

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1993

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HOUSE BILL 473
Committee Substitute Favorable 6/14/93
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Short Title: North Carolina Appraisal Board.

(Public)

Sponsors:

Referred to:

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 of~~ 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).~~ of two hundred dollars (\$200.00). 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."

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

2 "(c) The Commission may by rule establish a procedure for granting temporary
3 licensure or certification and may charge a fee of fifty dollars (\$50.00) for granting
4 temporary licensure or certification."

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

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

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

24 "(e) In addition to those fees prescribed in this Article for making application for
25 and renewing appraiser licenses and certificates, the Commission may collect from
26 applicants and holders of such licenses and certificates and remit to the appropriate
27 agency or instrumentality of the federal government any additional fees as may be
28 required to render North Carolina State-licensed or State-certified appraisers eligible to
29 perform appraisals in connection with federally related ~~transactions~~ transactions as well
30 as an additional fee of twenty dollars (\$20.00) to cover the administrative costs
31 associated therewith."

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

34 **"CHAPTER 93E.**
35 **"NORTH CAROLINA APPRAISERS ACT.**

36 **"ARTICLE 1.**
37 **"REAL ESTATE APPRAISER.**

38 **"§ 93E-1-1. Title.**

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

41 **"§ 93E-1-2. 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 (c) The term 'State-licensed real estate appraiser', 'State-certified real estate
13 appraiser', or any similar term shall not be used following or immediately in connection
14 with the name of a partnership, association, corporation, or other firm or group or in
15 such manner that it might create the impression of licensure or certification by the State
16 of North Carolina as a real estate appraiser.

17 **"§ 93E-1-3. License or certificate not required.**

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

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

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

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

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

44 **"§ 93E-1-4. Definitions.**

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

- 2 (1) 'Appraisal' or 'real estate appraisal' means an analysis, opinion, or
3 conclusion as to the value of identified real estate or specified interests
4 therein performed for compensation or other valuable consideration.
- 5 (2) 'Appraisal assignment' means an engagement for which an appraiser is
6 employed or retained to act, or would be perceived by third parties or
7 the public as acting, as a disinterested third party in rendering an
8 unbiased appraisal.
- 9 (3) 'Appraisal Board' or 'Board' means the North Carolina Appraisal Board
10 established under G.S. 93E-1-5.
- 11 (4) 'Appraisal Foundation' or 'Foundation' means The Appraisal
12 Foundation established on November 20, 1987, as a not-for-profit
13 corporation under the laws of Illinois.
- 14 (5) 'Appraisal report' means any communication, written or oral, of an
15 appraisal.
- 16 (6) 'Certificate' means that document issued by the North Carolina
17 Appraisal Board evidencing that the person named therein has satisfied
18 the requirements for certification as a State-certified real estate
19 appraiser and bearing a certificate number assigned by the Board.
- 20 (7) 'Certificate holder' means a person certified by the Board under the
21 provisions of this Chapter.
- 22 (8) 'License' means that document issued by the North Carolina Appraisal
23 Board evidencing that the person named therein has satisfied the
24 requirements for licensure as a State-licensed real estate appraiser and
25 bearing a license number assigned by the Board.
- 26 (9) 'Licensee' means a person licensed by the Board under the provisions
27 of this Chapter.
- 28 (10) 'Real estate' or 'real property' means land, including the air above and
29 ground below and all appurtenances and improvements thereto, as well
30 as any interest or right inherent in the ownership of land.
- 31 (11) 'Real estate appraiser' or 'appraiser' means a person who for a fee or
32 valuable consideration develops and communicates real estate
33 appraisals or otherwise gives an opinion of the value of real estate or
34 any interest therein.
- 35 (12) 'Real estate appraising' means the practice of developing and
36 communicating real estate appraisals.
- 37 (13) 'Residential real estate' means any parcel of real estate, improved or
38 unimproved, that is exclusively residential in nature and that includes
39 or is intended to include a residential structure containing not more
40 than four dwelling units and no other improvements except those
41 which are typical residential improvements that support the residential
42 use for the location and property type. A residential unit in a
43 condominium, town house, or cooperative complex, or planned unit
44 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 the North Carolina Appraisal Board for the purposes set forth
16 in this Chapter. The Board shall consist of seven members. The Governor shall appoint
17 five members of the Board, and the General Assembly shall appoint two members in
18 accordance with G.S. 120-121, one upon the recommendation of the President Pro
19 Tempore of the Senate and one upon the recommendation of the Speaker of the House
20 of Representatives. Each member appointed by the Governor shall be appointed from a
21 different congressional district. The appointee recommended by the Speaker of the
22 House of Representatives and the appointees of the Governor shall be persons who have
23 been engaged in the business of real estate appraising in this State for at least five years
24 immediately preceding their appointment and are also State-licensed or State-certified
25 real estate appraisers. The appointee recommended by the President Pro Tempore of the
26 Senate shall be a person not involved directly or indirectly in the real estate, real estate
27 appraisal, or the real estate lending industry. Members of the Board shall serve three-
28 year terms, so staggered that the terms of three members expire in one year, the terms of
29 two members expire in the next year, and the terms of two members expire in the third
30 year of each three-year period. The members of the Board shall elect one of their
31 members to serve as chairman of the Board for a term of one year. The Governor may
32 remove any member of the Board appointed by the Governor for misconduct,
33 incompetency, or neglect of duty. The General Assembly may remove any member
34 appointed by it for the same reasons. Successors shall be appointed by the appointing
35 authority making the original appointment. All vacancies occurring on the Board shall
36 be filled, for the unexpired term, by the appointing authority making the original
37 appointment. Vacancies in appointments made by the General Assembly shall be filled
38 in accordance with G.S. 120-122. Initial terms of office commence July 1, 1994.

