

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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SENATE BILL DRS15280-NN-13A

Short Title: Modify Licensing Real Est. Appraisers. (Public)

Sponsors: Senators Craven, Jarvis, and Jones (Primary Sponsors).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO MODIFY THE LICENSING AND CERTIFICATION PROCEDURES OF THE
NORTH CAROLINA APPRAISERS ACT.

The General Assembly of North Carolina enacts:

SECTION 1. Chapter 93E of the General Statutes reads as rewritten:

"Chapter 93E.

"North Carolina Appraisers Act.

"Article 1.

"Real Estate Appraiser.

...

"§ 93E-1-4. Registration, license, or certificate required of real estate appraisers.

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.
- (5a) "Appraiser Qualifications Board" or "AQB" means the board established by the Appraisal Foundation to set nationwide minimum education, experience, and examination standards for real estate appraiser licensure and certification.
- (5b) "Approved PAREA program" means a course or program developed by a third-party provider that has been approved by the Appraiser Qualifications Board of the Appraisal Foundation and the Appraisal Board, which meets the standards for Practical Applications of Real Estate Appraisal and satisfies the experience requirements for real estate appraiser licensure or certification as required by this Chapter.
- (6) "Certificate" means that document issued by the North Carolina Appraisal Board evidencing that the person named therein has satisfied the requirements



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- for certification as a 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) "Certified general real estate appraiser" means a person who holds a current, valid certificate as a certified general real estate appraiser issued under the provisions of this Chapter.
- (7b) "Certified residential real estate appraiser" means a person who holds a current, valid certificate as a certified residential real estate appraiser issued under the provisions of this Chapter.
- (7c) "Comparative market analysis" and "broker price opinion" mean an estimate prepared by a licensed real estate broker that details the probable selling price or leasing price of a particular parcel of or interest in property and provides a varying level of detail about the property's condition, market, and neighborhood, and information on comparable properties, but does not include an automated valuation model.
- (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 licensed real estate appraiser and bearing a license number assigned by the Board.
- (8a) "Licensed residential real estate appraiser" means a person who holds a current, valid license as a licensed residential real estate appraiser issued under the provisions of this Chapter.
- (9) "Licensee" means a person licensed by the Board under the provisions of this Chapter.
- (9a) "Practical Applications of Real Estate Appraisal" or "PAREA" means the program framework established by the Appraiser Qualifications Board of the Appraisal Foundation, providing an alternative to the traditional supervisor and trainee method for satisfying real estate appraisal experience requirements through technology-based training, case studies, and supervision by qualified mentors.
- (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.
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- (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 holds a current, valid registration as a trainee real estate 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.

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"§ 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 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)-(3) Repealed by Session Laws 2019-146, s. 1, effective October 1, 2019, and applicable to registrations, licensures, and certifications issued after that date.

(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~~. certification, or satisfy the requirements sets forth in subsections (a1) through (a3) of this section.

(7) Satisfy any additional education or experience requirements that the Board may impose by rule.

(a1) An applicant for licensure as a licensed residential real estate appraiser shall satisfy the experience requirements by completing either of the following pathways:

(1) Traditional Supervisor and Trainee Pathway. – Complete the traditional supervised experience requirements established by the AQB and adopted by the Board.

(2) PAREA Pathway. – Successfully complete an approved Practical Applications of Real Estate Appraisal (PAREA) program and meet all of the following requirements:

a. Successfully complete all education and examination requirements for licensure.

b. Graduate from an approved PAREA program.

c. Pass the state licensing examination.

(a2) An applicant for certification as a certified residential real estate appraiser shall satisfy the experience requirements by completing either of the following pathways:

(1) Traditional Supervisor and Trainee Pathway. – Complete the traditional supervised experience requirements established by the AQB and adopted by the Board.

(2) PAREA Pathway. – Successfully complete a PAREA program approved by the Board and meet all of the following requirements:

a. Complete either of the following experience options:

1. All of the following:

I. Obtain licensure as a licensed real estate appraiser.

II. After obtaining licensure, complete 50 full appraisal reports reviewed by a certified appraiser.

III. Submit ten percent (10%) of those appraisal reports to the Board. The Board shall review those appraisal reports for accuracy and competency.

2. Hold a valid licensed residential real estate appraiser license issued under this chapter in good standing for a period of at least five years immediately preceding the date of application.

b. Satisfy all additional education and examination requirements for certification prescribed by the Board.

(a3) The following requirements apply to reports submitted under subsection (a2) of this section by applicants following the PAREA pathway:

(1) Appraisal reports must be reviewed by a certified appraiser before submission to clients.

(2) The applicant may include the following types of appraisal reports among the reports submitted to the certified appraiser or the Board for review:

a. Uniform Residential Appraisal Report (Desktop).

b. Exterior-Only Inspection Residential Appraisal Report.

c. Uniform Residential Appraisal Report (Hybrid).

(3) These reports must demonstrate sufficient representation of various property types and appraisal methods to ensure the applicant's competency across a range of real estate appraising scenarios.

(4) Demonstration reports, which include hypothetical or practice scenarios, shall not be accepted by the Board or the reviewing appraiser as part of the required submission.

(5) PAREA applicants are not required to use the same reviewing appraiser for all reports.

(6) A review appraiser's responsibility shall be limited to their evaluation and review of the appraisal reports submitted by the PAREA applicant. The review appraiser shall not bear responsibility for the content, conclusions, or outcomes of the PAREA applicant's work, except for the accuracy of their own review.

(7) A review appraiser shall not be held liable for any errors, omissions, or deficiencies in an appraisal report subsequently submitted by the PAREA applicant to a client that were not corrected despite being identified in the review appraiser's report.

(8) The PAREA applicant, review appraiser, and any other individuals or entities involved in the appraisal process shall comply with the Uniform Standards of Professional Appraisal Practice, state regulatory requirements, and the requirements of this Chapter for real estate appraising.

(a4) Nothing in subsections (a1) through (a3) of this section shall be construed to limit or modify the Board's authority to grant registration, licensure, or certification through traditional supervised experience requirements established by the AQB and adopted by the Board.

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

(a) An applicant from another state may become licensed or certified in North Carolina only 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 licensure or certification in such other state. Chapter, including meeting substantially similar education, experience, and examination requirements as required of North Carolina residents. Reciprocity agreements or allowances for applicants based solely on licensure or certification in another state are not permitted.

1 (b) ~~The Board, in its discretion, may undertake to license or certify on a reciprocal basis,~~
2 ~~persons licensed or certified in another state if the appraiser licensing and certification program~~
3 ~~of the other state is in compliance with 12 U.S.C. § 3331, et seq.~~

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

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

12 **SECTION 2.** The North Carolina Appraisal Board may adopt rules to implement the
13 provisions of this act.

14 **SECTION 3.** This act becomes effective October 1, 2025, and applies to applications
15 for licensure, certification, and reciprocal licensure and certification on or after that date.