

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2001**

**SENATE BILL 1066
RATIFIED BILL**

AN ACT TO AMEND THE LAWS REGULATING REAL ESTATE APPRAISERS.

The General Assembly of North Carolina enacts:

SECTION 1. Article 1 of Chapter 93E of the General Statutes is amended as follows:

"Chapter 93E.
"North Carolina Appraisers Act.
"Article 1.
"Real Estate Appraiser.

"§ 93E-1-1. Title.

This Chapter shall be known and may be cited as the "North Carolina Appraisers Act".

"§ 93E-1-2: Repealed by Session Laws 1995, c. 482, s. 12.

"§ 93E-1-2.1. Registration, license license, or certificate required of real estate appraisers.

Beginning October 1, 1995, it shall be unlawful for any person in this State to act as a real estate appraiser, to directly or indirectly engage or assume to engage in the business of real estate appraisal, or to advertise or hold himself or herself out as engaging in or conducting the business of real estate appraisal without first obtaining a registration, license license, or certificate issued by the Appraisal Board under the provisions of this Chapter. It shall also be unlawful, with regard to any real property where any portion of that property is located within this State, for any person to perform any of the acts listed above without first being registered, licensed, or certified by the Appraisal Board under the provisions of this Chapter.

"§ 93E-1-3. When registration, license license, or certificate not required.

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

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

(c) Nothing in this Chapter shall preclude a real estate broker or salesman licensed under Chapter 93A of the General Statutes from performing a comparative market ~~analysis, analysis as defined in G.S. 93E-1-4,~~ provided the person does not represent himself or herself as being a registered trainee or a State-licensed or State-certified as a real estate appraiser. A real estate broker or salesperson may perform

a comparative market analysis for compensation or other valuable consideration only for prospective or actual brokerage clients or for real property involved in an employee relocation program.

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

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

(f) A trainee registration, license license, or certificate is not required under this Chapter for:

- (1) Any person, partnership, association, or corporation that performs appraisals of property owned by that person, partnership, association, or corporation for the sole use of that person, partnership, association, or corporation;
- (2) Any court-appointed commissioner who conducts an appraisal pursuant to a judicially ordered evaluation of property;
- (3) Any person to qualify as an expert witness for court or administrative agency testimony, if otherwise qualified;
- (4) A person who appraises standing timber so long as the appraisal does not include a determination of value of any land;
- (5) Any person employed by a lender in the performance of appraisals with respect to which federal regulations do not require a licensed or certified appraiser; and
- (6) A person who performs ad valorem tax appraisals and is certified by the Department of Revenue under G.S. 105-294 or G.S. 105-296;

however, any person who is registered, licensed, or certified under this Chapter and who performs any of the activities set forth in subdivisions (1) through (5) of this subsection must comply with all of the provisions of this Chapter.

"§ 93E-1-3.1. Prohibited use of title; permissible use of title.

(a) It shall be unlawful for any person to assume or use the title "registered trainee", "State-licensed real estate appraiser", "State-certified real estate appraiser", or any ~~title designation~~ title, designation, or abbreviation likely to create the impression of registration, licensure licensure, or certification as a real estate appraiser, unless the person is registered, licensed licensed, or certified by the Appraisal Board in accordance with the provisions of this Chapter. The Board may adopt for the exclusive use of persons licensed or certified under the provisions of this Chapter, a seal, symbol, or other mark identifying the user as a State-licensed or State-certified real estate appraiser.

(b) Any person certified as a real estate appraiser by an appraisal trade organization shall retain the right to use the term "certified" or any similar term in identifying the person to the public, provided that:

- (1) In each instance wherein the term is used, the name of the certifying organization or body is prominently and conspicuously displayed immediately adjacent to the term; and
- (2) The use of the term does not create the impression of certification by the State. This subsection does not entitle any person certified only by a trade organization to conduct an appraisal that requires a State registration, license license, or certification.

(c) The term "registered trainee", "State-licensed real estate appraiser", "State-certified real estate appraiser", or any similar term shall not be used following or immediately in connection with the name of a partnership, association, corporation, or

other firm or group, or in a manner that might create the impression of registration, licensure licensure, or certification as a real estate appraiser under this Chapter.

"§ 93E-1-4. Definitions.

