

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Appraisal Board

RULE CITATION: All Rules

DEADLINE FOR RECEIPT: : f]XUm, May %\$, 2019

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may call our office to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends that the following technical changes be made:

Please do not both underline and strike any word. Please do one or the other.

In your Forms, please include the name of the Rule in box 2.

In all introductory statements in your Rule, please include the Register filing information. It should say: "21 NCAC 57x .xxx(correct Rule citation) is amended as published in 33:12 NCR 1332-1337 with changes as follows:

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Monday, April 29, 2019

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Appraisal Board

RULE CITATION: 21 NCAC 57A .0204

DEADLINE FOR RECEIPT: : f]XUnžA Um%ž&\$%

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may call our office to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends that the following technical changes be made:

In (a), delete “satisfactory to the Board” or say what factors will be used in making this determination. Can you provide some examples of what “evidence” you’re looking for?

In (a), by “as required by this Section”, do you mean “as required by this Rule”? The Section appears to address issues outside of continuing education, so I think you mean Rule.

In (b), I assume that the approval process and standards are set forth elsewhere in rule or statute?

In (b), what is the intent of lines 5-7 (Such education shall... certified real estate appraisers”? This language appears to be aspirational and unnecessary. Please consider deleting.

In (c), add a comma after “related topics”

In (c), delete “or similar topics” on line 27, since you’ve said “such as” on line 23

In (c), change “shall have attended” to “shall attend”

In (d), what is meant by “or its equivalent”

In (d), consider deleting “USPAP is updated every even numbered year, and”

In (f), change “successfully completing” to “who completes”

In (f), line 6, delete “directly”

In (f), line 7, delete “successfully”

In (f), who is ultimately responsible for sending the proof before the Board will issue the renewal? Is it the course sponsor or the applicant? If it’s the course sponsor, what is the applicant to do if the sponsor doesn’t send in the information. Please review and clarify.

Amber May

Commission Counsel

Date submitted to agency: Monday, April 29, 2019

In (g), delete or define “satisfactory” on line 21

In (g), line 22, what are the “requirements for approval”? Is there a cross-reference available?

In (g), line 26, how is it determined how much credit will be granted? Is it a one for one? My concern here is “up to” and “may” in “up to 14 hours... may be granted...”

In (g), line 30, delete “satisfactory to the Board” or say how this determination will be made.

In (j), change “is allowed to” to “may”

In (j), change “Failure to complete the required continuing education within 180 days is ground for revocation” to something like “the Board may revoke the registration, license, or certificate in accordance with 93E-1-12 if the required continued education is not completed within 180 days.”

In (j), by “this Rule”, do you mean This Paragraph applies...”?

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

1 21 NCAC 57A .0204 is proposed for amendment as follows:

2

3 **21 NCAC 57A .0204 CONTINUING EDUCATION**

4 (a) All registered trainees, real estate appraiser licensees, and certificate holders shall, upon the renewal
5 of their registration, license, or certificate in every odd-numbered year, present evidence satisfactory to
6 the Board of having obtained continuing education as required by this Section. Trainees and appraisers
7 who initially registered with the Board after January 1 of an odd numbered year are not required to show
8 continuing education credit for renewal of their registration in that odd numbered year.

9 (b) Each trainee, licensee, and certificate holder who must complete continuing education pursuant to
10 Paragraph (a) of this Rule ~~must~~ shall complete 28 hours of continuing education before June 1 of every
11 odd numbered year. Except as provided in Paragraphs (g) and (h) of this Rule, such education ~~must~~ shall
12 have been obtained by taking courses approved by the Board for continuing education purposes, at
13 schools approved by the Board to offer such courses. Such education ~~must~~ shall relate to real estate
14 appraisal and ~~must~~ shall contribute to the goal of improving the knowledge, skill and competence of
15 trainees, and licensed and certified real estate appraisers. There is no exemption from the continuing
16 education requirement for trainees or appraisers whose status has been upgraded to the level of licensed
17 residential, certified residential, or certified general appraiser since the issuance or most recent renewal of
18 their registration, license, or ~~certificate, and courses taken to satisfy the requirements of a higher level of~~
19 ~~certification shall not be applied toward the continuing education requirement.~~ certificate. Trainees,
20 licensees, and certificate holders shall not take the same continuing education course more than once
21 during the two year continuing education cycle.

22 (c) Each appraisal continuing education course ~~must~~ shall involve a minimum of three and one-half
23 classroom hours of instruction on real estate appraisal or related topics such as the application of appraisal
24 concepts and methodology to the appraisal of various types of property; specialized appraisal techniques;
25 laws, rules or guidelines relating to appraisal; standards of practice and ethics; building construction;
26 financial or investment analysis; land use planning or controls; feasibility analysis; statistics; accounting;
27 or similar topics. The trainee, licensee, or certificate holder ~~must~~ shall have attended at least 90 percent of
28 the scheduled classroom hours for the course in order to receive credit for the course.

29 (d) Each trainee, licensee, and certificate holder who is required to complete continuing education
30 pursuant to Paragraph (a) of this Rule ~~must~~ shall, as part of the 28 hours of continuing education required
31 in Paragraph (b) of this Rule, complete the seven hour National USPAP update course between October 1
32 of an odd-numbered year and June 1 of an even numbered year, as required by the Appraiser
33 Qualifications Board of the Appraisal Foundation, or its equivalent. USPAP is updated every even

1 numbered year, and each trainee, licensee, and certificate holder shall take the most recent USPAP update
2 course prior to June 1 of every even numbered year.

