

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 473

Short Title: North Carolina Appraisal Board.

(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

AN ACT TO SEPARATE THE REAL ESTATE APPRAISAL BOARD FROM THE  
REAL ESTATE COMMISSION.

The General Assembly of North Carolina enacts:

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

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

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

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

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

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



1 provisions of this Chapter, a seal, symbol, or other mark identifying the user as a State-  
2 licensed or State-certified real estate appraiser.

3 (b) Any person certified as a real estate appraiser by an appraisal trade  
4 organization shall retain the right to use the term 'certified' or any similar term in  
5 identifying himself to the public, provided that in each instance wherein such term is  
6 used, the name of the certifying organization or body is prominently and conspicuously  
7 displayed immediately adjacent to such term, and provided further that the use of such  
8 term does not create the impression of certification by the State of North Carolina.

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

14 **"§ 93E-1-3. License or certificate not required.**

15 (a) No license or certificate shall be issued under the provisions of this Chapter  
16 to a partnership, association, corporation, firm, or group. However, nothing herein shall  
17 preclude a State-licensed or State-certified real estate appraiser from rendering  
18 appraisals for or on behalf of a partnership, association, corporation, firm, or group,  
19 provided the appraisal report is prepared by or under the immediate personal direction  
20 of, the State-licensed or State-certified real estate appraiser and is reviewed and signed  
21 by such State-licensed or State-certified appraiser.

22 (b) Any person who is not State-licensed or State-certified under this Chapter  
23 may assist a State-licensed or State-certified real estate appraiser in the performance of  
24 an appraisal provided that he is actively and personally supervised by a State-certified  
25 appraiser and provided further that any appraisal report rendered in connection with the  
26 appraisal is reviewed and signed by the State-certified real estate appraiser.

27 (c) Nothing in this Chapter shall preclude a real estate broker or salesman  
28 licensed under Chapter 93A of the General Statutes or any other person who is not a  
29 State-licensed or State-certified real estate appraiser from appraising real estate for  
30 compensation, provided such persons do not represent themselves as being State-  
31 licensed or State-certified as a real estate appraiser.

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

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

41 **"§ 93E-1-4. Definitions.**

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

- 1           (1) 'Appraisal' or 'real estate appraisal' means an analysis, opinion, or  
2           conclusion as to the value of identified real estate or specified interests  
3           therein performed for compensation or other valuable consideration.
- 4           (2) 'Appraisal assignment' means an engagement for which an appraiser is  
5           employed or retained to act, or would be perceived by third parties or  
6           the public as acting, as a disinterested third party in rendering an  
7           unbiased appraisal.
- 8           (3) 'Appraisal Board' or 'Board' means the body established by G.S. 93E-  
9           1-5.
- 10          (4) 'Appraisal Foundation' or 'Foundation' means The Appraisal  
11          Foundation established on November 20, 1987, as a not-for-profit  
12          corporation under the laws of Illinois.
- 13          (5) 'Appraisal report' means any communication, written or oral, of an  
14          appraisal.
- 15          (6) 'Certificate' means that document issued by the North Carolina  
16          Appraisal Board evidencing that the person named therein has satisfied  
17          the requirements for certification as a State-certified real estate  
18          appraiser and bearing a certificate number assigned by the Board.
- 19          (7) 'Certificate holder' means a person certified by the Board under the  
20          provisions of this Chapter.
- 21          (8) 'License' means that document issued by the North Carolina Appraisal  
22          Board evidencing that the person named therein has satisfied the  
23          requirements for licensure as a State-licensed real estate appraiser and  
24          bearing a license number assigned by the Board.
- 25          (9) 'Licensee' means a person licensed by the Board under the provisions  
26          of this Chapter.
- 27          (10) 'Real estate' or 'real property' means land, including the air above and  
28          ground below and all appurtenances and improvements thereto, as well  
29          as any interest or right inherent in the ownership of land.
- 30          (11) 'Real estate appraiser' or 'appraiser' means a person who for a fee or  
31          valuable consideration develops and communicates real estate  
32          appraisals or otherwise gives an opinion of the value of real estate or  
33          any interest therein.
- 34          (12) 'Real estate appraising' means the practice of developing and  
35          communicating real estate appraisals.
- 36          (13) 'Residential real estate' means any parcel of real estate, improved or  
37          unimproved, that is exclusively residential in nature and that includes  
38          or is intended to include a residential structure containing not more  
39          than four dwelling units and no other improvements except those  
40          which are typical residential improvements that support the residential  
41          use for the location and property type. A residential unit in a  
42          condominium, town house, or cooperative complex, or planned unit  
43          development is considered to be residential real estate.

