

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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HOUSE BILL 2050*
Committee Substitute Favorable 6/14/90

Short Title: Appraiser Licensing Changes.

(Public)

Sponsors:

Referred to:

May 23, 1990

A BILL TO BE ENTITLED
AN ACT TO COMPLY WITH TITLE XI OF THE FINANCIAL INSTITUTIONS
REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989 BY GRANTING
CERTAIN REGULATORY AUTHORITY TO THE NORTH CAROLINA REAL
ESTATE COMMISSION REAL ESTATE APPRAISAL COMMITTEE, TO
REDESIGNATE IT A BOARD, AND TO ADD A NEW CLASSIFICATION OF
VOLUNTARY APPRAISER CERTIFICATION.

The General Assembly of North Carolina enacts:

PART I.

Section 1. G.S. 93A-72 reads as rewritten:

"§ 93A-72. Definitions.

When used in this Article, 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.
- (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 Foundation' or 'Foundation' means the Appraisal Foundation established on November 20, 1987, as a not-for-profit corporation under the laws of Illinois.

- 1 (4) 'Appraisal report' means any communication, written or oral, of an
2 appraisal.
- 3 (5) 'Certificate' means that document issued by the North Carolina Real
4 Estate Commission evidencing that the person named therein has
5 satisfied the requirements for certification as a State-certified real
6 estate appraiser and bearing a certificate number assigned by the
7 Commission.
- 8 (6) 'Certificate holder' means a person certified by the Commission
9 under the provisions of this Article.
- 10 (7) 'Certified appraisal' means any appraisal performed by a State-
11 certified real estate appraiser and represented as being 'certified'.
- 12 (8) 'Certified appraisal report' means any communication, written or
13 oral, of an appraisal by a State-certified real estate appraiser which is
14 represented as being 'certified'.
- 15 (9) 'Commission' means the North Carolina Real Estate Commission.
- 16 (10) 'License' means that document issued by the North Carolina Real
17 Estate Commission evidencing that the person named therein has
18 satisfied the requirements for licensure as a State-licensed real estate
19 appraiser and bearing a license number assigned by the Commission.
- 20 (11) 'Licensee' means a person licensed by the Commission under the
21 provisions of this Article.
- 22 (12) 'Real estate' or 'real property' means land, including the air above
23 and ground below and all appurtenances and improvements thereto,
24 as well as any interest or right inherent in the ownership of land.
- 25 (13) 'Real Estate Appraisal Committee', 'Appraisal Committee' or
26 'Committee' means the body established by the Commission
27 pursuant to the provisions of this Article.
- 28 (14) 'Real estate appraiser' or 'appraiser' means a person who for a fee or
29 valuable consideration develops and communicates real estate
30 appraisals or otherwise gives an opinion of the value of real estate or
31 any interest therein.
- 32 (15) 'Real estate appraising' means the practice of developing and
33 communicating real estate appraisals.
- 34 (16) 'Residential real estate' means any parcel of real estate, improved or
35 unimproved, that is exclusively residential in nature and that
36 includes or is intended to include a residential structure containing
37 not more than four dwelling units and no other improvements except
38 those which are typical residential improvements that support the
39 residential use for the location and property type. A residential unit
40 in a condominium, townhouse, or cooperative complex or a planned
41 unit development is considered to be residential real estate.
- 42 (16a) 'State-certified general real estate appraiser' means a person who
43 holds a current, valid certificate as a State-certified general real
44 estate appraiser issued under the provisions of this Article.

1 (17) 'State-certified residential real estate appraiser' means a person who
2 holds a current, valid certificate as a State-certified residential real
3 estate appraiser issued under the provisions of this Article.

4 (18) 'State-licensed residential real estate appraiser' means a person who
5 holds a current, valid license as a State-licensed residential real
6 estate appraiser issued under the provisions of this Article."