3 (e) A trainee, licensee, or certificate holder who elects to take approved continuing education courses in
4 excess of the requirement shall not carry over into the subsequent years any continuing education credit.

5 (f) Course sponsors ~~must~~ shall provide a certificate of course completion to each trainee, licensee, and
6 certificate holder successfully completing a course. In addition, course sponsors ~~must~~ shall send directly
7 to the Board a certified roster of all who successfully completed the course. This roster ~~must~~ shall be sent
8 within 15 days of completion of the course, but not later than June 15 of each year. In order to renew a
9 registration, license, or certificate in a timely manner, the Board must receive proof of satisfaction of the
10 continuing education requirement prior to processing a registration, license, or certificate renewal
11 application. Proof of satisfaction shall be made by receipt of a roster from a school or course sponsor
12 showing the courses completed by the applicant or by submission of an original certificate of course
13 completion. If proof of having satisfied the continuing education requirement is not provided, the
14 registration, license, or certificate shall expire and the trainee, licensee, or certificate holder shall be
15 subject to the provisions of Rules .0203(e) and .0206 of this Section.

16 (g) A current or former trainee, licensee, or certificate holder may request that the Board grant continuing
17 education credit for a course taken by the trainee, licensee, or certificate holder that is not approved by the
18 Board, or for appraisal education activity equivalent to a Board-approved course, by making such request
19 and submitting a non-refundable fee of fifty dollars (\$50.00) as set out in G.S. 93E-1-8(d) for each course
20 or type of appraisal education activity to be evaluated. Continuing education credit for a non-approved
21 course shall be granted only if the trainee, licensee, or certificate holder provides satisfactory proof of
22 course completion and the Board finds that the course satisfies the requirements for approval of appraisal
23 continuing education courses with regard to subject matter, course length, instructor qualifications, and
24 student attendance. Appraisal education activities for which credit may be awarded include teaching
25 appraisal courses, authorship of appraisal textbooks, and development of instructional materials on
26 appraisal subjects. Up to 14 hours of continuing education credit may be granted in each continuing
27 education cycle for participation in appraisal education activities. Trainees or licensed or certified
28 appraisers who have taught an appraisal course or courses approved by the Board for continuing
29 education credit are deemed to have taken an equivalent course and are not subject to the fee prescribed in
30 G.S. 93E-1-8 (d), provided they submit verification satisfactory to the Board of having taught the
31 course(s). A trainee, licensee, or certificate holder who teaches a Board-approved continuing education
32 course ~~may~~ shall not receive continuing education credit for the same course more than once every two
33 years, regardless of how often he or she teaches the course. Requests for equivalent approval for
34 continuing education credit ~~must~~ shall be received before June 15 of an odd-numbered year to be credited

1 towards the continuing education requirement for that odd-numbered year. Equivalent approval shall be
2 granted only for courses that are 7 hours or longer, and shall only be granted for a minimum of 7 hours.

3 (h) A trainee, licensee, or certificate holder may receive continuing education credit by taking any of the
4 Board-approved precertification courses, other than Basic Appraisal Principles and Basic Appraisal
5 Procedures, or their approved equivalents. Trainee, licensees, and certificate holders who wish to use a
6 precertification course for continuing education credit ~~must~~ shall comply with the provisions of 21 NCAC
7 57B .0604.

8 (i) A licensee or certificate holder who resides in another state, is currently credentialed in another state,
9 and is active on the National Registry in another state may satisfy the requirements of this Section, other
10 than the seven hour National USPAP update course requirement in Paragraph (d) of this Rule, by
11 providing a current letter of good standing from another state showing that the licensee or certificate
12 holder has met all continuing education requirements in the other state. A licensee or certificate holder
13 who became licensed in North Carolina by licensure or certification with another state and now resides in
14 North Carolina may renew by letter of good standing for his or her first renewal as a resident of North
15 Carolina only if the appraiser moved to North Carolina on or after January 1 of an odd numbered year. If
16 an appraiser was a resident of this state before January 1 of an odd-numbered year, the appraiser ~~must~~
17 shall comply with the requirements of this section regardless of how the license or certificate was
18 obtained.

19 (j) A trainee, licensee, or certificate holder who returns from active military duty on or after February 1
20 of an odd-numbered year is allowed to renew his or her registration, license, or certificate in that odd-
21 numbered year even if the required continuing education is not completed before June 1 of that year. All
22 required continuing education ~~must~~ shall be completed within 180 days of when the trainee, licensee, or
23 certificate holder returns from active duty. Failure to complete the required continuing education within
24 180 days is grounds for revocation. This Rule applies to an individual who is serving in the armed forces
25 of the United States and to whom G.S. 105-249.2 grants an extension of time to file a tax return.