- 1           (14) 'State-certified general real estate appraiser' means a person who holds  
2           a current, valid certificate as a State-certified general real estate  
3           appraiser issued under the provisions of this Chapter.
- 4           (15) 'State-certified residential real estate appraiser' means a person who  
5           holds a current, valid certificate as a State-certified residential real  
6           estate appraiser issued under the provisions of this Chapter.
- 7           (16) 'State-licensed residential real estate appraiser' means a person who  
8           holds a current, valid license as a State-licensed residential real estate  
9           appraiser issued under the provisions of this Chapter.
- 10          (17) 'Temporary appraiser licensure or certification' means the issuance of a  
11          temporary license or certificate by the Board to a person licensed or  
12          certified in another State who enters this State for the purpose of  
13          completing a particular appraisal assignment.

14 **"§ 93E-1-5. Appraisal Board.**

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

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

43          (c) Members of the Board shall be paid the per diem, subsistence and travel  
44 allowances at the rates set forth in G.S. 93B-5; provided that none of the expenses of the

1 Board or the compensation or expenses of any officer or employee thereof shall be  
2 payable out of the treasury of the State of North Carolina; the total expenses of the  
3 administration of this Chapter shall not exceed the total income therefrom; and neither  
4 the Board nor any officer or employee thereof shall have any power or authority to  
5 make or incur any expense, debt or other financial obligation binding upon the State of  
6 North Carolina.

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

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

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

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

22 **"§ 93E-1-6. Qualifications for State licensure and certification; applications;**  
23 **application fees; examinations.**

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

- 29 (1) Each applicant for licensure as a State-licensed residential real estate  
30 appraiser shall have demonstrated that he possesses the knowledge and  
31 competence necessary to perform appraisals of residential and other  
32 real estate as the Board may prescribe by having satisfactorily  
33 completed within the five-year period immediately preceding the date  
34 application is made, a Board-approved course of instruction in real  
35 estate appraisal principles and practices consisting of at least 90 hours  
36 of classroom instruction in subjects determined by the Board; shall  
37 present evidence satisfactory to the Board of at least 2,000 hours of  
38 experience in real estate appraising; and shall satisfy such additional  
39 qualifications as may be imposed by the Board by rule, not  
40 inconsistent with any requirements imposed by the federal  
41 government; or shall possess education or experience which is found  
42 by the Board in its discretion to be equivalent to the above  
43 requirements.

1           (2) Each applicant for certification as a State-certified residential real  
2 estate appraiser shall have demonstrated that he possesses the  
3 knowledge and competence necessary to perform appraisals of  
4 residential and other real estate as the Board may prescribe by having  
5 satisfactorily completed, within the five-year period immediately  
6 preceding the date the application is made, a Board-approved course of  
7 instruction in real estate appraisal principles and practices consisting of  
8 at least 120 hours of classroom instruction in subjects determined by  
9 the Board; shall present evidence satisfactory to the Board of at least  
10 2,000 hours of experience in real estate appraising within the five-year  
11 period immediately preceding the date application is made, and over a  
12 period of at least two calendar years; and shall satisfy such additional  
13 qualifications criteria as may be imposed by the Board by rule, not  
14 inconsistent with any requirements imposed by the federal  
15 government; or shall possess education and experience which is found  
16 by the Board in its discretion to be equivalent to the above  
17 requirements.

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

35 Provided, however, that any person who, on the effective date of this Chapter, has a  
36 State license or certificate to engage in business as a real estate appraiser issued by the  
37 predecessor of the Board, shall be entitled to and shall receive the same such license or  
38 certificate from the Board as they are then holding without further education,  
39 experience, examination, or application fee.