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

- (1) "Appraisal" or "real estate appraisal" means an analysis, opinion, or conclusion as to the value of identified real estate or specified interests therein performed for compensation or other valuable consideration.
- (2) "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased appraisal.
- (3) "Appraisal Board" or "Board" means the North Carolina Appraisal Board established under G.S. 93E-1-5.
- (4) "Appraisal Foundation" or "Foundation" means The Appraisal Foundation established on November 20, 1987, as a not-for-profit corporation under the laws of Illinois.
- (5) "Appraisal report" means any communication, written or oral, of an appraisal.
- (6) "Certificate" means that document issued by the North Carolina Appraisal Board evidencing that the person named therein has satisfied the requirements for certification as a State-certified real estate appraiser and bearing a certificate number assigned by the Board.
- (7) "Certificate holder" means a person certified by the Board under the provisions of this Chapter.
- (7a) "Comparative market analysis" means the analysis of sales of similar recently sold properties in order to derive an indication of the probable sales price of a particular property by a licensed real estate broker or salesperson for the broker's or salesperson's principal. ~~salesperson.~~
- (8) "License" means that document issued by the North Carolina Appraisal Board evidencing that the person named therein has satisfied the requirements for licensure as a State-licensed real estate appraiser and bearing a license number assigned by the Board.
- (9) "Licensee" means a person licensed by the Board under the provisions of this Chapter.
- (10) "Real estate" or "real property" means land, including the air above and ground below and all appurtenances and improvements thereto, as well as any interest or right inherent in the ownership of land.
- (11) "Real estate appraiser" or "appraiser" means a person who for a fee or valuable consideration develops and communicates real estate appraisals or otherwise gives an opinion of the value of real estate or any interest therein.
- (12) "Real estate appraising" means the practice of developing and communicating real estate appraisals.
- (13) "Residential real estate" means any parcel of real estate, improved or unimproved, that is exclusively residential in nature and that includes or is intended to include a residential structure containing not more than four dwelling units and no other improvements except those which are typical residential improvements that support the residential use for the location and property type. A residential unit in a condominium, town house, or cooperative complex, or planned unit development is considered to be residential real estate.
- (14) "State-certified general real estate appraiser" means a person who holds a current, valid certificate as a State-certified general real estate appraiser issued under the provisions of this Chapter.

- (15) "State-certified residential real estate appraiser" means a person who holds a current, valid certificate as a State-certified residential real estate appraiser issued under the provisions of this Chapter.
- (16) "State-licensed residential real estate appraiser" means a person who holds a current, valid license as a State-licensed residential real estate appraiser issued under the provisions of this Chapter.
- (17) "Temporary appraiser licensure or certification" means the issuance of a temporary license or certificate by the Board to a person licensed or certified in another state who enters this State for the purpose of completing a particular appraisal assignment.
- (18) "Trainee", "registered trainee", or "trainee real estate appraiser" means a person who ~~has satisfied the requirements to be registered as a trainee pursuant to G.S. 93E 1-6, but who has not satisfied the experience and other requirements set forth in G.S. 93E 1-6 to be licensed as a~~ holds a current, valid registration as a trainee real estate appraiser. appraiser issued under the provisions of this Chapter.
- (19) "Trainee registration" or "registration as a trainee" means the document issued by the North Carolina Appraisal Board evidencing that the person named therein has satisfied the requirements of registration as a trainee real estate appraiser and bearing a registration number assigned by the Board.

"§ 93E-1-5. Appraisal Board.