7 Sec. 2. G.S. 93A-73 reads as rewritten:

8 **"§ 93A-73. Qualifications for State licensure and certification; applications;**
9 **application fees; examinations.**

10 (a) Any person desiring to obtain licensure as a State-licensed real estate
11 appraiser or certification as a State-certified real estate appraiser shall make written
12 application to the Commission on such forms as are prescribed by the Commission
13 setting forth the applicant's qualifications for licensure or certification. Each applicant
14 shall satisfy the following qualification requirements:

15 (1) Each applicant for licensure as a State-licensed residential real estate
16 appraiser shall have demonstrated to the satisfaction of the
17 Commission that he possesses the knowledge and competence
18 necessary to perform appraisals of residential and other real estate as
19 the Commission may prescribe by having satisfactorily completed,
20 within the five-year period immediately preceding the date application
21 is made, through a school approved by the Commission, a course of
22 instruction in real estate appraisal principles and practices consisting of
23 at least 90 hours of classroom instruction in subjects determined by the
24 Commission, and shall satisfy such additional qualifications as may be
25 required to render North Carolina State-licensed residential real estate
26 appraisers eligible to perform appraisals in connection with federally-
27 related transactions requiring the use of a State-licensed residential real
28 estate appraiser; or the applicant shall possess education or experience
29 which is found by the Commission to be equivalent to the above
30 requirements.

31 (1b) Each applicant for certification as a State-certified residential real
32 estate appraiser shall have demonstrated to the satisfaction of the
33 Commission that he possesses the knowledge and competence
34 necessary to perform appraisals of residential and other real estate as
35 the Commission may prescribe by having satisfied all education
36 requirements for licensure as a State-licensed residential real estate
37 appraiser; shall present evidence satisfactory to the Commission of at
38 least two years of full-time experience in real estate appraising within
39 the five-year period immediately preceding the date application is
40 made; and shall satisfy such additional qualifications criteria as may be
41 promulgated by the Appraiser Qualifications Board of The Appraisal
42 Foundation for residential real estate appraisers.

43 (2) Each applicant for certification as a State-certified general real estate
44 appraiser shall have demonstrated to the satisfaction of the

1 Commission that he possesses the knowledge and competence
2 necessary to perform appraisals of all types of real estate by having
3 satisfactorily completed, within the five-year period immediately
4 preceding the date application is made, through a school approved by
5 the Commission, a course of instruction in general real estate appraisal
6 practices consisting of at least 90 hours of classroom instruction in
7 subjects determined by the Commission, such course of instruction to
8 be in addition to the education required for licensure as a State-
9 licensed residential real estate appraiser, ~~appraiser~~; ~~and~~ shall present
10 evidence satisfactory to the Commission of at least two years of full-
11 time experience in real estate appraising within the five-year period
12 immediately preceding the date application is ~~made~~, made; and shall
13 satisfy such additional qualifications criteria as may be ~~required to~~
14 ~~render North Carolina State-certified real estate appraisers eligible to~~
15 ~~perform appraisals in connection with federally related transactions requiring~~
16 ~~the use of a State-certified real estate appraiser~~; promulgated by the
17 Appraiser Qualifications Board of The Appraisal Foundation for
18 general real estate appraisers; or the applicant shall possess education
19 or experience which is found by the Commission to be equivalent to
20 the above requirements.

21 (b) Each application for State licensure or certification as a real estate appraiser
22 shall be accompanied by a fee fixed by the Commission but not to exceed one hundred
23 fifty dollars (\$150.00).

24 (c) Any person who files with the Commission an application for State licensure
25 or certification as a real estate appraiser shall be required to ~~take pass an oral or written~~
26 examination to demonstrate his competence. The Commission may also make such
27 investigation as it deems necessary into the ethical background of the applicant to
28 determine his qualifications with due regard to the paramount interests of the public as
29 to his honesty, truthfulness and integrity. If the results of the examination and
30 investigation shall be satisfactory to the Commission, then the Commission shall issue
31 to ~~such person the applicant~~ a license or certificate authorizing ~~such person the applicant~~
32 to act as a State-licensed real estate appraiser or a State-certified real estate appraiser in
33 this State."