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

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

12 **"§ 93E-1-7. License and certificate renewal; renewal fees; continuing education;**  
13 **reinstatement; replacement licenses and certificates; licensure and**  
14 **certification history.**

15       (a) Licenses and certificates issued under this Chapter shall expire on the 30th  
16 day of June of every year and shall become invalid after that date unless renewed prior  
17 to the expiration date by filing an application with and paying to the Executive Director  
18 of the Board the fee required by the Board, which may not exceed three hundred dollars  
19 (\$300.00). As a prerequisite to the renewal of a real estate appraiser license or  
20 certificate, the licensee or certificate holder must satisfy any continuing education  
21 requirements which may be prescribed by the Board under G.S. 93E-1-7(b). The Board  
22 may adopt rules establishing a system of license and certificate renewal in which  
23 licenses and certificates expire annually with varying expiration dates.

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

28       (c) All licenses and certificates reinstated after the expiration dates shall be  
29 subject to a late filing fee of twenty dollars (\$20.00) per month for each month or part  
30 thereof that such license or certificate is lapsed, not to exceed two hundred forty dollars  
31 (\$240.00). Such late filing fee shall be in addition to the required renewal fee. In the  
32 event a licensee or certificate holder fails to reinstate his license or certificate within 12  
33 months after the expiration date thereof, the Board may, in its discretion, consider such  
34 person as not having been previously licensed or certified, and thereby subject to the  
35 provisions of this Chapter relating to the issuance of an original license or certificate,  
36 including the examination requirements set forth herein. Applications to reinstate  
37 licenses or certificates expired for 12 or more months shall be accompanied by the fee  
38 required for an original license or certificate and the accrued two hundred forty dollars  
39 (\$240.00) late filing fee.

40       (d) Replacement licenses and certificates may be issued by the Board upon  
41 payment of ten dollars (\$10.00) by the licensee or certificate holder. Certification by  
42 the Board of the licensure or certification history of a person licensed or certified under  
43 this Chapter shall be made only after the payment of a fee of twenty-five dollars  
44 (\$25.00) to the Board.

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

2 (a) The Board may by rule prescribe minimum standards for the approval and  
3 renewal of approval of schools and other course sponsors and their instructors to  
4 conduct appraiser prelicensing and precertification courses required by G.S. 93E-1-6(a).  
5 Such standards may address subject matter, program structuring, instructional materials,  
6 requirements for satisfactory course completion, instructors' qualifications, and other  
7 related matters relevant to the provision of such courses in a manner that best serves the  
8 public interest.

9 (b) The Board may by rule set nonrefundable fees chargeable to private real  
10 estate appraisal schools or course sponsors, including appraisal trade organizations, for  
11 the approval and annual renewal of approval of their prelicensing and precertification  
12 courses required by G.S. 93E-1-6(a), or equivalent courses. Such fees shall not exceed  
13 one hundred fifty dollars (\$150.00) per course for approval and one hundred dollars  
14 (\$100.00) per course for renewal of approval of private school courses, and shall not  
15 exceed three hundred dollars (\$300.00) per course for approval and two hundred dollars  
16 (\$200.00) per course for renewal of approval for course sponsors, including appraisal  
17 trade organizations. No fees shall be charged for the approval or renewal of approval to  
18 conduct appraiser prelicensing or precertification courses where such courses are  
19 offered by a North Carolina college, university, junior college, or community or  
20 technical college accredited by the Southern Association of Colleges and Schools, or an  
21 agency of the federal, State, or local government.

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

28 (d) Nonrefundable fees may be charged to schools and course sponsors for the  
29 approval and annual renewal of approval to conduct appraiser continuing education  
30 courses, provided that such fees shall not exceed two hundred dollars (\$200.00) per  
31 course for approval and one hundred dollars (\$100.00) per course for renewal of  
32 approval, and provided further that no fees shall be charged for the approval or renewal  
33 of approval to conduct appraiser continuing education courses where such courses are  
34 offered by a North Carolina college, university, junior college, or community or  
35 technical college accredited by the Southern Association of Colleges and Schools, or by  
36 an agency of the federal, State, or local government. A nonrefundable fee not to exceed  
37 one hundred dollars (\$100.00) per course may be charged to current or former licensees  
38 or certificate holders requesting approval by the Board of a course for continuing  
39 education credit when approval of such course has not been previously obtained by the  
40 offering school or course sponsor.