(a) There is created the North Carolina Appraisal Board for the purposes set forth in this Chapter. The Board shall consist of seven members. The Governor shall appoint five members of the Board, and the General Assembly shall appoint two members in accordance with G.S. 120-121, one upon the recommendation of the President Pro Tempore of the Senate and one upon the recommendation of the Speaker of the House of Representatives. ~~Each member~~ Members appointed by the Governor shall be appointed from ~~a different congressional district.~~ geographically diverse areas of the State. The appointee recommended by the Speaker of the House of Representatives and the appointees of the Governor shall be persons who have been engaged in the business of real estate appraising in this State for at least five years immediately preceding their appointment and are also State-licensed or State-certified real estate appraisers. No more than ~~four~~ three of the appointees may be members of the same appraiser trade ~~organization, group, or committee organization~~ at any one time. The appointee recommended by the President Pro Tempore of the Senate shall be a person not involved directly or indirectly in the real estate, real estate appraisal, or the real estate lending industry. Members of the Board shall serve three-year terms, so staggered that the terms of three members expire in one year, the terms of two members expire in the next year, and the terms of two members expire in the third year of each three-year period. The members of the Board shall elect one of their members to serve as chairman of the Board for a term of one year. The Governor may remove any member of the Board appointed by the Governor for misconduct, incompetency, or neglect of duty. The General Assembly may remove any member appointed by it for the same reasons. Successors shall be appointed by the appointing authority making the original appointment. All vacancies occurring on the Board shall be filled, for the unexpired term, by the appointing authority making the original appointment. Vacancies in appointments made by the General Assembly shall be filled in accordance with G.S. 120-122. Initial terms of office ~~commence~~ commenced July 1, 1994.

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

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

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

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

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

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

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

(h) The Board shall have the power to acquire, hold, rent, encumber, alienate, and otherwise deal with real property in the same manner as a private person or corporation, subject only to the approval of the Governor and the Council of State. Collateral pledged by the Board for an encumbrance is limited to the assets, income, and revenues of the Board.

(i) The Board may purchase, rent, or lease equipment and supplies and purchase liability insurance or other insurance to cover the activities of the Board, its operations, or its employees.

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

(a) Any person desiring to be registered as a trainee or to obtain licensure as a State-licensed real estate appraiser or certification as a State-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 licensure, or certification. Each applicant shall satisfy the following qualification requirements:

(1) ~~Each applicant for licensure as a State-licensed residential real estate appraiser shall have demonstrated registration as a trainee must demonstrate to the Board that the applicant possesses the knowledge and competence necessary to perform appraisals of residential and other real estate as the Board may prescribe of real property, by having satisfactorily completed within the five-year period immediately preceding the date application is made, a Board-approved course approved by the Board of instruction in real estate appraisal principles and practices consisting of at least 90 hours or the minimum requirement as imposed by the federal government, whichever is greater, of classroom instruction in subjects determined by the Board; and by satisfying any additional qualification the Board imposes by rule, not inconsistent with any requirements imposed by the federal government.~~

(1a) Each applicant for licensure as a State-licensed residential real estate appraiser shall have demonstrated that the applicant possesses the knowledge and competence necessary to perform appraisals of real property by having satisfactorily completed within the five-year period immediately preceding the date application is made a course approved by the Board of instruction in real estate appraisal principles and

practices consisting of at least 90 hours or the minimum requirement as imposed by the federal government, whichever is greater, of classroom instruction in subjects determined by the Board; shall present evidence satisfactory to the Board of at least 2,000 hours or the minimum requirement as imposed by the federal government, whichever is greater, of experience in real estate appraising; and shall satisfy the additional qualifications as may be imposed by the Board by rule, not inconsistent with any requirements imposed by the federal government; or shall possess education or experience which is found by the Board in its discretion to be equivalent to the above requirements.

- (2) Each applicant for certification as a State-certified residential real estate appraiser shall have demonstrated that the applicant possesses the knowledge and competence necessary to perform appraisals of ~~residential and other real estate~~ real property as the Board may prescribe by having satisfactorily completed, within the five-year period immediately preceding the date the application is made, a ~~Board approved~~ course approved by the Board of instruction in real estate appraisal principles and practices consisting of at least 120 ~~hours~~ hours, or the minimum requirement as imposed by the federal government, whichever is greater, of classroom instruction in subjects determined by the Board; shall present evidence satisfactory to the Board of at least ~~2,000~~ 2,500 hours or the minimum requirement as imposed by the federal government, whichever is greater, of experience in real estate appraising within the five-year period immediately preceding the date application is made, and over a period of at least two calendar years; and shall 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.
- (3) Each applicant for certification as a State-certified general real estate appraiser shall have demonstrated that the applicant possesses the knowledge and competence necessary to perform appraisals of all types of ~~real estate~~ property by having satisfactorily completed, within the five-year period immediately preceding the date application is made, a ~~Board approved~~ course approved by the Board of instruction in general real estate appraisal practices consisting of at least 180 hours or the minimum requirement as imposed by the federal government, whichever is greater, of classroom instruction in subjects determined by the Board; shall present evidence satisfactory to the Board of at least ~~2,000~~ 3,000 hours or the minimum requirement as imposed by the federal government, whichever is greater, of experience in real estate appraising within the five-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 shall 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 the applicant shall possess education or experience which is found by the Board in its discretion to be equivalent to the above requirements.
- (4) ~~Each applicant for registration as a trainee must demonstrate to the Board that the applicant possesses the knowledge and competence~~