34 Sec. 3. G.S. 93A-78(b) reads as rewritten:

35 "(b) The Committee shall advise the Commission on the implementation and
36 operation of this Article and any other applicable provisions of this Chapter relating to
37 standards and operations of real estate appraiser education programs. The Committee
38 shall propose to the Commission for its adoption rules to implement, administer, and
39 enforce this Article and any other applicable provisions of this Chapter relating to
40 standards and operations of real estate appraiser education programs. In proposing rules
41 to the Commission regarding the qualification requirements and standards of practice
42 for State-licensed and State-certified real estate appraisers, the Committee shall consider
43 the ~~Minimum Standards of Qualification~~ qualifications criteria issued by the Appraiser
44 Qualification Board of the Appraisal Foundation and the Uniform Standards of

1 Professional Appraisal Practice promulgated by the Appraisal Standards Board of the
2 Appraisal Foundation."

3 Sec. 4. G.S. 93A-71.1 and Chapter 630 of the 1989 Session Laws are
4 repealed.

5 **PART II.**

6 Sec. 5. G.S. 93A-72(13) reads as rewritten:

7 **"§ 93A-72. Definitions.**

8 When used in this Article, unless the context otherwise requires, the term:

9

10 (13) 'Real Estate Appraisal ~~Committee-Board~~', 'Appraisal ~~Committee~~
11 Board' or '~~Committee-Board~~' means the body established by ~~the~~
12 Commission pursuant to the provisions of this Article. G.S. 93A-78.

13

14 Sec. 6. G.S. 93A-73, as amended by Part I of this act, reads as rewritten:

15 **"§ 93A-73. Qualifications for State licensure and certification; applications;
16 application fees; examinations.**

17 (a) Any person desiring to obtain licensure as a State-licensed real estate
18 appraiser or certification as a State-certified real estate appraiser shall make written
19 application to the Commission on such forms as are prescribed by the Commission
20 setting forth the applicant's qualifications for licensure or certification. Each applicant
21 shall satisfy the following qualification requirements:

22 (1) Each applicant for licensure as a State-licensed residential real estate
23 appraiser shall have demonstrated to the satisfaction of the ~~Commission~~
24 Real Estate Appraisal Board that he possesses the knowledge and
25 competence necessary to perform appraisals of residential and other
26 real estate as the Commission may prescribe by having satisfactorily
27 completed, within the five-year period immediately preceding the date
28 application is made, through a school approved by the Commission, a
29 course of instruction in real estate appraisal principles and practices
30 consisting of at least 90 hours of classroom instruction in subjects
31 determined by the ~~Commission, Appraisal Board;~~ and shall satisfy such
32 additional qualifications as may be required to render North Carolina
33 State-licensed residential real estate appraisers eligible to perform
34 appraisals in connection with federally-related transactions requiring
35 the use of a State-licensed residential real estate appraiser; or ~~the~~
36 ~~applicant~~ shall possess education or experience which is found by the
37 ~~Commission-Appraisal Board~~ to be equivalent to the above
38 requirements.

39 (1b) Each applicant for certification as a State-certified residential real
40 estate appraiser shall have demonstrated to the satisfaction of the
41 ~~Commission-Real Estate Appraisal Board~~ that he possesses the
42 knowledge and competence necessary to perform appraisals of
43 residential and other real estate as the Commission may prescribe by
44 having satisfied all education requirements for licensure as a State-

1 licensed residential real estate appraiser; shall present evidence
2 satisfactory to the ~~Commission~~ Appraisal Board of at least two years of
3 full-time experience in real estate appraising within the five-year
4 period immediately preceding the date application is made; and shall
5 satisfy such additional qualifications criteria as may be promulgated by
6 the Appraiser Qualifications Board of The Appraisal Foundation for
7 residential real estate appraisers.

8 (2) Each applicant for certification as a State-certified general real estate
9 appraiser shall have demonstrated to the satisfaction of the ~~Commission~~
10 Real Estate Appraisal Board that he possesses the knowledge and
11 competence necessary to perform appraisals of all types of real estate
12 by having satisfactorily completed, within the five-year period
13 immediately preceding the date application is made, through a school
14 approved by the Commission, a course of instruction in general real
15 estate appraisal practices consisting of at least 90 hours of classroom
16 instruction in subjects determined by the ~~Commission~~, Appraisal Board,
17 such course of instruction to be in addition to the education required
18 for licensure as a State-licensed residential real estate appraiser; shall
19 present evidence satisfactory to the ~~Commission~~ Appraisal Board of at
20 least two years of full-time experience in real estate appraising within
21 the five-year period immediately preceding the date application is
22 made; and shall satisfy such additional qualifications criteria as may be
23 promulgated by the Appraiser Qualifications Board of The Appraisal
24 Foundation for general real estate appraisers; or the applicant shall
25 possess education or experience which is found by the ~~Commission~~
26 Appraisal Board to be equivalent to the above requirements.

