

**NORTH CAROLINA GENERAL ASSEMBLY  
LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 1066 (Second Edition)

**SHORT TITLE:** Amend Appraisers Act

**SPONSOR(S):**

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2001-02</u></b>	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>
<b>REVENUES</b>					
Special Fund	\$21,000	\$28,000	\$28,000	\$28,000	\$28,000
<b>EXPENDITURES</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> NC Appraisal Board					
<b>EFFECTIVE DATE:</b> This act becomes effective October 1, 2001, except for amendments made to G.S. 93E-1-5 by Section 1 of this act. These amendments are effective with respect to appointments for terms beginning July 1, 2001, and after.					

**BILL SUMMARY:** This legislation amends G.S. 93E, Article 1 by clarifying definitions, composition, exemptions, duties, and authorities of the NC Appraisal Board (hereinafter called the Board). The legislation allows the Board to increase the educational requirements for certification to conform to those suggested by the Appraisal Qualifications Board, a federal oversight entity. Additionally, the legislation authorizes the Board to increase the temporary practice fee for out-of-state appraisers from \$50 to \$150 to conform to those suggested by Policy Statement #5 of the Appraisal Subcommittee, another federal oversight entity.

**ASSUMPTIONS AND METHODOLOGY:** The fiscal impact of the legislation results from increased fees collected from temporary practice permits for out of state appraisers. Estimates of the anticipated number of collections are provided by the NC Appraisal Board. The difference between current collections and estimated collections from the proposed fees results in the net increase in revenue. This net annual increase is **\$28,000**. Due to the October 1, 2001 effective date, the fees from July 1, 2001 to September 30, 2001 would be imposed using the \$50 rate. Fees from the October 1, 2001 to June 30, 2002 would be imposed at the \$150 rate. Therefore, the prorated FY 2001-02 estimate for the potential increase is **\$21,000**. Current collections, and estimated collections using the proposed \$150 fee are outlined in the following chart:

	Current Fee	Current Collections	FY 2001-02		FY 2002-03	
			New Fee	Permits	New Fee	Permits
	\$50	\$14,000	\$150	210	\$150	280
Collections Under New Fee				\$31,500		\$42,000
				(prorated for		
				Oct 1, 2001 -		
				Jun 30, 2002)		
Plus Estimated Collections				\$3,500		
July 1, 2001 -						
Sept 30, 2001						
Minus Current Collections				(\$14,000)		(\$14,000)
<b>Net Est. Increase</b>				<b>\$21,000</b>		<b>\$28,000</b>

The legislation also increases the 2,000 appraisal hour requirement to 2,500 hours for State residential appraisal certification. It increases the requirement from 2,000 to 3,000 hours for general appraisal certification. Due to the increased requirements for residential and general certification, there could be a potential decrease in number of applicants for certification. Therefore, the legislation has the potential impact of decreasing revenues from in-state certification fees. However, because the increased requirements simply conform to federally suggested certification guidelines, representatives from the Board do not anticipate any such decreases.

**FISCAL RESEARCH DIVISION 733-4910**  
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**DATE:** July 5, 2001



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