26
27 *History Note:* Authority G.S. 93B-15; 93E-1-7(a); 93E-1-10;
28 Eff. July 1, 1994;
29 Amended Eff. July 1, 2019; July 1, 2014; January 1, 2013; July 1, 2011; July 1, 2010; January 1,
30 2008; March 1, 2007; March 1, 2006; July 1, 2005; July 1, 2003; August 1, 2002; April 1, 1999
31

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Appraisal Board

RULE CITATION: 21 NCAC 57A .0407

DEADLINE FOR RECEIPT: : f]XUnžA Um%ž&\$%

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may call our office to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends that the following technical changes be made:

Please consider breaking (a)(2) into separate lists for the certified residential appraiser and the general appraiser. Perhaps something like the following:

- (2) has no more than three trainees working under him or her at any one time **as follows:**
~~time.~~
- (A) **a** ~~A~~ certified residential appraiser may have two trainees working under his or her supervision at any one time. Once at least one of those trainees has completed 50 percent of the required appraisal experience to upgrade, a certified residential appraiser may add another ~~trainee. A trainee; and~~
 - (B) **a** certified general appraiser may have three trainees working under his or her supervision.
- (3) Prior to the date any trainee begins performing appraisals under his or her supervision, the supervisor shall inform the Board of the name of the trainee by filing a Supervisor Declaration Form with the Board. The form may be found on the Board's website at www.ncappraisalboard.org. The supervisor shall also inform the Board when a trainee is no longer working under his or her supervision by using the Supervisor Declaration ~~Form;~~ **Form. The form shall include the following information:**
- (A) name of trainee;
 - (B) name of supervisor;
 - (C) address of supervisor's primary place of business;

In (a)(2), just to make sure that I understand what is going on with a residential appraiser, he or she can only have 2 trainees that have not completed 50 percent of the required appraisal experience, but he or she can have as many as he or she wants who have completed the training, plus the two who haven't?

In (a)(2), line 9, what is the "required appraisal experience to upgrade"? Here, do you mean something like "once an appraiser has completed the appraisal experience required by Paragraph (b) of this Rule..."

In (a)(2), are the contents of the supervisor Declaration form set forth elsewhere in rule or statute? If not, please provide the substantive requirements. Please also consider making this a separate Paragraph as I have done above. Please note that in my

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Date submitted to agency: Monday, April 29, 2019

example above, I have provided some information on the form. I have used this as an example as I have no idea what is actually required in the form.

In (a)(3), please add “as set forth in Paragraph (b) of this Rule.”

In (a)(4), delete or define “adequately” and “properly” in “adequately conducted and properly reported”, “properly” in “properly applied”, “sound and adequately” in “adequately reported”, and “adequately” in “adequately developed”

In (a)(6), consider deleting “which shall be updated at least every 30 days” and instead provide a cross reference to Paragraph (c). Please also consider deleting “In addition” It would look something like:

(6) reviews and signs the trainee's log of appraisals prepared in accordance with Paragraph c) of this Rule. appraisals, which must shall be updated at least every 30 days. In addition, the The supervisor shall make available to the trainee a copy of every appraisal report where the trainee performs more than 75 percent of the work on the appraisal; and

In (a)(7), what is meant by “any other action that affects a supervisor’s ability to engage in appraisal practice”?

In (b), delete or define “full” in “full knowledge”

In (b), delete or define “necessary and appropriate”

In (c), delete “shall show all appraisals performed by the trainee...” This appears to be superfluous since you’ve required on line 12 that the log include “each appraisal”

Please consider revising (d) as follows: (d) An appraiser who wishes to supervise a trainee shall attend an education program regarding the role of a supervisor before such any supervision of a trainee begins.

In (e), by “assure”, do you mean “ensure”?

In (e), are the contents of the form set forth elsewhere in rule or statute? If not, please provide the substantive requirements of the form. Please note that if you address this issue in (a), there’s no need to do it here also. Also, if it’s already elsewhere (or will be when you add contents), delete “the form may be found at the board’s website...”

In (g), delete or define “significant” Also, delete “thus” and “such” in “thus is” and “such assistance”

In (g), are they to determine who the supervisor will be if they have the same credential? I just want to be sure that it’s at their discretion.

In (h), delete or define “significant”

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Monday, April 29, 2019

1 21 NCAC 57A .0407 is proposed for amendment as follows:

2

3 **21 NCAC 57A .0407 SUPERVISION OF TRAINEES**

4 (a) A certified real estate appraiser may engage a registered trainee to assist in the performance of real
5 estate appraisals, provided that the appraiser:

6 (1) has been certified for at least three years;

7 (2) has no more than three trainees working under him or her at any one time. A certified
8 residential appraiser may have two trainees working under his or her supervision at any one time. Once at
9 least one of those trainees has completed 50 percent of the required appraisal experience to upgrade, a
10 certified residential appraiser may add another trainee. A certified general appraiser may have three
11 trainees working under his or her supervision. Prior to the date any trainee begins performing appraisals
12 under his or her supervision, the supervisor shall inform the Board of the name of the trainee by filing a
13 Supervisor Declaration Form with the Board. The form may be found on the Board's website at
14 www.ncappraisalboard.org. The supervisor shall also inform the Board when a trainee is no longer
15 working under his or her supervision by using the Supervisor Declaration Form;

16 (3) actively and personally supervises the trainee on all appraisal reports and appraisal
17 related activities until the trainee is no longer under his or her supervision;

18 (4) reviews all appraisal reports and supporting data used in connection with appraisals in
19 which the services of a trainee is utilized, and assures that research of general and
20 specific data has been adequately conducted and properly reported, application of
21 appraisal principles and methodologies has been properly applied, that the analysis is
22 sound and adequately reported, and that any analysis, opinions, or conclusions are
23 adequately developed and reported so that the appraisal report is not misleading;

24 (5) complies with all provisions of Rule .0405 of this Section regarding appraisal reports;

25 (6) reviews and signs the trainee's log of appraisals, which ~~must~~ shall be updated at least
26 every 30 days. In addition, the supervisor shall make available to the trainee a copy of
27 every appraisal report where the trainee performs more than 75 percent of the work on
28 the appraisal; and

29 (7) has not received any disciplinary action regarding his or her appraisal license or
30 certificate from the State of North Carolina or any other state within the previous three
31 years. For the purposes of this Section, disciplinary action means an active suspension, a
32 downgrade of a credential, a revocation, or any other action that affects a supervisor's
33 ability to engage in appraisal practice.