27 (b) Each application for State licensure or certification as a real estate appraiser
28 shall be accompanied by a fee fixed by the Commission but not to exceed one hundred
29 fifty dollars (\$150.00).

30 (c) Any person who files with the Commission an application for State licensure
31 or certification as a real estate appraiser shall be required to pass an examination to
32 demonstrate his competence. The Commission ~~may~~ shall also make such investigation
33 as ~~it deems~~ deemed necessary by the Real Estate Appraisal Board into the ethical
34 background of the applicant to determine his qualifications with due regard to the
35 paramount interests of the public as to his honesty, truthfulness and integrity. If the
36 results of the ~~examination and~~ investigation shall be satisfactory to the ~~Commission~~,
37 Board and the applicant is otherwise qualified, then the Commission shall issue to the
38 applicant a license or certificate authorizing the applicant to act as a State-licensed real
39 estate appraiser or a State-certified real estate appraiser in this State. If, based upon the
40 results of the investigation, the moral character of the applicant is in question, action on
41 the application will be deferred pending a hearing before the Appraisal Board."

42 Sec. 7. G.S. 93A-74(b) reads as rewritten:

43 "(b) The Commission may by rule require, as a prerequisite to license or
44 certificate renewal, the completion of Commission-approved education courses ~~approved~~

1 by the Commission in subject matters determined by the Appraisal Board, or courses
2 determined by the Commission to be equivalent to such instruction, provided that the
3 continuing education requirements do not exceed 24 hours of classroom instruction
4 during any two-year period, except as may be required to maintain State-certified and
5 State-licensed real estate appraisers' eligibility to perform real estate appraisals in
6 connection with federally-related transactions requiring their use."

7 Sec. 8. G.S. 93A-78, as amended by Part I of this act, reads as rewritten:

8 **"§ 93A-78. Real Estate Appraisal ~~Committee~~ Board.**

9 (a) ~~The Commission shall appoint~~ There is created a Real Estate Appraisal
10 Committee Board for the purpose of rendering advice and assistance to the ~~Commission~~.
11 Commission and for the other purposes set forth in this Article. To the extent possible,
12 the membership of the ~~Committee Board~~ shall be representative of the members of the
13 real estate appraisal business. The ~~Committee Board~~ shall consist of ~~five members, seven~~
14 members. The Governor shall appoint five members of the Board. The General
15 Assembly shall appoint two members in accordance with G.S. 120-121, one upon
16 recommendation of the President Pro Tempore of the Senate, and one upon
17 recommendation of the Speaker of the House of Representatives. ~~three of whom~~ The
18 appointee recommended by the Speaker of the House of Representatives, and at least
19 four of the appointees of the Governor shall be persons who have been engaged in the
20 business of real estate appraising in this State for ~~not less than~~ at least five years
21 immediately preceding their appointment, and, if appointed to the Committee after January 1,
22 1991, shall also be appointed and are also State-licensed or State-certified real estate
23 appraisers. The appointee recommended by the President Pro Tempore of the Senate
24 and at least one of the appointees of the Governor shall be persons who are not involved
25 directly or indirectly in the real estate, real estate appraisal, or real estate lending
26 industry. Members of the ~~Committee Board~~ shall serve three-year terms, ~~so staggered that~~
27 ~~the term of one member expires in one year, the terms of two members expire in the next year,~~
28 ~~and the terms of two members expire in the third year of each three year period.~~ The
29 members of the ~~Committee Board~~ shall elect one of their members to serve as chairman
30 of the Committee for a term of one year. The ~~Commission~~ Governor may remove any
31 member of the ~~Committee Board~~ appointed by him for misconduct, incompetency, or
32 neglect of duty. ~~The Commission shall have the power to fill all~~ Successors shall be
33 appointed by the appointing authority making the original appointment. All vacancies
34 occurring on the ~~Committee~~ Board shall be filled, for the unexpired term, by the
35 appointing authority making the original appointment. Vacancies in appointments made
36 by the General Assembly shall be filled in accordance with G.S. 120-122.

