board member shall

1 continue to serve until such time as he is reappointed or replaced by  
2 the General Assembly upon the recommendation of the Speaker of the  
3 House of Representatives with another public member.

4 (3) The terms of those two appraiser members of the Appraisal Board  
5 appointed by the Governor whose terms were to expire June 30, 1995,  
6 under Chapter 93A of the General Statutes, and the appointments made  
7 pursuant thereto, shall expire on that date. Thereafter, that Board  
8 member who occupies the seat currently held by William G. Brown,  
9 Sr., shall continue to serve until such time as the Governor makes his  
10 appointment of an appraiser member for that seat; and, that Board  
11 member who occupies the seat currently held by Tom J. Keith shall  
12 continue to serve until such time as the General Assembly upon the  
13 recommendation of the President Pro Tempore of the Senate makes an  
14 appointment of an appraiser member for that seat.

15 (4) The term of the appraiser member of the Appraisal Board appointed by  
16 the General Assembly upon the recommendation of the Speaker of the  
17 House of Representatives whose term was to expire on June 30, 1995,  
18 under Chapter 93A of the General Statutes, and the appointments made  
19 pursuant thereto, shall instead expire on June 30, 1996. Thereafter,  
20 said Board member shall continue to serve until such time as he is  
21 reappointed or replaced by the General Assembly upon the  
22 recommendation of the Speaker of the House of Representatives with  
23 another appraiser member.

24 (5) The term of the Appraisal Board public member appointed by the  
25 General Assembly upon the recommendation of the President Pro  
26 Tempore of the Senate whose term was to expire on June 30, 1996,  
27 under Chapter 93A of the General Statutes, and the appointments made  
28 pursuant thereto, shall expire on that date. Thereafter, said Board  
29 member shall continue to serve until such time as he is reappointed or  
30 replaced by the General Assembly upon the recommendation of the  
31 President Pro Tempore of the Senate with another public member.

32 (b) The Board may adopt rules not inconsistent with the provisions of Chapter  
33 93E of the General Statutes which may be reasonably necessary to implement,  
34 administer, and enforce the provisions of Chapter 93E of the General Statutes, provided  
35 the rules adopted do not require the expenditure of Commission funds.

36 (c) The Board may enter into contracts necessary to implement the provisions of  
37 Chapter 93E of the General Statutes including contracts for private testing services,  
38 office supplies, real estate leases, and personnel, provided that such contracts do not  
39 require the expenditure of Commission funds. Those fees collected pursuant to G.S.  
40 93A-73(b) as effective October 1, 1993, to defray the cost of any competency  
41 examination administered by a private testing service shall not be considered  
42 "Commission funds" within the meaning of this section.

43 Sec. 9. G.S. 93A-3(a) reads as rewritten:

1       "(a) There is hereby created the North Carolina Real Estate Commission, hereinafter  
2 called the Commission. The Commission shall consist of seven members to be  
3 appointed by the Governor. At least three members of the Commission shall be licensed  
4 real estate brokers or real estate salesmen, ~~one of whom shall have been actively engaged in~~  
5 ~~the business of real estate appraising in this State for not less than five years immediately~~  
6 ~~preceding his appointment, and, if appointed to the Commission after January 1, 1991, shall~~  
7 ~~also be a State-licensed or State-certified real estate appraiser.~~ salesmen. At least two  
8 members of the Commission shall be persons who are not involved directly or indirectly  
9 in the real estate or real estate appraisal business. Members of the Commission shall  
10 serve three-year terms, so staggered that the terms of two members expire in one year,  
11 the terms of two members expire in the next year, and the terms of three members  
12 expire in the third year of each three-year period. The members of the Commission shall  
13 elect one of their members to serve as chairman of the Commission for a term of one  
14 year. The Governor may remove any member of the Commission for misconduct,  
15 incompetency, or willful neglect of duty. The Governor shall have the power to fill all  
16 vacancies occurring on the Commission."