1 (b) Active and personal supervision includes direction, guidance, and support from the supervisor. The
2 supervising appraiser shall have input into and full knowledge of the appraisal report prior to its
3 completion, and shall make any necessary and appropriate changes to the report before it is transmitted to
4 the client. In addition, the supervisor shall accompany the trainee on the inspections of the subject
5 property on the first 50 appraisal assignments or the first 1500 hours of experience, whichever comes
6 first, for which the trainee will perform more than 75 percent of the work. After that point, the trainee
7 may perform the inspections without the presence of the supervisor provided that the supervisor is
8 satisfied that the trainee is competent to perform those inspections, and that the subject property is less
9 than 50 miles from the supervisor's primary business location. The supervisor shall accompany the trainee
10 on all inspections of subject properties that are located more than 50 miles from the supervisor's primary
11 business location.

12 (c) The trainee shall maintain a log on a form that includes each appraisal performed by the trainee, the
13 type of property appraised, type of appraisal performed, complete street address of the subject property,
14 the date the report was signed, the experience hours claimed, the name of the supervisor for that appraisal,
15 the supervisor's license or certificate number, and whether the supervisor accompanied the trainee on the
16 inspection of the subject property. The log shall show all appraisals performed by the trainee and shall be
17 updated at least every 30 days. A log form is available on the Board's website at
18 www.ncappraisalboard.org.

19 (d) An appraiser who wishes to supervise a trainee shall attend an education program regarding the role
20 of a supervisor before such supervision begins. This course shall be taught only by instructors approved
21 by the Board in accordance with 21 NCAC 57B .0614.

22 (e) Trainees shall assure that the Appraisal Board has received the Supervisor Declaration Form on or
23 before the day the trainee begins assisting the supervising appraiser by contacting the Board by telephone
24 or email at ncab@ncab.org. The form may be found on the Board's website at
25 www.ncappraisalboard.org. Trainees shall not receive appraisal experience credit for appraisals
26 performed in violation of this Paragraph.

27 (f) Supervising appraisers shall not be employed by a trainee or by a company, firm, or partnership in
28 which the trainee has a controlling interest.

29 (g) If a trainee signs an appraisal report or provides significant professional assistance in the appraisal
30 process and thus is noted in the report as having provided such assistance, the appraiser signing the report
31 shall have notified the Appraisal Board before the appraisal is signed that he or she is the supervisor for
32 the trainee. If more than one appraiser signs the report, the appraiser with the highest level of credential
33 shall be the declared supervisor for the trainee. If all appraisers signing the report have the same level of
34 credential, at least one of them shall be declared as the trainee's supervisor before the report is signed.

1 (h) Only one trainee may receive credit for providing significant real property appraisal assistance on an
2 appraisal report.

3

4 *History Note: Authority G.S. 93E-1.6.1; 93E-1-10; 93E-1-12;*
5 *Eff. July 1, 1994;*
6 *Amended Eff. July 1, 2019: January 1, 2015; July 1, 2014; January 1, 2013; July 1,*
7 *2010; September 1, 2008; January 1, 2008; March 1, 2007; March 1, 2006; July 1, 2005;*
8 *August 1, 2002; April 1, 1999.*

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Appraisal Board

RULE CITATION: 21 NCAC 57B .0306

DEADLINE FOR RECEIPT: : f]XUnzA Um%\$z&\$%

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The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may call our office to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends that the following technical changes be made:

What is the overall intent of (a)? To say that any instructor teaching an appraisal course has to meet the requirements of this Rule? If so, please consider saying that and simplifying (a) for purposes of clarity. I honestly am not sure what is being required. Is it something like the following (which incorporates most of the notes below for (a)):

(a) Except ~~as indicated in~~ for guest lecturers as set forth in Paragraph (b) of this Rule, all qualifying courses or courses deemed equivalent by the Board shall be taught by instructors who meet the following requirements: ~~possess the fitness for licensure required of applicants for trainee registration or real estate appraiser licensure or certification and either the minimum appraisal education and experience qualifications listed in this Rule or other qualifications that are found by the Board to be equivalent to those listed. These qualification requirements shall be met on a continuing basis. The minimum qualifications are as follows:~~

