

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 462

Short Title: Modifications to NC Appraisal Board. (Public)

Sponsors: Senators Burgin, McInnis, and Wells (Primary Sponsors).

Referred to: Rules and Operations of the Senate

April 2, 2019

A BILL TO BE ENTITLED

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 AND TO
ALLOW THE NORTH CAROLINA APPRAISAL BOARD TO COLLECT NEW FEES
AND TO MAKE OTHER MODIFICATIONS THAT WOULD ALLOW NORTH
CAROLINA APPRAISAL MANAGEMENT COMPANIES TO BE PLACED ON THE
APPRAISAL MANAGEMENT COMPANY NATIONAL REGISTRY.

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~~



- 1 Board. All instructional courses must be completed on or after January
2 1, 2008;
- 3 e. ~~Present evidence satisfactory to the Board of at least 2,500 hours, or~~
4 ~~the minimum requirement as imposed by the federal government,~~
5 ~~whichever is greater, of experience in real estate appraising within the~~
6 ~~eight year period immediately preceding the date the application is~~
7 ~~made and over a period of at least two calendar years; and~~
- 8 d. ~~Satisfy the additional qualifications criteria as may be imposed by the~~
9 ~~Board by rule, not inconsistent with any requirements imposed by the~~
10 ~~federal government, or shall possess education and experience which~~
11 ~~is found by the Board in its discretion to be equivalent to the above~~
12 ~~requirements.~~
- 13 (2) ~~Each applicant for certification as a certified residential real estate appraiser~~
14 ~~shall:~~
- 15 a. ~~Hold a bachelor's degree from an accredited college or university;~~
16 b. ~~Demonstrate that the applicant possesses the knowledge and~~
17 ~~competence necessary to perform appraisals of real property as the~~
18 ~~Board may prescribe by having satisfactorily completed a course of~~
19 ~~instruction, approved by the Board, in real estate appraisal principles~~
20 ~~and practices consisting of at least 200 hours. All instructional courses~~
21 ~~shall have been completed on or after January 1, 2008;~~
- 22 e. ~~Present evidence satisfactory to the Board of at least 2,500 hours or~~
23 ~~the minimum requirement as imposed by the Appraisal Foundation,~~
24 ~~whichever is greater, of experience in real estate appraising within the~~
25 ~~eight year period immediately preceding the date application is made,~~
26 ~~and over a period of at least two calendar years; and~~
- 27 d. ~~Satisfy the additional qualifications criteria as may be imposed by the~~
28 ~~Board by rule, not inconsistent with any requirements imposed by the~~
29 ~~Appraisal Foundation; or~~
- 30 e. ~~Possess education and experience which is found by the Board in its~~
31 ~~discretion to be equivalent to the above requirements.~~
- 32 (3) ~~Each applicant for certification as a certified general real estate appraiser shall:~~
- 33 a. ~~Hold a bachelor's degree or higher from an accredited college or~~
34 ~~university;~~
- 35 b. ~~Demonstrate that the applicant possesses the knowledge and~~
36 ~~competence necessary to perform appraisals of all types of real~~
37 ~~property by having satisfactorily completed a course of instruction,~~
38 ~~approved by the Board, in general real estate appraisal practices~~
39 ~~consisting of at least 300 hours. All instructional courses shall have~~
40 ~~been completed on or after January 1, 2008;~~
- 41 e. ~~Present evidence satisfactory to the Board of at least 3,000 hours or~~
42 ~~the minimum requirement as imposed by the Appraisal Foundation,~~
43 ~~whichever is greater, of experience in real estate appraising within the~~
44 ~~eight year period immediately preceding the date application is made,~~
45 ~~and over a period of at least two and one half calendar years, fifty~~
46 ~~percent (50%) of which must be in appraising nonresidential real~~
47 ~~estate; and~~
- 48 d. ~~Satisfy the additional qualifications criteria as may be imposed by the~~
49 ~~Board by rule, not inconsistent with any requirements imposed by the~~
50 ~~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) Successfully complete education, experience, and examination as required by The Appraisal Foundation Appraiser Qualifications Board for each level of registration, licensure, or certification.

(6) 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.

~~(e) 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.~~

...

(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, 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~~ or certify on a reciprocal basis, persons ~~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 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.

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

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

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

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

12 **SECTION 5.** Section 1, Section 2, and Section 3 of this act become effective October
13 1, 2019, and apply to registrations, licensures, and certifications issued after that date. The
14 remainder of this act is effective when it becomes law.