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

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

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

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

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

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

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

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

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

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

43 (2) Each applicant for certification as a State-certified residential real
44 estate appraiser shall have demonstrated that he possesses the

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

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

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

38 (b) Each application for State licensure or certification as a real estate appraiser
39 shall be accompanied by a fee of one hundred fifty dollars (\$150.00), plus such
40 additional fee as may be necessary to defray the cost of any competency examination
41 administered by a private testing service.

42 (c) Any person who files with the Board an application for State licensure or
43 certification as a real estate appraiser shall be required to pass an examination to
44 demonstrate his competence. The Board shall also make such investigation as it deems

1 necessary into the background of the applicant to determine his qualifications with due
2 regard to the paramount interest of the public as to his honesty, truthfulness, and
3 integrity. If the results of the investigation shall be satisfactory to the Board and the
4 applicant is otherwise qualified, then the Board shall issue to the applicant a license or
5 certificate authorizing the applicant to act as a State-licensed real estate appraiser or a
6 State-certified real estate appraiser in this State. If, based upon the results of the
7 investigation, the moral character of the applicant is in question, action on the
8 application will be deferred pending a hearing before the Board.

9 **"§ 93E-1-7. License and certificate renewal; renewal fees; continuing education;**
10 **reinstatement; replacement licenses and certificates; licensure and**
11 **certification history.**

12 (a) Licenses and certificates issued under this Chapter shall expire on the 30th
13 day of June of every year and shall become invalid after that date unless renewed prior
14 to the expiration date by filing an application with and paying to the Executive Director
15 of the Board the fee of two hundred dollars (\$200.00). As a prerequisite to the renewal
16 of a real estate appraiser license or certificate, the licensee or certificate holder must
17 satisfy any continuing education requirements which may be prescribed by the Board
18 under G.S. 93E-1-7(b); provided, however, that members of the General Assembly are
19 exempt from this requirement during their term of office. The Board may adopt rules
20 establishing a system of license and certificate renewal in which licenses and certificates
21 expire annually with varying expiration dates.

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

26 (c) All licenses and certificates reinstated after the expiration dates shall be
27 subject to a late filing fee of five dollars (\$5.00) per month for each month or part
28 thereof that such license or certificate is lapsed, not to exceed sixty dollars (\$60.00).
29 Such late filing fee shall be in addition to the required renewal fee. In the event a
30 licensee or certificate holder fails to reinstate his license or certificate within 12 months
31 after the expiration date thereof, the Board may, in its discretion, consider such person
32 as not having been previously licensed or certified, and thereby subject to the provisions
33 of this Chapter relating to the issuance of an original license or certificate, including the
34 examination requirements set forth herein. Applications to reinstate licenses or
35 certificates expired for 12 or more months shall be accompanied by the fee required for
36 an original license or certificate.

37 (d) Replacement licenses and certificates may be issued by the Board upon
38 payment of five dollars (\$5.00) by the licensee or certificate holder. Certification by the
39 Board of the licensure or certification history of a person licensed or certified under this
40 Chapter shall be made only after the payment of a fee of ten dollars (\$10.00) to the
41 Board.

42 **"§ 93E-1-8. Education program approval and fees.**

43 (a) The Board may by rule prescribe minimum standards for the approval and
44 renewal of approval of schools and other course sponsors and their instructors to

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

6 (b) The Board may by rule set nonrefundable fees chargeable to private real
7 estate appraisal schools or course sponsors, including appraisal trade organizations, for
8 the approval and annual renewal of approval of their prelicensing and precertification
9 courses required by G.S. 93E-1-6(a), or equivalent courses. Such fees shall be forty
10 dollars (\$40.00) per course for approval and twenty dollars (\$20.00) per course for
11 renewal of approval of private school courses, and three hundred dollars (\$300.00) per
12 course for approval and fifty dollars (\$50.00) per course for renewal of approval for
13 course sponsors, including appraisal trade organizations. No fees shall be charged for
14 the approval or renewal of approval to conduct appraiser prelicensing or precertification
15 courses where such courses are offered by a North Carolina college, university, junior
16 college, or community or technical college accredited by the Southern Association of
17 Colleges and Schools, or an agency of the federal, State, or local government.