- (1) ~~for residential~~ Residential appraiser ~~courses, the instructor shall:~~ courses:
 - (A) ~~have completed~~ 200 classroom hours of real estate appraisal education as set forth ~~equivalent to the residential appraiser education courses prescribed in Rules .0101 and .0102 of this Subchapter~~ Subchapter; ~~and~~
 - (B) ~~have~~ two years' full-time experience as a certified residential or general real estate appraiser within the previous five years, with at ~~years. At least one-half of such the~~ experience must [shall] be in residential property appraising; and ~~appraising. Instructors must shall also be~~ —
 - (C) ~~be certified as a residential or general real estate appraiser.~~
- (2) ~~for general~~ General appraiser ~~courses, the instructor shall:~~ courses:
 - (A) ~~have~~ 300 classroom hours of real estate appraisal education as set forth ~~equivalent to the residential appraiser education courses prescribed in Rules .0101, .0102, .0102 and .0103 of this Subchapter~~ Subchapter; ~~and~~
 - (B) ~~have~~ three years' full-time experience as a general real estate appraiser within the previous five years, with at ~~years. At least one-half of such the~~ experience must [shall] be in income property appraising; and appraising. ~~Instructors must shall also be~~ —
 - (C) ~~has been be~~ a certified general real estate appraiser and have been so certified ~~for at least five years.~~
- (3) ~~for USPAP~~ USPAP; ~~courses, the instructor shall:~~ : certification by the ~~Appraiser Qualifications Board of the Appraisal Foundation~~ as an ~~instructor for the National USPAP Course. The instructor must shall~~
 - (A) ~~be a certified residential or a certified general appraiser~~ appraiser; ~~and~~

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Commission Counsel

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- (B) be certified by the Appraiser Qualifications Board of the Appraisal Foundation as an instructor for the National USPAP Course. ~~appraiser~~. If a USPAP instructor fails to renew or loses his or her certification by the Appraiser Qualifications Board, the instructor ~~must shall~~ ~~immediately~~ stop teaching and notify the Appraisal Board of the loss of certification.
- (4) ~~for statistics, Statistics~~, modeling and ~~finance courses, the instructor shall:~~
~~finance: must [shall]~~
(A) have previously completed this ~~class; class;~~ or ~~must [shall]~~
(B) have completed 3 semester hours of statistics in an accredited college or university. ~~[accredited by whom?]~~

In (a), what is meant by "... instructors who possess the fitness for licensure required or applicants for trainee registration or real estate appraiser licensure or certification..."? I honestly don't know what this is requiring. Is this referring to the requirements set forth in (a)(1) through (4) or is this requiring something different? Please review and clarify.

In (a), line 7-8, what is meant by "that are found by the Board to be equivalent to those listed"? Is this what is addressed by (g)? If so, please consider deleting this language here, and add the information to (g) (i.e., say something like, "The Board may find..." and provide information on how the Board will make the determination.)

In (a), what is meant by "These qualification requirements shall be met on a continuing basis."? Is the intent here just that they maintain compliance with this Rule until after the teaching of the course is completed? Please review and clarify. Also, would this be appropriate for it's own paragraph?

In (a)(1), what is meant by "equivalent to the residential appraiser education courses"? Given (g), do you mean the equivalency language here? I think it adds some confusion.

In (a)(2), please see my comments for (a)(1).

In (a)(2), add a comma after .0102.

In (a)(2), delete 'and have been so certified'

In (a)(3), delete or define "immediately"

In (a)(3), please consider rearranging this SubParagraph to put lines 22-23 and lines 24-25 together (see (a)(3)(C) in my example above.

In (a)(4), accredited by whom?

In (b), change "stated in" to "set forth in"

In (b), delete "be utilized to" and "collectively" so that it says "may teach up to one-fourth of any course."

In (b), delete or define "directly"

In (b), what is meant by "each guest lecturer possesses education and experience directly related to the particular subject area the lecturer is teaching"?

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Commission Counsel
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In (b), could 4 lecturers each take one-fourth of the course?

What is the overall intent of (c)? Is it that they meet the requirements set forth in this Paragraph? There is a lot of potential ambiguity in this Paragraph. Overall, how will the determination be made whether these “basic teaching skills are being met”?

In (c), delete or define “professional”

In (c), what is meant by “in a manner that demonstrates knowledge of the subject matter being taught and mastery...”

In (c)(1), delete or define “effectively”, “clearly”, “appropriate”, and “appropriate”

In (c)(2), delete or define “accurate, logical, orderly, and understandable”, “appropriate”, and “appropriately”

In (c)(3), delete or define “effectively”

In (c)(4), delete or define “effectively”

In (c)(5), delete or define “effective”

What is the overall intent of (c)(6)? Much of this appears to be aspirational statements not meeting the definition of a rule.

In (d), delete “in a manner and format”

In (d), change “which” to “that” in “which depicts” and “which demonstrates”

In (d), line 13, delete “specified by the Board”

In (d), consider deleting “and which demonstrates that the instructor possesses the basic teaching skills described in Rule .0306(c) of this Section.” I’m not sure that the intent here is that the recording demonstrates this, but more so that the teacher is actually doing this; therefore, I think that this is covered by (c) and is not necessary here.

In (e), what inquiry into fitness? Is the intent of (e) to say that the Board will consider this information when determining whether to approve the instructor? If so, please consider saying that for clarity purposes.

Do (e) and (f) go together? Are they both necessary? Can you combine them in some way?

In (g), what factors will be used by the Board in determining whether qualifications are equivalent?

In (h), are the contents of the application form set forth elsewhere in rule or statute? If not, please provide the substantive requirements in accordance with 150B-2(8).