41 **"§ 93E-1-9. Nonresident licensure and certification.**

42 (a) An applicant from another state which offers real estate appraiser licensing or  
43 certification privileges to residents of North Carolina may become State-licensed or  
44 certified by conforming to all of the provisions of this Chapter, and, in the discretion of

1 the Board, such other terms and conditions as are required of North Carolina residents  
2 applying for certification or licensure in such other state.

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

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

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

15 **"§ 93E-1-10. Rule-making authority.**

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

- 20 (1) Prescribe forms and procedures for submitting information to the  
21 Board;
- 22 (2) Prescribe standards of practice for persons licensed or certified under  
23 this Chapter; and
- 24 (3) Prescribe standards for the operation of real estate appraiser education  
25 programs.

26 **"§ 93E-1-11. Register of applicants; roster of State-licensed and State-certified**  
27 **appraisers; financial report to Secretary of State; administrative**  
28 **expenses.**

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

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

38 (c) On or before the first day of November of each year, the Board shall file with  
39 the Secretary of State a copy of the roster of real estate appraisers licensed or certified  
40 by the Board and a report containing a complete statement of income received by the  
41 Board in connection with the licensure and certification of real estate appraisers for the  
42 preceding fiscal year ending June 30th, attested by the affidavit of the Executive  
43 Director of the Board.

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

8 **"§ 93E-1-12. Disciplinary action by Board.**

9       (a) The Board may take disciplinary action against State-licensed or State-  
10 certified real estate appraisers. Upon its own motion or the complaint of any person, the  
11 Board may investigate the actions of any person licensed or certified under this Chapter,  
12 any person who performs appraisals without an appropriate license or certificate, or any  
13 person who holds himself out to be licensed or certified when he holds no such license  
14 or certificate. If the Board finds probable cause to believe that a person licensed or  
15 certified under this Chapter has violated any of the provisions of this Chapter, the Board  
16 may hold a hearing on the allegations of misconduct.

17       The Board may suspend or revoke the license or certificate granted to any person  
18 under the provisions of this Chapter or to reprimand any licensee or certificate holder if,  
19 following a hearing, the Board finds the licensee or certificate holder to have:

- 20       (1) Procured licensure or certification pursuant to this Chapter by making  
21 a false or fraudulent representation;
- 22       (2) Made any willful or negligent misrepresentation or any willful or  
23 negligent omission of material fact;
- 24       (3) Accepted an appraisal assignment when the employment is contingent  
25 upon the appraiser reporting a predetermined result, analysis, or  
26 opinion, or when the fee to be paid for the performance of the  
27 appraisal assignment is contingent upon the opinion, conclusion, or  
28 valuation reached or upon consequences resulting from the appraisal  
29 assignment;
- 30       (4) Acted or held himself out as a State-licensed or State-certified real  
31 estate appraiser when not so licensed or certified;
- 32       (5) Failed as a State-licensed or State-certified real estate appraiser to  
33 actively and personally supervise any person not licensed or certified  
34 under this Chapter who assists the State-licensed or State-certified real  
35 estate appraiser in performing real estate appraisals;
- 36       (6) Failed to make available to the Board for its inspection without prior  
37 notice, originals or true copies of all written contracts engaging his  
38 services to appraise real property, and all reports and supporting data  
39 assembled and formulated by the appraiser in preparing the reports;
- 40       (7) Paid a fee or valuable consideration to any person for acts or services  
41 performed in violation of this Chapter;
- 42       (8) Acted as a real estate appraiser in such an unworthy or incompetent  
43 manner as to endanger the interest of the public;

- 1           (9) Violated any of the standards of practice for real estate appraisers or  
2           any other rule promulgated by the Board;  
3           (10) Performed any other act which constitutes improper, fraudulent, or  
4           other dishonest conduct; or  
5           (11) Violated any of the provisions of this Chapter.