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

24 (d) Nonrefundable fees of one hundred dollars (\$100.00) per course may be
25 charged to schools and course sponsors for the approval to conduct appraiser continuing
26 education courses and fifty dollars (\$50.00) per course for renewal of approval.
27 However, no fees shall be charged for the approval or renewal of approval to conduct
28 appraiser continuing education courses where such courses are offered by a North
29 Carolina college, university, junior college, or community or technical college
30 accredited by the Southern Association of Colleges and Schools, or by an agency of the
31 federal, State, or local government. A nonrefundable fee of fifty dollars (\$50.00) per
32 course may be charged to current or former licensees or certificate holders requesting
33 approval by the Board of a course for continuing education credit when approval of
34 such course has not been previously obtained by the offering school or course sponsor.

35 **"§ 93E-1-9. Nonresident licensure and certification.**

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

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

1 (c) The Board may by rule establish a procedure for granting temporary appraiser
2 licensure or certification and may charge an application fee of fifty dollars (\$50.00) for
3 temporary appraiser licensure or certification.

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

9 **"§ 93E-1-10. Rule-making authority.**

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

- 14 (1) Prescribe forms and procedures for submitting information to the
15 Board;
- 16 (2) Prescribe standards of practice for persons licensed or certified under
17 this Chapter; and
- 18 (3) Prescribe standards for the operation of real estate appraiser education
19 programs.

20 **"§ 93E-1-11. Register of applicants; roster of State-licensed and State-certified**
21 **appraisers; financial report to Secretary of State; administrative**
22 **expenses.**

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

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

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

38 (d) In addition to those fees prescribed in this Chapter for making application for
39 and renewing appraiser licenses and certificates, the Board may collect from applicants
40 and holders of such licenses and certificates and remit to the appropriate agency or
41 instrumentality of the federal government any additional fees as may be required to
42 render North Carolina State-licensed or State-certified appraisers eligible to perform
43 appraisals in connection with federally related transactions as well as an additional fee
44 of twenty dollars (\$20.00) to cover the administrative costs associated therewith.

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

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

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

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

42 The Executive Director of the Board shall transmit a certified copy of all final orders
43 of the Board suspending or revoking licenses or certificates issued under this Chapter to
44 the clerk of superior court of the county in which the licensee or certificate holder

1 maintains his principal place of business. The clerk shall enter these orders upon the
2 judgment docket of the county.

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

6 (1) The licensee or certificate holder has been convicted of or has entered
7 a plea of guilty or no contest upon which final judgment is entered by
8 a court of competent jurisdiction in this State, or any other state, to an
9 offense which, in the discretion of the Board, would reasonably affect
10 the performance of the licensee or certificate holder in the real estate
11 appraisal business;

12 (2) A final civil judgment has been entered against the licensee or
13 certificate holder on grounds of fraud, misrepresentation, or deceit in
14 the making of any appraisal of real estate; or

15 (3) The licensee or certificate holder has violated any of the provisions of
16 G.S. 93E-1-13(a) when appraising his own property.

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

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

30 **"§ 93E-1-13. Penalty for violation of this Chapter.**

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

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

42 **"§ 93E-1-14. Referral of cases by courts.**

43 Whenever any licensee or certificate holder is adjudged by a civil or criminal court
44 to have injured or damaged any person, partnership, association, or corporation through

1 gross negligence, incompetency, fraud, dishonesty, or other civil or criminal
2 misconduct, such court may, as part of its judgment or decree, order a written copy of
3 the transcript of the record in said case to be forwarded by the clerk of court to the
4 Board with a recommendation that the license or certificate of the licensee or certificate
5 holder be revoked or otherwise subject to disciplinary action."

