



North Carolina Department of Revenue

Michael F. Easley
Governor

E. Norris Tolson
Secretary

January 21, 2005

MEMORANDUM

TO: County Assessors

FROM: David B. Baker, Director *DBB*
Property Tax Division

SUBJECT: County Appraiser Re-Certification

This memorandum is a follow-up to the presentation given by the Property Tax Division at the NCAAO Fall Conference. As there were a number of you that could not attend the conference, I will briefly discuss the major points.

Prior to 1983, no certification or re-certification program existed for county appraisers in North Carolina. The legislature, under the sponsorship of House Bill 202, created a program of certification and re-certification for both county assessors and appraisers. For the most part, the statute is clear-cut in its requirements for certification, except for appraiser re-certification. Here is the language from the statute, G.S. 105-296(b).

“ Each person employed by the assessor as a real property appraiser or personal property appraiser shall during the first year of employment and at least every other year thereafter attend a course of instruction in his area of work.”

With the increasing number of appeals to the North Carolina Property Tax Commission plus the increasing scrutiny of the qualifications and certifications of county appraisers, we feel it is vital that there be a stricter enforcement of the statutes governing county appraisers.

OUR SOLUTION

In order that the mass appraisal system used by the counties be respected in North Carolina, the continuing education program must be on an equal footing with the private fee appraisers. We must do a better job of enforcing the continuing education requirements of the statute, if the assessor and appraiser education and certification program is to have any creditability. Below is our new policy:

1 – The Department of Revenue will take over the task of tracking the continuing education requirements for county appraisers as we currently do for county assessors.

2 – We will develop and maintain a database of all county appraisers to track the courses they attend.

3 – Starting with the July 1, 2005 - June 30, 2007 re-certification period, our office will notify the assessors of the appraisers in their counties for which we do not have a record of attendance in a course during the last two years.

4 – We will request that those who have not attended a course of instruction do so before June 30, 2007.

5 – Starting July 1, 2007, the Department of Revenue will suspend the certification of any county appraiser who has not attended a course of instruction as required, until such time as they meet the requirements of G.S. 105-296(b).

6 – Notification of the suspension will be sent to the assessor as well as the appraiser.

POTENTIAL PROBLEM AREAS

Obviously, the costs of sending their appraisers to such courses are a large burden to the counties. The Department of Revenue will seek to find ways to lessen the effect of these costs whenever possible. The solutions will include increasing the number and type of courses that would be allowed for continuing education credit, and also creating new courses which would fulfill the requirements of the statute and reduce the costs for counties. The Department of Revenue and Institute of Government will work together with the Assessors' Education Committee to help achieve these goals. Courses that would be included are IAAO Courses, DOR Courses, ASA courses, IOG courses and courses given by a local community or technical college, although it would not be limited to just these courses. Guidelines for these courses will be established with your help.

As an aid to help implement this program, we need your input. The following is a series of questions asking for your opinion about this program:

- 1) What additional courses would you like to see offered in North Carolina?
- 2) What types of courses should be considered for credit for appraiser re-certification?
- 3) What types of courses would you like to see developed to assist in appraiser re-certification?
- 4) Would you or anyone from your staff be available to assist in the development of these courses? Or teach them?
- 5) Would you like to see a change in the statute to either define "a course of instruction" or change it to an hourly requirement?

SUMMARY

The object of these changes is not to make re-certification more difficult or expensive, but to bring it in line with the original intent of the law. In other words, to put the county ad valorem appraiser on a level playing field with his fellow appraisers in the private sector. Attached is a copy of our rules and guidelines for the certification of county assessors and appraisers.

If you have any questions, please contact our office at 919-733-7711.

**NORTH CAROLINA DEPARTMENT OF REVENUE
PROPERTY TAX DIVISION**

**Regulation for Training and Certification of County Assessors,
County Appraisers, and Appraisal Firm Appraisers
in North Carolina**

Introduction

In the twenty years since the 1983 General Assembly passed House Bill 202 over 1,500 people have been certified through our office to administer and appraise property for counties in North Carolina. The basic components of the regulation remain the same, but certain terminology changes require that we update this regulation. The statutes of the Machinery Act pertinent to this regulation are G.S. 105-289, -294, -296 and -299.

Purpose

The purpose of this regulation is to explain the requirements for certification and re-certification for those individuals in the appraisal and administration of the property tax in North Carolina. It should be emphasized that the requirements set forth in this Regulation are minimum requirements. All persons involved in the administration of the property tax are urged to avail themselves of every opportunity to strengthen their professional skills and abilities.

Coverage

The following personnel are covered by this statute:

- (1) County Assessors or Tax Administrators
- (2) County Appraisers – Those persons authorized by the assessor to make independent value judgments or appraisals. Such persons may be real property appraisers or personal property appraisers.
- (3) Appraisal Firm Appraisers – Those persons employed by a private appraisal firm, who are authorized by the firm to make independent value judgments or appraisals.

Certification Requirements

I - County Assessors

Every person serving as county assessor, after July 1, 1983, must, within two years after the date of appointment receive a passing grade in the four courses listed below and then receive a passing grade on a comprehensive examination administered by the Department

of Revenue. Persons who do not meet these requirements are not eligible for reappointment.

The following courses are required for certification of assessors:

- (1) The Fundamentals of Property Tax Listing and Assessing – Institute of Government
- (2) IAAO Course 101 – The Fundamentals of Real Property Appraisal
- (3) Personal Property Appraisal and Assessment – NC Department of Revenue
- (4) IAAO Course 400/Assessment Administration

The comprehensive examination for county assessors consists of 60 multiple choice or true/false questions. It is designed to test the assessor's knowledge of the listing, appraisal and assessment requirements of the Machinery Act and the theories and procedures involved in the appraisal of real and personal property. The minimum passing score is 70.