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

11           (b) Following a hearing, the Appraisal Board may also suspend or revoke any  
12           license or certificate issued under the provisions of this Chapter or to reprimand any  
13           licensee or certificate holder when:

- 14           (1) The licensee or certificate holder has been convicted of, or has entered  
15           a plea of guilty or no contest upon which final judgment is entered by  
16           a court of competent jurisdiction in this State, or any other state, to an  
17           offense which, in the discretion of the Board, would reasonably affect  
18           the performance of the licensee or certificate holder in the real estate  
19           appraisal business;  
20           (2) A final civil judgment has been entered against the licensee or  
21           certificate holder on grounds of fraud, misrepresentation, or deceit in  
22           the making of any appraisal of real estate; or  
23           (3) The licensee or certificate holder has violated any of the provisions of  
24           G.S. 93E-1-13(a) when appraising his own property.

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

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

38           **"§ 93E-1-13. Penalty for violation of this Chapter.**

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

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

7 **"§ 93E-1-14. Referral of cases by courts.**

8       Whenever any licensee or certificate holder is adjudged by a civil or criminal court  
9 to have injured or damaged any person, partnership, association, or corporation through  
10 gross negligence, incompetency, fraud, dishonesty, or other civil or criminal  
11 misconduct, such court may, as part of its judgment or decree, order a written copy of  
12 the transcript of the record in said case to be forwarded by the clerk of court to the  
13 Board with a recommendation that the license or certificate of the licensee or certificate  
14 holder be revoked or otherwise subject to disciplinary action."

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

17       Sec. 8. (a) The members of the Appraisal Board as described in G.S. 93E-1-5 shall  
18 serve terms according to the following schedule:

- 19       (1) The terms of those two appraiser members of the Appraisal Board  
20 appointed by the Governor whose terms were to expire June 30, 1994,  
21 under Chapter 93A of the General Statutes, and the appointments made  
22 pursuant thereto, shall expire on that date. Thereafter, each Board  
23 member shall continue to serve until such time as he is reappointed or  
24 replaced by the Governor with another appraiser member.
- 25       (2) The term of the public member of the Appraisal Board appointed by  
26 the Governor whose term was to expire June 30, 1994, under Chapter  
27 93A of the General Statutes, and the appointments made pursuant  
28 thereto, shall expire on that date. Thereafter, said Board member shall  
29 continue to serve until such time as he is reappointed or replaced by  
30 the General Assembly upon the recommendation of the Speaker of the  
31 House of Representatives with another public member.
- 32       (3) The terms of those two appraiser members of the Appraisal Board  
33 appointed by the Governor whose terms were to expire June 30, 1995,  
34 under Chapter 93A of the General Statutes, and the appointments made  
35 pursuant thereto, shall expire on that date. Thereafter, that Board  
36 member who occupies the seat currently held by William G. Brown,  
37 Sr., shall continue to serve until such time as the Governor makes his  
38 appointment of an appraiser member for that seat; and, that Board  
39 member who occupies the seat currently held by Tom J. Keith shall  
40 continue to serve until such time as the General Assembly, upon the  
41 recommendation of the President Pro Tempore of the Senate, makes an  
42 appointment of an appraiser member for that seat.
- 43       (4) The term of the appraiser member of the Appraisal Board appointed  
44 by the General Assembly upon the recommendation of the Speaker of

1 the House of Representatives whose term was to expire June 30, 1995,  
2 under Chapter 93A of the General Statutes, and the appointments made  
3 pursuant thereto, shall instead expire June 30, 1996. Thereafter, said  
4 Board member shall continue to serve until such time as he is  
5 reappointed or replaced by the General Assembly upon the  
6 recommendation of the Speaker of the House of Representatives with  
7 another appraiser member.

