2011-2012 General Assembly

Bill Draft 2011-TMz-10A: Appraisal Mgmt Co Reported to Dept of Revenue.

Committee:		**Date:**	May 2, 2012
Introduced by:		**Prepared by:**	Greg Roney
Analysis of:	2011-TMz-10A		Committee Counsel

SUMMARY: The Bill Draft would require the NC Appraisal Board to report annually to the NC Department of Revenue the following information about registered appraisal management companies: name, address, process agent if any, type of entity, employer identification number or social security number, and NC Secretary of State identification number if any.

CURRENT LAW: S.L. 2010-141 added a new Article 2 in Chapter 93E to regulate real estate appraisal management companies. G.S. 93E-2-1 requires appraisal management companies meet certain requirements and register with the Appraisal Board beginning January 1, 2011.

S.L. 2010-141 defines an appraisal management company as an entity that uses a network of licensed appraisers who are independent contractors to perform appraisals. Additionally, the appraisal management company must administer the network of appraisers including recruiting appraisers, negotiating fees and contracts with the appraisers, and conducting quality control of the appraisals.

All of the information the Bill Draft would require the Appraisal Board to report is already disclosed when an appraisal management company registers.

Under G.S. 93E-2-9(b), the public records of the Appraisal Board include the roster showing the names, places of business, and listing of officers and directors of all registered appraisal management companies.

BILL ANALYSIS: The Bill Draft would require the Appraisal Board to report annually to the Department of Revenue information collected from appraisal management companies during the registration process. Specifically, the Bill Draft would require the following information be reported annually to the Department of Revenue: name, address, process agent if any, type of entity, employer identification number or social security number, and NC Secretary of State identification number if any.

BACKGROUND: Federal regulations adopted in response to the housing crisis led to the growth of appraisal management companies. The Appraisal Board has approximately 140 registered appraisal management companies. Only 6 of the 140 are NC companies. The out-of-state companies owe State income tax on the appraisal work conducted within the State.

The purpose of the Bill Draft is to insure out-of-state appraisal management companies are paying NC taxes. The Department of Revenue could use the information from the Appraisal Board to check the filing status of registered appraisal management companies.

EFFECTIVE DATE: The Bill Draft would be effective December 1, 2012.

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