17       Sec. 10. G.S. 93A-6(b)(5) reads as rewritten:

18       "(5) The licensee, who is also a State-licensed or State-certified real estate  
19 appraiser pursuant to ~~Article 5 of this Chapter, Chapter 93E of the~~  
20 General Statutes, has violated any provisions of ~~Article 5, Chapter 93E~~  
21 of the General Statutes and has been reprimanded or has had his  
22 appraiser license or certificate suspended or revoked by the Appraisal  
23 Board."

24       Sec. 11. G.S. 93A-32(2) reads as rewritten:

25       "(2) 'Private real estate school' means any real estate educational entity  
26 which is privately owned and operated by an individual, partnership,  
27 corporation or association, and which conducts, for a profit or tuition  
28 charge, real estate salesman or broker prelicensing courses prescribed  
29 by ~~G.S. 93A-4(a) or real estate appraiser prelicensing or precertification~~  
30 ~~courses prescribed by G.S. 93A-73(a), 93A-4(a),~~ provided that a private  
31 business or trade school licensed by the State Board of Community  
32 Colleges under ~~G.S. 415D-571-115D-90~~ to conduct courses other than  
33 those real estate courses described herein shall not be considered to be  
34 a private real estate school."

35       Sec. 12. G.S. 93A-34(b) reads as rewritten:

36       "(b) Application for a license shall be filed in the manner and upon the forms  
37 prescribed by the Commission for that purpose. The Commission may by rule set  
38 nonrefundable application fees not to exceed two hundred fifty dollars (\$250.00) for  
39 each school location and fifty dollars (\$50.00) for each real estate salesman or broker  
40 ~~prelicensing course or real estate appraiser prelicensing or precertification~~ course. The  
41 application for a license shall be accompanied by the appropriate fees and shall contain  
42 the following:

43       (1) Name and address of the applicant and the school;



- 1 (2) Names, biographical data, and qualifications of director, administrators  
2 and instructors;
- 3 (3) Description of school facilities and equipment;
- 4 (4) Description of course(s) to be offered and instructional materials to be  
5 utilized;
- 6 (5) Information on financial resources available to equip and operate the  
7 school;
- 8 (6) Information on school policies and procedures regarding  
9 administration, record keeping, entrance requirements, registration,  
10 tuition and fees, grades, student progress, attendance, and student  
11 conduct;
- 12 (7) Copies of bulletins, catalogues and other official publications;
- 13 (8) Copy of bond required by G.S. 93A-36;
- 14 (9) Such additional information as the Commission may deem necessary  
15 to enable it to determine the adequacy of the instructional program and  
16 the ability of the applicant to operate a school in such a manner as  
17 would best serve the public interest."

18 Sec. 13. G.S. 93A-35(b) reads as rewritten:

19 "(b) Licenses shall be renewable annually on July 1, provided that a renewal  
20 application accompanied by the appropriate renewal fees has been filed not later than  
21 June 1 in the form and manner prescribed by the Commission, and provided further that  
22 the applicant and school are found to be in compliance with the standards established  
23 for issuance of an original license. The Commission may by rule set nonrefundable  
24 renewal fees not to exceed one hundred twenty-five dollars (\$125.00) for each school  
25 location and twenty-five dollars (\$25.00) for each real estate salesman or broker  
26 prelicensing course or real estate appraiser prelicensing or precertification course."

27 Sec. 13.1. G.S. 120-123(58) reads as rewritten:

28 "(58) ~~The Real Estate Appraisal Board of the Real Estate Commission created~~  
29 ~~in G.S. 93A-78. G.S. 93E-1-5."~~

30 Sec. 14. The rules set forth in Title 21 of the North Carolina Administrative  
31 Code, Subchapter 58D, are repealed.

32 Sec. 15. Sections 1 through 5 and Section 8 of this act become effective  
33 October 1, 1993. Sections 6, 7, and 9 through 14 of this act become effective July 1,  
34 1994.