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

Amber May
Commission Counsel
Date submitted to agency: Monday, April 29, 2019

1 21 NCAC 57B .0306 is proposed for amendment as follows:

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3 **21 NCAC 57B .0306 INSTRUCTOR REQUIREMENTS**

4 (a) Except as indicated in Paragraph (b) of this Rule, all qualifying courses or courses deemed equivalent
5 by the Board shall be taught by instructors who possess the fitness for licensure required of applicants for
6 trainee registration or real estate appraiser licensure or certification and either the minimum appraisal
7 education and experience qualifications listed in this Rule or other qualifications that are found by the
8 Board to be equivalent to those listed. These qualification requirements shall be met on a continuing
9 basis. The minimum qualifications are as follows:

10 (1) Residential appraiser courses: 200 classroom hours of real estate appraisal education
11 equivalent to the residential appraiser education courses prescribed in Rules .0101 and
12 .0102 of this Subchapter and two years' full-time experience as a certified residential or
13 general real estate appraiser within the previous five years. At least one-half of such
14 experience must shall be in residential property appraising. Instructors must shall also be
15 certified as a residential or general real estate appraiser.

16 (2) General appraiser courses: 300 classroom hours of real estate appraisal education
17 equivalent to the general appraiser education courses prescribed in Rules .0101, .0102
18 and .0103 of this Subchapter and three years' full-time experience as a general real estate
19 appraiser within the previous five years. At least one-half of such experience must shall
20 be in income property appraising. Instructors must shall also be a certified general real
21 estate appraiser and have been so certified for at least five years.

22 (3) USPAP: certification by the Appraiser Qualifications Board of the Appraisal Foundation
23 as an instructor for the National USPAP Course. The instructor must shall be a certified
24 residential or a certified general appraiser. If a USPAP instructor fails to renew or loses
25 his or her certification by the Appraiser Qualifications Board, the instructor must shall
26 immediately stop teaching and notify the Appraisal Board of the loss of certification.

27 (4) Statistics, modeling and finance: must shall have previously completed this class, or must
28 shall have completed 3 semester hours of statistics in an accredited college or university.

29 (b) Guest lecturers who do not possess the qualifications stated in Paragraph (a) of this Rule may be
30 utilized to teach collectively up to one-fourth of any course, provided that each guest lecturer possesses
31 education and experience directly related to the particular subject area the lecturer is teaching.

32 (c) Instructors shall conduct themselves in a professional manner when performing their instructional
33 duties and shall conduct their classes in a manner that demonstrates knowledge of the subject matter being
34 taught and mastery of the following basic teaching skills:

- 1 (1) The ability to communicate effectively through speech, including the ability to speak
2 clearly at an appropriate rate of speed and with appropriate grammar and vocabulary;
 - 3 (2) The ability to present instruction in an accurate, logical, orderly, and understandable
4 manner, to utilize illustrative examples as appropriate, and to respond appropriately to
5 questions from students;
 - 6 (3) The ability to effectively utilize varied instructive techniques other than straight lecture,
7 such as class discussion or other techniques;
 - 8 (4) The ability to effectively utilize instructional aids to enhance learning;
 - 9 (5) The ability to maintain an effective learning environment and control of a class; and
 - 10 (6) The ability to interact with adult students in a manner that encourages students to learn,
11 that demonstrates an understanding of students' backgrounds, that avoids offending the
12 sensibilities of students, and that avoids personal criticism of any other person, agency or
13 organization.
- 14 (d) Upon request of the Board, an instructor or proposed instructor ~~must~~ shall submit to the Board a
15 ~~videotape or DVD recording~~ in a manner and format which depicts the instructor teaching portions of a
16 qualifying course specified by the Board and which demonstrates that the instructor possesses the basic
17 teaching skills described in Paragraph (c) of this Rule.
- 18 (e) The inquiry into fitness shall include consideration of whether the instructor has ever had any
19 disciplinary action taken on his or her appraisal license or certificate or any other professional license or
20 certificate in North Carolina or any other state, or whether the instructor has ever been convicted of or
21 pleaded guilty to any criminal act. This inquiry may include consideration of whether disciplinary action
22 or criminal charges are pending.
- 23 (f) Instructors shall not have received any disciplinary action regarding his or her appraisal license or
24 certificate from the State of North Carolina or any other state within the previous two years. For the
25 purposes of this Section, disciplinary action means a reprimand, suspension (whether active or inactive),
26 or a revocation.
- 27 (g) Proposed qualifying course instructors who do not meet the minimum appraisal education and
28 experience qualifications listed in Paragraph (a) of this Rule, and who seek to have their qualifications
29 determined by the Board to be equivalent to the qualifications listed in Paragraph (a) of this Rule, ~~must~~
30 shall supply the Board with copies of sample appraisal reports or other evidence of experience.
- 31 (h) Persons desiring to become instructors for qualifying courses ~~must~~ shall file an application for
32 approval with the Board. The application may be accessed at the Board's website at
33 www.ncappraisalboard.org. There is no fee for application for instructor approval. Once an instructor has

1 been approved to teach a specific qualifying course, that person may teach the course at any school or for
2 any course sponsor approved by the Appraisal Board to offer qualifying courses.

3 (i) Current Appraisal Board members shall not be eligible to teach qualifying courses during their term of
4 office on the Board.

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6 *History Note: Authority G.S. 93E-1-8(a); 93E-1-10;*

7 *Eff. July 1, 1994;*

8 *Amended Eff. July 1, 2019; July 1, 2014; July 1, 2010; September 1, 2008; March 1,*

9 *2007; March 1, 2006; July 1, 2005; July 1, 2003; August 1, 2002.*

REQUEST FOR TECHNICAL CHANGE

AGENCY: North Carolina Appraisal Board

RULE CITATION: 21 NCAC 57B .0606

DEADLINE FOR RECEIPT: Friday, May 10, 2019

PLEASE NOTE: This request may extend to several pages. Please be sure you have reached the end of the document.