~~necessary to perform an appraisal of residential and other real estate, as prescribed by the Board, by:~~

- ~~a. Having satisfactorily completed within the five year period immediately preceding the date application is made, a course, approved by the Board, of instruction in real estate appraisal principles and practices consisting of at least 90 hours of classroom instruction in subjects determined by the Board; and~~
- ~~b. Satisfying any additional qualifications the Board imposes by rule, not inconsistent with any requirements imposed by the federal government;~~

~~or shall possess education or experience that the Board, in its discretion, determines to be equivalent to the requirements set forth in sub-subdivisions a. and b. of this subdivision. Provided, however, that any persons who, on the effective date of this Chapter, have a State license or certificate to engage in business as a real estate appraiser issued by the predecessor of the Board, shall be entitled to and shall receive the same license or certificate from the Board as they are then holding without further education, experience, examination, or application fee.~~

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

(c) Any person who files with the Board an application for State ~~registration, licensure~~ licensure, or certification as a real estate appraiser shall be required to pass an examination to demonstrate the person's competence. The Board shall also make an investigation as it deems necessary into the background of the applicant to determine the applicant's qualifications with due regard to the paramount interest of the public as to the applicant's competency, honesty, truthfulness, and integrity. 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~~ Board, and the applicant is otherwise qualified, then the Board shall issue to the applicant a trainee registration, license or certificate authorizing the applicant to act as a registered trainee real estate appraiser, State-licensed real estate appraiser, or a State-certified real estate appraiser in this State.

~~(d) If, based upon the results of the investigation, the moral character of the applicant is in question, If the applicant has not affirmatively demonstrated that the applicant meets the requirements for registration, licensure, or certification, action on the application will be deferred pending a hearing before the Board.~~

~~(d) Any person who files with the Board an application for registration as a trainee real estate appraiser shall be required to pass an examination to demonstrate the person's competence. The Board shall also make an investigation as it deems necessary into the background of the applicant to determine the applicant's qualifications with due regard to the paramount interest of the public as to the applicant's honesty, truthfulness, and integrity. 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 registration authorizing the applicant to act as a registered trainee real estate appraiser in this State. If, based upon the results of the investigation, the moral character of the applicant is in question, action on the application will be deferred pending a hearing before the Board.~~

"§ 93E-1-6.1. Trainee supervision.

All trainees shall perform all real estate appraisal-related activities under the immediate, active, and personal supervision of a State-licensed or State-certified real estate appraiser. All appraisal reports must be signed by the State-licensed or State-certified appraiser who supervised the trainee. By signing the appraisal report, the State-licensed or State-certified appraiser accepts shared responsibility, with the trainee, for the content of and conclusions in the report.

"§ 93E-1-7. Registration, license and certificate renewal; renewal fees; continuing education; reinstatement; replacement registrations, licenses and certificates; registration, licensure licensure, and certification history-history; address changes.

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

"§ 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, 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 ~~may become State licensed or certified 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 residents applying for certification or licensure~~ trainee registration, licensure, and 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.

(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 ~~fifty dollars (\$50.00)~~ one hundred fifty dollars (\$150.00) for temporary trainee registration, appraiser licensure licensure, or certification.

(d) Every applicant for trainee registration, State licensure 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.

"§ 93E-1-10. Rule-making authority.

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

- (1) Prescribe forms and procedures for submitting information to the Board;
- (2) Prescribe standards of practice for persons registered as a trainee, licensed or certified under this Chapter; and
- (3) Prescribe standards for the operation of real estate appraiser education programs.

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

(a) The Executive Director of the Board shall keep a register of all applicants for State trainee registration or for State licensure or certification as real estate appraisers, showing for each the date of application, name, business or residence address, and

whether the registration, license or certificate was granted or refused. The register shall be prima facie evidence of all matters received therein.

