

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019**

**SENATE BILL 462
RATIFIED BILL**

AN ACT TO REPLACE NORTH CAROLINA EDUCATION REQUIREMENTS TO BECOME A LICENSED OR CERTIFIED APPRAISER WITH THE REQUIREMENTS OF THE APPRAISAL FOUNDATION APPRAISER QUALIFICATIONS BOARD, TO ALLOW THE NORTH CAROLINA APPRAISAL BOARD TO COLLECT NEW FEES, TO MAKE OTHER MODIFICATIONS THAT WOULD ALLOW NORTH CAROLINA APPRAISAL MANAGEMENT COMPANIES TO BE PLACED ON THE APPRAISAL MANAGEMENT COMPANY NATIONAL REGISTRY, AND TO MODIFY CERTAIN JMAC AWARDS.

The General Assembly of North Carolina enacts:

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

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

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

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

- a. ~~Have obtained a high school diploma or its equivalent; and~~
- b. ~~Demonstrate to the Board that the applicant possesses the knowledge and competence necessary to perform appraisals of real property, by:~~
 - (i) ~~having satisfactorily completed within the five year period immediately preceding the date application is made, a course of instruction, approved by the Board, in real estate appraisal principles and practices consisting of at least 90 hours of classroom instruction in subjects determined by the Board; and~~
 - (ii) ~~satisfying any additional qualification the Board imposes by rule, not inconsistent with any requirements imposed by the Appraisal Foundation.~~

(1a) ~~Each applicant for licensure as a licensed real estate appraiser shall:~~

- a. ~~Hold an associate's degree or higher from an accredited college, community college, or university;~~
- b. ~~Demonstrate to the Board that the applicant possesses the knowledge and competence necessary to perform appraisals of real property by having satisfactorily completed a course of instruction consisting of at least 150 hours of classroom instruction in subjects determined by the Board. All instructional courses must be completed on or after January 1, 2008;~~
- e. ~~Present evidence satisfactory to the Board of at least 2,500 hours, or the minimum requirement as imposed by the federal government, whichever is greater, of experience in real estate appraising within the~~



- eight year period immediately preceding the date the application is made and over a period of at least two calendar years; and
- d. ~~Satisfy the additional qualifications criteria as may be imposed by the Board by rule, not inconsistent with any requirements imposed by the federal government, or shall possess education and experience which is found by the Board in its discretion to be equivalent to the above requirements.~~
- (2) ~~Each applicant for certification as a certified residential real estate appraiser shall:~~
- a. ~~Hold a bachelor's degree from an accredited college or university;~~
 - b. ~~Demonstrate that the applicant possesses the knowledge and competence necessary to perform appraisals of real property as the Board may prescribe by having satisfactorily completed a course of instruction, approved by the Board, in real estate appraisal principles and practices consisting of at least 200 hours. All instructional courses shall have been completed on or after January 1, 2008;~~
 - e. ~~Present evidence satisfactory to the Board of at least 2,500 hours or the minimum requirement as imposed by the Appraisal Foundation, whichever is greater, of experience in real estate appraising within the eight year period immediately preceding the date application is made, and over a period of at least two calendar years; and~~
 - d. ~~Satisfy the additional qualifications criteria as may be imposed by the Board by rule, not inconsistent with any requirements imposed by the Appraisal Foundation; or~~
 - e. ~~Possess education and experience which is found by the Board in its discretion to be equivalent to the above requirements.~~
- (3) ~~Each applicant for certification as a certified general real estate appraiser shall:~~
- a. ~~Hold a bachelor's degree or higher from an accredited college or university;~~
 - b. ~~Demonstrate that the applicant possesses the knowledge and competence necessary to perform appraisals of all types of real property by having satisfactorily completed a course of instruction, approved by the Board, in general real estate appraisal practices consisting of at least 300 hours. All instructional courses shall have been completed on or after January 1, 2008;~~
 - e. ~~Present evidence satisfactory to the Board of at least 3,000 hours or the minimum requirement as imposed by the Appraisal Foundation, whichever is greater, of experience in real estate appraising within the eight year period immediately preceding the date application is made, and over a period of at least two and one half calendar years, fifty percent (50%) of which must be in appraising nonresidential real estate; and~~
 - d. ~~Satisfy the additional qualifications criteria as may be imposed by the Board by rule, not inconsistent with any requirements imposed by the Appraisal Foundation; or~~
 - e. ~~Possess education or experience which is found by the Board in its discretion to be equivalent to the above requirements.~~
- (4) ~~Repealed by Session Laws 2001-399, s. 1.~~
- (5) Obtain a high school diploma or its equivalent.

- (6) Successfully complete education, experience, and examination as required by The Appraisal Foundation's Appraiser Qualifications Board for each level of registration, licensure, or certification.
- (7) Satisfy any additional education or experience requirements that the Board may impose by rule.

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

~~(c) Any person who files with the Board an application for licensure or certification as a real estate appraiser shall be required to pass an examination to demonstrate the person's competence.~~

...

(c2) In addition, the Board may investigate and consider whether the applicant has had any disciplinary action taken against any other professional license in North Carolina or any other state, or if the applicant has committed or done any act which, if committed or done by any real estate trainee or appraiser, would be grounds under the provisions hereinafter set forth for disciplinary action including the suspension or revocation of registration, licensure, or certification, or whether the applicant has been convicted of or pleaded guilty to any criminal act. If the results of the investigation shall be satisfactory to the Board, and the applicant is otherwise qualified, then the Board shall issue to the applicant a ~~trainee registration~~ registration, license, or certificate authorizing the applicant to act as a registered trainee real estate appraiser or licensed or certified real estate appraiser in this State.