The Rules Review Commission staff has completed its review of this Rule prior to the Commission's next meeting. The Commission has not yet reviewed this Rule and therefore there has not been a determination as to whether the Rule will be approved. You may call our office to inquire concerning the staff recommendation.

In reviewing this Rule, the staff recommends that the following technical changes be made:

Please either strike though or underline a word (not both.) See "must shall" throughout this Rule. (See below).

On line 4, by "assure", do you mean "ensure"?

On line 4, please consider revising "shall at all times ensure compliance with the criteria for course approval stated in Rule .0603 of this Section" to "shall maintain compliance with Rule .0603 of this Section." (See below.)

On lines 5-6, consider deleting "relating to scheduling, advertising, and conducting approved appraisal continuing education courses" as this language appears to be superfluous to the rest of the Rule. If you do this, please add a colon after "requirements" (See below.)

Formatting with the above changes to lines 4-6 would look like the following:

Course sponsors must shall ~~at all times assure compliance with the criteria for course approval stated in~~ maintain compliance Rule .0603 of this Section and must shall also comply with the following requirements: requirements relating to scheduling, advertising and conducting approved appraisal continuing education courses:

In Item (1), consider deleting "scheduled and conducted in a manner that limits class sessions to a" so that it reads "Courses shall be a maximum of eight classroom hours in any given day."

In Item (1), also, since you have break information on lines 9. Please consider deleting "and that includes appropriate breaks for each class session."

In Item (1), delete or define "reasonable"

Amber May
Commission Counsel
Date submitted to agency: Monday, April 29, 2019

On line 9, change “consists” to “shall consist”

Formatting with the above changes to Item (1) would look like the following:

Courses ~~must shall~~ be ~~scheduled and conducted in a manner that limits class sessions to a maximum of eight classroom hours in any given day. day and that includes appropriate breaks for each class session.~~ A classroom hour ~~shall consist~~ ~~consists~~ of 50 minutes of classroom instruction and ten minutes of break time. For any class ~~meeting~~ that exceeds 50 minutes in duration, breaks at the rate of ten minutes per hour ~~must shall~~ ~~be scheduled.~~ ~~scheduled and taken at reasonable times.~~

In Item (2), delete “in any respect” on lines 12-13.

In Item (2), do course sponsors only have to advertise the amount of hours approved when not all scheduled hours are approved? Would it be accurate to say something like the following:

Course sponsors ~~must shall~~ not utilize advertising of any type that is false or misleading ~~in any respect.~~ ~~If the number of continuing education credit hours awarded by the Board for a course is less than the number of scheduled classroom hours for the course, any course advertisement or promotional materials which indicate that the course is approved for appraiser continuing education credit in North Carolina must~~ ~~Advertisements shall~~ specify the number of continuing education credit hours awarded by the Board for the course.

In Item (3), change “sufficient to give the prospective student a general understanding of” to “regarding” so that it reads something like the following:

Course sponsors ~~must, shall,~~ upon request, provide any prospective student a description of the course content ~~sufficient to give the prospective student a general understanding of regarding~~ the instruction to be provided in the course.

In Item (4), delete or define “appropriate”, “comfortably”, “sufficient”, “adequate”,

In Item (4), what is meant by “is free of distractions that would disrupt class sessions”?

In Item (4), what is your authority to require “light, heat, cooling, and ventilation,” and lines 25-29. 93-1-8(c) appears to give you authority over course related things, but not facilities.

If you do have authority to regulate the facilities in Item (4), what is your specific authority to require separate restroom facilities? Wouldn't this be covered by the building code?

Please also consider listing out the requirements of the facility. It would look something like the following (including the above changes):

- (4) Courses ~~must shall~~ be conducted in a facility that meets the following requirements: provides an appropriate learning environment. At a minimum, the classroom must [shall] be
- (a) is of sufficient size to accommodate comfortably all enrolled students; students, must contain
 - (b) contains a student desk or sufficient worktable space for each student; student, must [shall] have adequate light, heat, cooling and ventilation, and must [shall]
 - (c) is be free of distractions that would disrupt class sessions; (though I don't know what this means) and
 - (d) complies sessions. Sponsors are required to [shall] comply with all applicable local, state and federal laws and regulations regarding safety, health and sanitation. Sponsors shall furnish the Board with inspection reports from appropriate local building, health and fire inspectors upon the request of the Board. Sponsors must [shall] supply separate restroom facilities for males and females. Classes may [shall] not be held in a personal residence under any circumstances.

In Item (5), delete “satisfactorily”

In Item (5), do you mean “assure” or “ensure”?

What is the intent of Item (6)? Delete or define “reasonable.” Can you provide some examples of what may constitute “activities that are not related to the instruction being provided”? Can they go to the restroom?

In Item (7), delete or define “fairly”

In Item (7), delete or define “reasonable”

In Item (8), delete “in a manner and format”

In Item (8), change “which” to “that” in “which depicts” and “which demonstrates”

In Item (8), line 13, delete “specified by the Board”

In Item (8), consider deleting “and which demonstrates that the instructor possesses the basic teaching skills described in Rule .0306(c) of this Section.” I’m not sure that the intent here is that the recording demonstrates this, but more so that the teacher is actually doing this; therefore, I think that this is covered by .0306 and is not necessary here.