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

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

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

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

(a) The Board may take disciplinary action against registered trainees and State-licensed or State-certified real estate appraisers. Upon its own motion or the complaint of any person, the Board may investigate the actions of any person registered as a trainee or licensed or certified as a real estate appraiser under this Chapter, any person who performs appraisals without an appropriate registration, license, or certificate, or any person who holds himself or herself out to be registered as a trainee or licensed or certified as a real estate appraiser when the person holds no registration, license, or certificate. If the Board finds probable cause to believe that a person registered as a trainee or licensed or certified as a real estate appraiser under this Chapter has violated any of the provisions of this Chapter, the Board may hold a hearing on the allegations of misconduct.

The Board may suspend or revoke the registration, license, or certificate granted to any person under the provisions of this Chapter or reprimand any registered trainee, licensee, or certificate holder if, following a ~~hearing~~, hearing or by consent, the Board finds the registered trainee, licensee, or certificate holder to have:

- (1) Procured registration, licensure, or certification pursuant to this Chapter by making a false or fraudulent representation;
- (2) Made any willful or negligent misrepresentation or any willful or negligent omission of material fact;
- (3) Accepted an appraisal assignment when the employment is contingent upon the appraiser reporting a predetermined result, analysis, or opinion, or when the fee to be paid for the performance of the appraisal assignment is contingent upon the opinion, conclusion, or valuation reached or upon consequences resulting from the appraisal assignment;
- (4) Acted or held himself or herself out as a registered trainee or a State-licensed or State-certified real estate appraiser when not so registered, licensed, or certified;
- (5) Failed as a State-licensed or State-certified real estate appraiser to actively and personally supervise any person not licensed or certified under this Chapter who assists the State-licensed or State-certified real estate appraiser in performing real estate appraisals;

- (6) Failed to make available to the Board for its inspection without prior notice, originals or true copies of all written contracts engaging the person's services to appraise real property, and all reports and supporting data assembled and formulated by the appraiser in preparing the reports;
- (7) Paid a fee or valuable consideration to any person for acts or services performed in violation of this Chapter;
- (8) Acted as a real estate appraiser in an unworthy or incompetent manner as to endanger the interest of the public;
- (9) Violated any of the standards of practice for real estate appraisers or any other rule promulgated by the Board;
- (10) Performed any other act which constitutes improper, fraudulent, or other dishonest conduct; or
- (11) Violated any of the provisions of this Chapter.

The Executive Director of the Board shall transmit a certified copy of all final orders of the Board suspending or revoking ~~registrations, licenses~~ licenses, or certificates issued under this Chapter to the clerk of superior court of the county in which the licensee or certificate holder maintains the person's principal place of business. The clerk shall enter these orders upon the judgment docket of the county.

(b) Following a hearing, or by consent, the Appraisal Board may also suspend or revoke any registration, license, or certificate issued under the provisions of this Chapter or reprimand any registered trainee, licensee, or certificate holder when:

- (1) The registered trainee, licensee, or certificate holder has been convicted of or has entered a plea of guilty or no contest upon which final judgment is entered by a court of competent jurisdiction in this State, or any other state, to an offense ~~which, which~~ involves moral turpitude, in which an essential element is dishonesty, fraud, or deceit, or which, in the discretion of the Board, would reasonably affect the performance of the registered trainee, licensee, or certificate holder in the real estate appraisal business;
- (2) A final civil judgment has been entered against the registered trainee, licensee, or certificate holder on grounds of fraud, misrepresentation, or deceit in the making of any appraisal of real estate; ~~or~~
- (3) The ~~registered~~ trainee, licensee, or certificate holder has violated any of the provisions of G.S. 93E-1-13(a) when appraising his own ~~property; property;~~
- (4) The trainee, licensee, or certificate holder has had a real estate trainee registration or its equivalent, real estate appraiser license, or real estate appraiser certification suspended, revoked, or denied by a real estate licensing board in another state;
- (5) The trainee, licensee, or certificate holder has had any disciplinary action taken against any other professional license in North Carolina or any other state;
- (6) The trainee, licensee, or certificate holder has been adjudged mentally incompetent by a court; or
- (7) The trainee, licensee, or certificate holder performs any of the duties of a real estate appraiser, including, but not limited to, site inspection and public records checks, while impaired by alcohol or drugs.