County assessors who complete these requirements will be issued a certificate by the Department of Revenue. Any person may sit for the examination as long as that person has successfully completed all the above course requirements. They will then be issued a certificate when they have been appointed as a county assessor in North Carolina.

II – County Appraisers

Under G.S. 105-296(b), every person employed in a county tax office as a real property or personal property appraiser must attend a course of instruction in his/her respective area of work, within their first year of employment. At that point, the appraiser may challenge a comprehensive examination administered by the Department of Revenue. This examination will consist of 50 multiple choice questions. It is designed to test the appraiser's knowledge of the listing, appraisal and assessment requirements of the Machinery Act, relative to the type of property he is responsible for appraising. The minimum passing score is 70.

This examination may be waived for county real property appraisers who complete one of the following requirements:

- (1) A passing score in IAAO Courses 101 or 102 and Fundamentals of Property Tax Listing and Assessing (It is the policy of the Property Tax Division to accept Appraisal Institute Courses R-1, R-2 and R-3 in lieu of IAAO Courses 101 or 102)
- (2) The appraiser holds the IAAO designation CAE

- (3) The appraiser holds the NCAAO designation of North Carolina Certified Appraiser in real property

This examination may be waived for county personal property appraisers who complete one of the following requirements:

- (1) A passing score in The Fundamentals of Property Tax Listing and Assessing and the Department of Revenue course on Personal Property Appraisal and Assessment
- (2) The appraiser holds the IAAO designation PPS
- (3) The appraiser holds the NCAAO designation of North Carolina Certified Appraiser in personal property

(IAAO Course 500 may not be substituted for the Department of Revenue course on Personal Property Appraisal as it does not cover several areas of important information pertaining to North Carolina alone. But IAAO Course 500 may be used for continuing education hours)

In order to request certification, the appraiser's supervisor should write a letter to Department of Revenue requesting certification for the appraiser and including all pertinent certificates of courses completed.

III – Appraisal Firm Appraisers

Every person employed by an appraisal firm whose duties include the appraisal of property for a county assessor must achieve a passing score on a comprehensive examination administered by the Department of Revenue. The examination will consist of 50 multiple-choice questions. It is designed to test the appraiser's knowledge of the theory and procedures involved in appraising property for a county assessor as provided in the Machinery Act. The minimum passing score is 70.

This examination will be waived for appraisal firm appraisers who have passed IAAO Course 101 or 102 and Fundamentals of Property Tax Listing and Assessing.

Continuing Education Requirements

County Assessors

Every person who serves as county assessor must attend at least 30 hours of instruction in the appraisal or assessment of property during each two-year period to be eligible for reappointment. The dates for the term of reappointment are July 1st of the odd-numbered year to June 30th of the next odd-numbered year. The following credit hours will be allowed in fulfilling this requirement:

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|---|------------|
| (1) IAAO Courses (Weeklong Courses) | 30 Hours |
| (2) Personal Property Appraisal and Assessment | 30 Hours |
| (3) The Fundamentals of Property Tax Listing and Assessing | 30 Hours |
| (4) IAAO Course (2.5 Day courses) | 15 hours |
| (5) Workshops or Seminars sponsored by the Department of Revenue, IAAO, Etc. | 2-12 Hours |
| (6) NCAAO Summer Conference | 12 Hours |
| (7) NCAAO Fall Conference | 14 Hours |
| (8) Regional Tax Association Meetings | 2 Hours |

Appraisers

This one area has resulted in more questions asked than in all other sections of the regulation combined. County appraisers are required to attend a course of instruction at least every other year to coincide with the dates for county assessor reappointment – July 1st on the odd-numbered year to June 30th of the next odd-numbered year. The course must relate to the appraiser's area of work. The following is a list of courses that can be used for the continuing education requirement:

- (1) IAAO Courses (weeklong)
- (2) Personal Property Appraisal and Assessment (DOR)
- (3) The Fundamentals of Property Tax Listing and Assessing (taught by IOG or DOR)
- (4) Course of Instruction at a local Community or Technical College
- (5) Appraisal Institute Course
- (6) Any combination of two IAAO courses that last at least 2.5 days each.

The following is a list of events that would not qualify for continuing education credit for county appraisers:

- (1) Any one day seminars or workshops

- (2) NCAAO Summer Conference
- (3) NCAAO Fall Conference
- (4) Regional Tax Association Meetings

2005 Continuing Education Changes

Prior to January 1, 2005, although the Department of Revenue has assisted in the tracking of county appraiser's continuing education requirements, the county assessor has been in charge of keeping track of re-certification hours. The need for a central database for continuing education requirements has prompted a change in this procedure. As of July 1, 2005, the following changes to the re-certification program will take effect:

- 1- The Department of Revenue will assume the responsibility for tracking the continuing education requirements for county appraisers as we currently do for county assessors.
- 2- The Department of Revenue will develop and maintain a database of all county appraisers and what courses they attend and when.
- 3- Starting with the July 1, 2005 – June 30, 2007 re-certification period, the Department of Revenue will notify assessors of the appraisers in their county who according to our records have not attended a course during the last two years.
- 4- The Department of Revenue will request that those who have not attended a course of instruction do so before July 1, 2007.
- 5- Starting with July 1, 2007, the Department of Revenue will suspend the certification of any county appraiser who has not attended a course of instruction as required, until such time as the county appraiser meets the requirements of G. S. 105-296)(b).
- 6- A copy of the suspension will be sent to the assessor as well as the appraiser.