



NORTH CAROLINA APPRAISAL BOARD

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September 15, 2010

Representative Joe Hackney
Speaker of the House
16 W. Jones Street, Room 2304
Raleigh, NC 27601-1096

Senator Marc Basnight
President Pro Tempore of the Senate
16 W. Jones Street, Room 2007
Raleigh, NC 27601-2808

RE: Consultation with the Joint Legislative Commission on Governmental Operations

Dear Senator Basnight and Representative Hackney:

As Executive Director of the North Carolina Appraisal Board (the "Board"), I am writing to you on behalf of the Board regarding the adoption of rules establishing fees for the registration and regulation of appraisal management companies (AMCs).

The rules, 21 NCAC 57D .0102, .0202 and .0203, are being published as a Notice of Text in the September 15, 2010 North Carolina Register. We have included a copy of the specific rules and the statutory authority with the applicable language underlined and/or in bold.

S.L. 2010-0141 was signed by the Governor on July 22, 2010. This legislation requires the Board to register and regulate AMCs for the first time. These rules establish the initial registration fee, the annual renewal fee and a fee for late renewal of a registration. G.S. 93E-2-6(a) states that the registration fee shall be an "amount set by the Board not to exceed three

September 15, 2010

Page Two

thousand five hundred dollars (\$3,500).” The annual renewal fee shall be “an amount set by the Board not to exceed two thousand dollars (\$2,000).” G.S. 93E-2-6(b) states that “All registrations reinstated after the expiration date are subject to a late filing fee of twenty dollars (\$20.00) for each month, or part thereof”, but “not to exceed one hundred twenty dollars (\$120.00).”

The initial registration fee is necessary to implement the registration program. Additional staff must be hired, office equipment must be obtained and new computer software and programming is required. There will be an increase in printing and postage costs. It is anticipated that most AMCs will register with the Board during the first six months of 2011. Given the experience in other states that have just begun to regulate AMCs, it is anticipated that 75 – 100 AMCs will register in North Carolina during this period.

The renewal fee is considerably less than the initial registration fee for three reasons. First, renewal of an AMC registration is not required until June 20, 2012. Thus, an AMC that registers in January 2011 will be able to operate for 18 months before it must renew. Also, the initial registration fee is designed to cover startup costs for implementing this new program. Most of these are one-time costs. Finally, most AMCs that plan to register in this State will do so in the first six months of 2011.

Finally, please note that the statute specifically exempts an agency of the federal government or any State or municipal government from registration. Also exempted is any state or federally chartered bank, farm credit system, savings institution or credit union. Should you have any questions, please feel free to contact me at don@ncab.org or (919) 870-4854.

Very truly yours,

Donald T. Rodgers
Executive Director

Attachments:

Administrative Rules Establishing Fees
Statutory Authority

Attachment 1

Administrative Rules Establishing Fees

Initial registration fee

21 NCAC 57D .0102 FILING AND FEES

(a) Each application for registration shall be accompanied by the required application fee. The Board may reject and return to the applicant any application which is incomplete or not accompanied by the required fee or fees. Application fees accompanying complete applications are not refundable.(b) The application fee shall be thirty five hundred dollars (\$3500).(c) Payment of application fees shall be made by certified check, bank check or money order payable to the North Carolina Appraisal Board.

Authority G.S. 93E-2-3; 93E-2-4; 93E-2-6.

Annual Renewal Fee

21 NCAC 57D .0202 REGISTRATION RENEWAL

(a) All registrations expire on June 30, 2012 and every June 30 of each year thereafter unless renewed before that time.(b) A holder of an appraisal management company registration desiring the renewal of such registration shall apply in writing upon the form provided by the Board and shall forward the renewal fee. The renewal fee shall be two thousand dollars (\$2000). Forms are available upon request to the Board. The renewal fee is not refundable under any circumstances.(c) Any company who acts or holds itself out as a registered appraisal management company while its appraisal management company registration is expired shall be subject to disciplinary action and penalties as prescribed in G.S. 93E-2-8 and G.S. 93E-2-10.

Authority G.S. 93E-2-3; 93E-2-6.

Late filing fee

21 NCAC 57D .0203 EXPIRED REGISTRATION

(a) Expired registrations may be reinstated within six months after expiration upon proper application and payment to the Board of the renewal fee of two thousand dollars (\$2000) and the late filing fee of twenty dollars (\$20.00) for each month or part thereof that the registration is lapsed, not to exceed one hundred twenty dollars (\$120.00).(b) Reinstatement is not retroactive.

Authority

G.S.

93E-2-3;

93E-2-6.

Attachment 2

Statutory Authority For Fees

§93E-2-6. Fees and renewals

(a) Each application for registration as an appraisal management company under this Article shall be accompanied by a **registration fee in an amount set by the Board not to exceed three thousand five hundred dollars (\$3,500).** Registration issued under this Article shall expire on June 30, 2012, and on June 30 of each year thereafter. The registration shall be come invalid after that date unless renewed before the expiration date by filing an application with and paying to the Board a fee **in an amount set by the Board not to exceed two thousand dollars (\$2,000).** (b)

All registrations reinstated after the expiration date **are subject to a late filing fee of twenty dollars (\$20.00) for each month or part thereof that the registration is lapsed, not to exceed one hundred twenty dollars(\$120.00).** The late filing fee shall be in addition to the required renewal fee. In the event a registrant fails to reinstate the registration within six months after the expiration date, the registration shall expire and the registrant shall be required to file a new application for registration. Reinstatement of a registration shall not be retroactive.