

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: House Bill 328 (Second Edition)

SHORT TITLE: Amend Real Estate Licensing Laws/Fees

SPONSOR(S): Rep. Howard

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2003-04</u>	<u>FY 2004-05</u>	<u>FY 2005-06</u>	<u>FY 2006-07</u>	<u>FY 2007-08</u>
REVENUES					
Commission Special Account					
Sections 1,2, & 4		No Fiscal Impact			
Section 3		No Estimate Available			
EXPENDITURES					
Commission Special Account					
Section 1		No Fiscal Impact			
Section 3		No Estimate Available			
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Real Estate Commission					
EFFECTIVE DATE: This act is effective when it becomes law.					

BILL SUMMARY: The bill revises real estate licensing examination procedures, clarifies continuing education requirements, and enables the Real Estate Commission to permit limited commercial practice by nonresident real estate brokers.

ASSUMPTIONS AND METHODOLOGY:

Section 1

This section allows the Real Estate Commission to charge applicants the actual cost of the licensing exam and its administration whether it is taken in writing, orally, or by computer. Currently, 95% of applicants take the exam by computer and the Commission has the authority to charge them actual cost. While this section expands the Commission's right to charge written and oral exam takers the actual cost of the test, the Commission's Executive Director said there are no plans to increase the exam fee. However, the Commission's Executive Director stated the Commission's goal is to have 100% of the exams completed by computer.

The second part of Section 1 requires applicants to provide a criminal record report from a reporting service designated by the Commission. The cost of the report is borne by the applicant and the Commission receives no revenue from this transaction.

Sections 2 and 4

Section 2 requires real estate brokers and salespersons to complete annual continuing education requirements or cease actively engaging in the profession. This section also gives the Commission flexibility in setting the 12-month period for license holders to complete the education requirements. Flexibility in the continuing education period is needed if the Commission goes to staggered license renewals. The Commission does not expect either provision to impact license renewals.

Section 4 is a technical change that allows the Executive Director of the Commission to sign for a service of process for a nonresident licensee instead of affixing a corporate seal to the document.

Section 3

This section allows the Commission to charge up to \$300 for a nonresident commercial broker or salesperson license. This license would be available to residents of states that do not have reciprocity status with North Carolina. The licensee would not have to complete an exam, would only be involved in commercial real estate, and must be affiliated with a North Carolina real estate broker or salesperson. The Commission's Executive Director said this special license was requested by the commercial real estate industry. The Commission has no estimate of the number of special nonresident licenses it will issue each year.

SOURCES OF DATA:

TECHNICAL CONSIDERATIONS: None

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