(b1) If any of the actions taken in subdivision (1), (2), or (4) through (6) of subsection (b) of this section are taken against a trainee, licensee, or certificate holder, the trainee, licensee, or certificate holder must report such actions within 60 days of the final judgment or final order in the case.

(c) When a person registered as a trainee or licensed or certified as a real estate appraiser under this Chapter is accused of any act, omission, or misconduct which would subject the person to disciplinary action, the registered trainee, licensee, or

certificate holder, with the consent and approval of the Board, may surrender his or her registration, license, or certificate and all the rights and privileges pertaining to it for a period of time established by the Board. A person who surrenders his or her registration, license, or certificate shall not thereafter be eligible for or submit any application for registration, licensure, or certification as a real estate appraiser during the period that the registration, license, or certificate is surrendered.

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

"§ 93E-1-12.1. Investigations and complaints.

(a) The Board may dismiss a complaint, accept a consent order, or hold a hearing, or may accept a voluntary surrender of a registration, license, or certificate or of approval as a course sponsor.

(b) Records, papers, and other documents containing information received, collected, or compiled by the Board, its members, or its employees, as a result of a complaint or investigation, shall not be considered public records within the meaning of Chapter 132 of the General Statutes. Any statement of charges contained within a notice of a hearing to be held by the Board is a public record, even though it may contain information collected and compiled as a result of a complaint or investigation against a trainee, licensee, or certificate holder or an applicant. Any record, paper, or other document admitted into evidence in a hearing held by the Board, and any final decisions and orders by the Board, including consent orders, shall be public records within the meaning of Chapter 132 of the General Statutes.

(c) The Board may inspect records maintained pursuant to this Chapter periodically, without prior notice, and may also inspect these records whenever the Board determines that they are pertinent to an investigation of any specific complaint against a person registered, licensed, or certified by the Board.

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

(a) Any person who acts as, or holds himself or herself out to be, a registered trainee or a State-licensed or State-certified real estate appraiser without first obtaining a registration, license, or certificate as provided in this Chapter, or who willfully performs the acts specified in ~~G.S. 93E-1-12(a)(1) through (10)~~, G.S. 93E-1-12(a) shall be guilty of a Class 1 misdemeanor.

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

SECTION 2. G.S. 53-238 is amended by adding the following new subdivisions to read:

- "(7) Influencing or attempting to influence through coercion, extortion, or bribery, the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. Nothing in this subdivision shall be construed to prohibit a mortgage broker or mortgage banker from asking the appraiser to:
- a. Consider additional appropriate property information;
 - b. Provide further detail, substantiation, or explanation for the appraiser's value conclusion; or
 - c. Correct errors in the appraisal report.

- (8) Failing to promptly pay when due according to the normal and customary business practices between the lender and appraiser reasonable fees to a real estate appraiser for appraisal services that are:
- a. Requested from the appraiser in writing by the mortgage broker or mortgage banker or an employee of the mortgage broker or mortgage banker; and
 - b. Performed by the appraiser in connection with the origination or closing of a mortgage loan for a customer or the mortgage broker or mortgage banker."

SECTION 3. G.S. 53-243.11, as enacted by either House Bill 1106 or Senate Bill 904, 2001 General Assembly, is amended by adding a new subdivision to read:

- "(11) To influence or attempt to influence through coercion, extortion, or bribery, the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan. Nothing in this subdivision shall be construed to prohibit a mortgage broker or mortgage banker from asking the appraiser to do one or more of the following:
- a. Consider additional appropriate property information.
 - b. Provide further detail, substantiation, or explanation for the appraiser's value conclusion.
 - c. Correct errors in the appraisal report."

SECTION 4. Section 3 of this act becomes effective July 1, 2002, if House Bill 1106 or Senate Bill 904 of the 2001 General Assembly becomes law. The remainder of this act becomes effective October 1, 2001, except that the amendments made to G.S. 93E-1-5 by Section 1 of this act are effective with respect to appointments for terms beginning July 1, 2001, and after.

In the General Assembly read three times and ratified this the 22nd day of August, 2001.

Beverly E. Perdue
President of the Senate

James B. Black
Speaker of the House of Representatives

Michael F. Easley
Governor

Approved _____m. this _____ day of _____, 2001