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

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

- 10 (1) The terms of those two appraiser members of the Appraisal Board
11 appointed by the Governor whose terms were to expire June 30, 1994,
12 under Chapter 93A of the General Statutes, and the appointments made
13 pursuant thereto, shall expire on that date. Thereafter, each Board
14 member shall continue to serve until such time as he is reappointed or
15 replaced by the Governor with another appraiser member.
- 16 (2) The term of the public member of the Appraisal Board appointed by
17 the Governor whose term was to expire June 30, 1994, under Chapter
18 93A of the General Statutes, and the appointments made pursuant
19 thereto, shall expire on that date. Thereafter, said Board member shall
20 continue to serve until such time as he is reappointed or replaced by
21 the Governor with an appraiser member.
- 22 (3) The terms of those two appraiser members of the Appraisal Board
23 appointed by the Governor whose terms were to expire June 30, 1995,
24 under Chapter 93A of the General Statutes, and the appointments made
25 pursuant thereto, shall expire on that date. Thereafter, each Board
26 member shall continue to serve until such time as he is reappointed or
27 replaced by the Governor with another appraiser member.
- 28 (4) The term of the appraiser member of the Appraisal Board appointed by
29 the General Assembly upon the recommendation of the Speaker of the
30 House of Representatives whose term was to expire June 30, 1995,
31 under Chapter 93A of the General Statutes, and the appointments made
32 pursuant thereto, shall instead expire June 30, 1996. Thereafter, said
33 Board member shall continue to serve until such time as he is
34 reappointed or replaced by the General Assembly upon the
35 recommendation of the Speaker of the House of Representatives with
36 another appraiser member.
- 37 (5) The term of the Appraisal Board public member appointed by the
38 General Assembly upon the recommendation of the President Pro
39 Tempore of the Senate whose term was to expire June 30, 1996, under
40 Chapter 93A of the General Statutes, and the appointments made
41 pursuant thereto, shall expire on that date. Thereafter, said Board
42 member shall continue to serve until such time as he is reappointed or
43 replaced by the General Assembly upon the recommendation of the
44 President Pro Tempore of the Senate with another public member.

1 (b) The Board may adopt rules not inconsistent with the provisions of Chapter
2 93E of the General Statutes, which may be reasonably necessary to implement,
3 administer, and enforce the provisions of Chapter 93E of the General Statutes, provided
4 the rules adopted do not require the expenditure of Commission funds.

5 (c) The Board may enter into contracts necessary to implement the provisions of
6 Chapter 93E of the General Statutes, including contracts for private testing services,
7 office supplies, real estate leases, and personnel, provided that such contracts do not
8 require the expenditure of Commission funds. Those fees collected pursuant to G.S.
9 93A-73(b) as effective October 1, 1993, to defray the cost of any competency
10 examination administered by a private testing service shall not be considered
11 "Commission funds" within the meaning of this section.

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

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

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

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

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

37 "(2) 'Private real estate school' means any real estate educational entity
38 which is privately owned and operated by an individual, partnership,
39 corporation or association, and which conducts, for a profit or tuition
40 charge, real estate salesman or broker prelicensing courses prescribed
41 by G.S. ~~93A-4(a) or real estate appraiser prelicensing or precertification~~
42 courses prescribed by G.S. 93A-73(a), 93A-4(a), provided that a private
43 business or trade school licensed by the State Board of Community
44 Colleges under G.S. ~~445D-571-115D-90~~ to conduct courses other than

1 those real estate courses described herein shall not be considered to be
2 a private real estate school."

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

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

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

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

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

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

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

41 Sec. 13.2. G.S. 105-41(a) reads as rewritten:

42 "(a) Every individual in this State who practices a profession or engages in a
43 business and is included in the list below must obtain from the Secretary a statewide
44 license for the privilege of practicing the profession or engaging in the business. The tax

1 for each license is fifty dollars (\$50.00); the tax does not apply to an individual who is
2 at least 75 years old.

3 (1) An attorney-at-law.

4 (2) A physician, a veterinarian, a surgeon, an osteopath, a chiropractor, a
5 chiropodist, a dentist, an ophthalmologist, an optician, an optometrist,
6 or another person who practices a professional art of healing.

7 (3) A professional engineer, as defined in G.S. 89C-3.

8 (4) A registered land surveyor, as defined in G.S. 89C-3.

9 (5) An architect.

10 (6) A landscape architect.

11 (7) A photographer, a canvasser for any photographer, or an agent of a
12 photographer in transmitting photographs to be copied, enlarged, or
13 colored.

14 (8) A real estate broker or a real estate salesman, as defined in G.S. 93A-2.
15 A real estate broker or a real estate salesman who is also a real estate
16 appraiser is required to obtain only one license under this section to
17 cover both activities.

18 (9) A real estate appraiser, as defined in ~~G.S. 93A-72~~ G.S. 93E-1-4. A real
19 estate appraiser who is also a real estate broker or a real estate
20 salesman is required to obtain only one license under this section to
21 cover both activities.

22 (10) A person who solicits or negotiates loans on real estate as agent for
23 another for a commission, brokerage, or other compensation."

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

26 Sec. 15. Sections 1 through 5 and Section 8 of this act become effective
27 October 1, 1993. Sections 6, 7, and 9 through 14 of this act become effective July 1,
28 1994.