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

SECTION 2. G.S. 93E-1-9 reads as rewritten:

"§ 93E-1-9. Nonresident ~~registration, licensure,~~ licensure and certification.

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

(b) The Board, in its discretion, may undertake to ~~register, license, license~~ register, license, license or certify on a reciprocal basis, persons ~~registered, licensed, licensed~~ registered, licensed, licensed or certified in ~~other states who are deemed by the Board to possess qualifications equivalent to resident North Carolina trainees or State-licensed or State-certified real estate appraisers.~~ another state if the appraiser licensing and certification program of the other state is in compliance with 12 U.S.C. § 3331, et seq.

(c) The Board may by rule establish a procedure for granting temporary ~~trainee registration,~~ appraiser licensure or certification and may charge an application fee of one hundred fifty dollars (\$150.00) for temporary ~~trainee registration,~~ appraiser ~~licensure,~~ licensure or certification.

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

SECTION 3. G.S. 93E-2-6 is amended by adding two new subsections to read:

"(d) In addition to those fees prescribed for renewal, the Board shall collect from registrants any additional fees as may be required pursuant to 12 U.S.C. § 3338 to render North Carolina registered appraisal management companies and federally regulated appraisal management companies eligible to perform services in connection with federally related transactions and shall remit those fees to the Appraisal Management Company National Registry ("AMC National Registry") of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

(e) The Board may also collect a fee from an appraisal management company that is a subsidiary wholly owned and controlled by a financial institution in order to be eligible to be placed on the AMC National Registry."

SECTION 4. G.S. 93E-2-7 is amended by adding two new subsections to read:

"(c) An appraisal management company shall not require or attempt to require an appraiser to prepare an appraisal if the appraiser may have a direct or indirect interest, financial or otherwise, in the property or transaction involving the appraisal.

(d) No appraisal management company procuring or facilitating an appraisal in connection with a consumer credit transaction secured by the principal dwelling of a consumer may have a direct or indirect interest, financial or otherwise, in the property or transaction involving the appraisal."

SECTION 5. G.S. 93E-2-2(a)(1) reads as rewritten:

"§ 93E-2-2. Definitions.

(a) The following definitions apply in this Article:

(1) Appraisal management company. – A corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity that utilizes an appraisal panel or fee panel and performs, directly or indirectly, appraisal management services.

~~An appraisal management company does not include any of the following:~~The following entities are exempt from registration with the Board:

- a. Any agency of the federal government or any State or municipal government.
- b. An appraiser who enters into an agreement, whether written or otherwise, with another appraiser for the performance of an appraisal, and upon completion of the appraisal, the appraisal report is signed both by the appraiser who completed the appraisal and the appraiser who requested the completion of the appraisal, except that an appraisal management company may not avoid the requirements of this Article by requiring that an employee of the appraisal management company who is an appraiser sign an appraisal report that is completed by an appraiser who is a member of the appraisal panel of the appraisal management company.
- c. Any state or federally chartered bank, farm credit system, savings institution, or credit union.
- d. Any licensed real estate broker performing only activities in accordance with Article 1 of this Chapter.
- e. Any officer or employee of an exempt entity described in this subdivision when acting in the scope of employment for the exempt entity.
- f. Any person licensed to practice law in this State, a court-appointed personal representative or trustee who orders an appraisal in connection with a bona fide client relationship in which the person directly contracts with an independent appraiser.

- g. An appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institution regulatory agency, pursuant to 12 U.S.C. § 3353."

SECTION 6. G.S. 143B-437.012, as amended by S.L. 2019-14, reads as rewritten:

"§ 143B-437.012. Job Maintenance and Capital Development Fund.

...
(d) Eligibility. – A business is eligible for consideration for a grant under this section if it satisfies the conditions of subdivision (1), (1a), (2), or (2a) of this subsection and satisfies subdivision (4) of this subsection:

- ...
- (2a) The business is a heritage manufacturing employer. A business is a heritage manufacturing employer if the business meets the following requirements:
 - a. The business is in manufacturing, as defined in G.S. 143B-437.01, and has been operating in this State for over 100 years.
 - b. The Department certifies that the business has invested or intends to invest at least three hundred twenty-five million dollars (\$325,000,000) of private funds in improvements to real property and additions to tangible personal property in the project within a four-year period beginning with the time the investment commences.
 - c. The business employs at least 1,050 full-time employees or equivalent full-time contract employees in the State at the time the application is made and the business agrees to (i) maintain at least 1,050 full-time employees or equivalent full-time contract employees in the State for the full term of the grant and (ii) retrain and relocate to a development tier two area at least 400 of those full-time employees or equivalent full-time contract employees upon the commencement of commercial production at its tier two area facility.
 - d. The business is operating in a development tier three area at the time the business applies for a grant and the business is relocating to a development tier two area with an estimated population of less than 63,000, according to the 2017 Certified County Population Estimates published by the State Demographer's Office.
 - e. An agreement with a business under this subdivision may provide that the grant paid out over the term of the agreement be in unequal annual payments and in amounts deviating from the factors listed in subsection (l) of this section for any individual annual payment, provided the factors are considered in the aggregate award to be paid to the business over the entire term of the agreement.

...."

SECTION 7. Sections 1, 2, and 3 of this act become effective October 1, 2019, and apply to registrations, licensures, and certifications issued after that date. Section 6 of this act is effective when it becomes law and applies to agreements entered on or after that date. The remainder of this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 11th day of July, 2019.

s/ Carl Ford
Presiding Officer of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2019