In Item (9), delete “or will be”

In Item (9), change “such” to “the”

In Item (9), line 17, what is meant by “unless circumstances beyond the control of the course sponsor require that the course be rescheduled”? Can you provide some examples of when this may occur? Also, in this case, when must they provide the

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Date submitted to agency: Monday, April 29, 2019

information to you all? Would this be something like a pipe burst in the building where the course was to take place, so they reschedule it to the next day?

In Item (9), line 18-19, when are they supposed to notify you? Can they let you know after the fact?

In Item (10), please consider deleting “so that students may contact the Board with questions or concerns regarding the course.” This language appears to be superfluous and unnecessary.

In Item (11), what is meant by “any criminal act”?

Please retype the rule accordingly and resubmit it to our office at 1711 New Hope Church Road, Raleigh, North Carolina 27609.

1 21 NCAC 57B .0606 is proposed for amendment as follows:

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3 **21 NCAC 57B .0606 COURSE OPERATIONAL REQUIREMENTS**

4 Course sponsors must shall at all times assure compliance with the criteria for course approval stated in
5 Rule .0603 of this Section and must shall also comply with the following requirements relating to
6 scheduling, advertising and conducting approved appraisal continuing education courses:

7 (1) Courses must shall be scheduled and conducted in a manner that limits class sessions to a
8 maximum of eight classroom hours in any given day and that includes appropriate breaks for each class
9 session. A classroom hour consists of 50 minutes of classroom instruction and ten minutes of break time.
10 For any class meeting that exceeds 50 minutes in duration, breaks at the rate of ten minutes per hour must
11 shall be scheduled and taken at reasonable times.

12 (2) Course sponsors must shall not utilize advertising of any type that is false or misleading in any
13 respect. If the number of continuing education credit hours awarded by the Board for a course is less than
14 the number of scheduled classroom hours for the course, any course advertisement or promotional
15 materials which indicate that the course is approved for appraiser continuing education credit in North
16 Carolina must shall specify the number of continuing education credit hours awarded by the Board for the
17 course.

18 (3) Course sponsors must, shall, upon request, provide any prospective student a description of the
19 course content sufficient to give the prospective student a general understanding of the instruction to be
20 provided in the course.

21 (4) Courses must shall be conducted in a facility that provides an appropriate learning environment.
22 At a minimum, the classroom must shall be of sufficient size to accommodate comfortably all enrolled
23 students, must contain a student desk or sufficient worktable space for each student, must shall have
24 adequate light, heat, cooling and ventilation, and must shall be free of distractions that would disrupt class
25 sessions. Sponsors ~~are required to shall~~ comply with all applicable local, state and federal laws and
26 regulations regarding safety, health and sanitation. Sponsors shall furnish the Board with inspection
27 reports from appropriate local building, health and fire inspectors upon the request of the Board. Sponsors
28 must shall supply separate restroom facilities for males and females. Classes may shall not be held in a
29 personal residence under any circumstances.

30 (5) The course sponsor must shall require students to attend at least 90 percent of the scheduled
31 classroom hours in order to satisfactorily complete the course, even if the number of continuing education
32 credit hours awarded by the Board for the course is less than the number of scheduled classroom hours.
33 Attendance must shall be monitored during all class sessions to assure compliance with the attendance

1 requirement. Instruction must shall be given for the number of hours for which credit is given. Instructors
2 may shall not accumulate unused break time to end the class early.

3 (6) Instructors must shall require reasonable student attentiveness during class sessions. Students
4 must shall not be permitted to engage in activities that are not related to the instruction being provided.

5 (7) Course sponsors for which an application fee is required by Rules .0602(b) and .0611(b) of this
6 Section must shall fairly administer course cancellation and fee refund policies. In the event a scheduled
7 course is canceled, reasonable efforts must shall be made to notify preregistered students of the
8 cancellation and all prepaid fees received from such preregistered students must shall be refunded within
9 30 days of the date of cancellation or, with the student's permission, applied toward the fees for another
10 course.

11 (8) Upon request of the Board, the course sponsor must shall submit to the Board a recording
12 ~~videotape~~ in a manner and format which depicts the instructor teaching portions of any continuing
13 education course specified by the Board and which demonstrates that the instructor possesses the basic
14 teaching skills described in Rule .0306(c) of this Section.

15 (9) Course sponsors shall provide the Board with the dates and locations of all classes the sponsor is
16 or will be offering in the State of North Carolina at least 30 calendar days before such class is offered,
17 unless circumstances beyond the control of the course sponsor require that the course be rescheduled. If
18 the dates or location of the classes change after such information is provided to the Board, the course
19 sponsor must shall notify the Board of such changes.

20 (10) Course sponsors shall provide each student with contact information for the Appraisal Board so
21 that students may contact the Board with questions or concerns regarding the course.

22 (11) If an instructor has any disciplinary action taken on his or her appraisal license or any other
23 professional license in North Carolina or any other state, or if the instructor has been convicted of or
24 pleaded guilty to any criminal act, the school or course sponsor must shall report that fact to the Board
25 within 15 business days.

26 (12) All courses, except those taught on-line via the Internet, must shall have a minimum number of
27 five students enrolled in the course.

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29 *History Note: Authority G.S. 93E-1-8(c); 93E-1-10;*
30 *Eff. July 1, 1994;*
31 *Amended Eff. July 1, 2019; January 1, 2013; July 1, 2010; January 1, 2008; March 1,*
32 *2007; July 1, 2005; August 1, 2002.*