8 (5) The term of the Appraisal Board public member appointed by the  
9 General Assembly upon the recommendation of the President Pro  
10 Tempore of the Senate whose term was to expire June 30, 1996, under  
11 Chapter 93A of the General Statutes, and the appointments made  
12 pursuant thereto, shall expire on that date. Thereafter, said Board  
13 member shall continue to serve until such time as he is reappointed or  
14 replaced by the General Assembly upon the recommendation of the  
15 President Pro Tempore of the Senate with another public member.

16 (b) The Board may adopt rules not inconsistent with the provisions of Chapter  
17 93E of the General Statutes, which may be reasonably necessary to implement,  
18 administer, and enforce the provisions of Chapter 93E of the General Statutes, provided  
19 the rules adopted do not require the expenditure of Commission funds.

20 (c) The Board may enter into contracts necessary to implement the provisions of  
21 Chapter 93E of the General Statutes, including contracts for private testing services,  
22 office supplies, real estate leases, and personnel, provided that such contracts do not  
23 require the expenditure of Commission funds. Those fees collected pursuant to G.S.  
24 93A-73(b) as effective October 1, 1993, to defray the cost of any competency  
25 examination administered by a private testing service shall not be considered  
26 "Commission funds" within the meaning of this section.

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

28 "(a) There is hereby created the North Carolina Real Estate Commission, hereinafter  
29 called the Commission. The Commission shall consist of seven members to be  
30 appointed by the Governor. At least three members of the Commission shall be licensed  
31 real estate brokers or real estate ~~salesmen, one of whom shall have been actively engaged in~~  
32 ~~the business of real estate appraising in this State for not less than five years immediately~~  
33 ~~preceding his appointment, and, if appointed to the Commission after January 1, 1991, shall~~  
34 ~~also be a State licensed or State certified real estate appraiser.~~ salesmen. At least two  
35 members of the Commission shall be persons who are not involved directly or indirectly  
36 in the real estate or real estate appraisal business. Members of the Commission shall  
37 serve three-year terms, so staggered that the terms of two members expire in one year,  
38 the terms of two members expire in the next year, and the terms of three members  
39 expire in the third year of each three-year period. The members of the Commission shall  
40 elect one of their members to serve as chairman of the Commission for a term of one  
41 year. The Governor may remove any member of the Commission for misconduct,  
42 incompetency, or willful neglect of duty. The Governor shall have the power to fill all  
43 vacancies occurring on the Commission."

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

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

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

8           "(2) 'Private real estate school' means any real estate educational entity  
9           which is privately owned and operated by an individual, partnership,  
10          corporation or association, and which conducts, for a profit or tuition  
11          charge, real estate salesman or broker prelicensing courses prescribed  
12          by G.S. ~~93A-4(a) or real estate appraiser prelicensing or precertification~~  
13          ~~courses prescribed by G.S. 93A-73(a), 93A-4(a),~~ provided that a private  
14          business or trade school licensed by the State Board of Community  
15          Colleges under G.S. ~~445D-571-115D-90~~ to conduct courses other than  
16          those real estate courses described herein shall not be considered to be  
17          a private real estate school."

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

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

- 26           (1) Name and address of the applicant and the school;
- 27           (2) Names, biographical data, and qualifications of director, administrators  
28           and instructors;
- 29           (3) Description of school facilities and equipment;
- 30           (4) Description of course(s) to be offered and instructional materials to be  
31           utilized;
- 32           (5) Information on financial resources available to equip and operate the  
33           school;
- 34           (6) Information on school policies and procedures regarding  
35           administration, record keeping, entrance requirements, registration,  
36           tuition and fees, grades, student progress, attendance, and student  
37           conduct;
- 38           (7) Copies of bulletins, catalogues and other official publications;
- 39           (8) Copy of bond required by G.S. 93A-36;
- 40           (9) Such additional information as the Commission may deem necessary  
41           to enable it to determine the adequacy of the instructional program and  
42           the ability of the applicant to operate a school in such a manner as  
43           would best serve the public interest."

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

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

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

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

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

14           Sec. 15. Sections 1 through 5 and Section 8 of this act become effective  
15 October 1, 1993. Sections 6, 7, and 9 through 14 of this act become effective July 1,  
16 1994.