37 (b) ~~The Committee Board~~ shall advise the Commission on the implementation and
38 operation of this Article and any other applicable provisions of this Chapter relating to
39 standards and operations of real estate appraiser education programs. The ~~Committee~~
40 Board shall propose to the Commission for its adoption rules to implement, administer,
41 and enforce this Article and any other applicable provisions of this Chapter relating to
42 standards and operations of real estate appraiser education programs. In proposing rules
43 to the Commission regarding the qualification requirements and standards of practice
44 for State-licensed and State-certified real estate appraisers, the ~~Committee Board~~ shall

1 consider the qualifications criteria issued by the Appraiser Qualification Board of the
2 Appraisal Foundation and the Uniform Standards of Professional Appraisal Practice
3 promulgated by the Appraisal Standards Board of the Appraisal Foundation.

4 (b1) The Board is an occupational licensing agency governed by Chapter 150B; its
5 decisions are final agency decisions subject to judicial review under Article 4 of
6 Chapter 150B.

7 (c) ~~Members of the Committee-Board~~ shall be paid ~~the~~ per diem allowances at the
8 rates set forth in G.S. 93B-5; provided that none of the expenses of the ~~Committee-Board~~
9 shall be payable out of the Treasury of the State of North Carolina."

10 Sec. 9. G.S. 93A-79(d) reads as rewritten:

11 "(d) All fees collected by the Commission under this Article shall be deposited
12 into the operating account of the Commission. None of the expenses incurred by the
13 Commission in administering this Article, including the compensation of expenses of
14 the Real Estate Appraisal ~~Committee-Board~~ or any officer or employee of the
15 Commission, may be paid or payable out of the Treasury of the State of North Carolina,
16 and the Real Estate Appraisal ~~Committee-Board~~ may not make or incur any expense,
17 debt or other financial obligation binding upon the Commission or the State of North
18 Carolina."

19 Sec. 10. G.S. 93A-80 reads as rewritten:

20 "**§ 93A-80. Disciplinary action by Commission.**

21 (a) The Commission ~~may~~ shall take disciplinary action against State-licensed or
22 State-certified real estate ~~appraisers~~ appraisers, only as directed by the Real Estate
23 Appraisal Board. Upon its own motion, the motion of the Appraisal Board, or ~~on~~ the
24 verified complaint of any person, the Commission may investigate the actions of any
25 person licensed or certified under this Article or any other person who shall assume to
26 act in such capacity. If the ~~Commission-Appraisal Board~~ finds probable cause that a
27 person licensed or certified under this Article has violated any of the provisions of this
28 Chapter, the ~~Commission-Appraisal Board~~ may hold a hearing on the allegations of
29 misconduct.

30 The ~~Commission-Appraisal Board~~ shall have the power to direct the Commission to
31 suspend or revoke at any time the licensure-license or certification privileges granted to
32 any person under the provisions of this Article or to reprimand or censure any licensee
33 or certificate holder if, following a hearing, the ~~Commission-Appraisal Board~~ finds the
34 licensee or certificate holder to have:

- 35 (1) Procured licensure or certification pursuant to this Article by making a
36 false or fraudulent representation;
- 37 (2) Made any willful or negligent misrepresentation or any willful or
38 negligent omission of material fact;
- 39 (3) Accepted an appraisal assignment when the employment is contingent
40 upon the appraiser reporting a predetermined result, analysis, or
41 opinion, or when the fee to be paid for the performance of the
42 appraisal assignment is contingent upon the opinion, conclusion, or
43 valuation reached or upon consequences resulting from the appraisal
44 assignment;

- 1 (4) Acted or held oneself out as a State-licensed or State-certified real
 2 estate appraiser when not so licensed or certified;
- 3 (5) Failed as a State-licensed or State-certified real estate appraiser to
 4 actively and personally supervise any person not licensed or certified
 5 under this Article who assists the State-licensed or State-certified real
 6 estate appraiser in performing real estate appraisals;
- 7 (6) Failed to retain for three years and to make available to the
 8 Commission for its inspection without prior notice, originals or true
 9 copies of all written contracts engaging his services to appraise real
 10 property, and all reports and supporting data assembled and formulated
 11 by the appraiser in preparing the reports;
- 12 (7) Paid a fee or valuable consideration to any person for acts or services
 13 performed in violation of this Article;
- 14 (8) Acted as a real estate appraiser in such an unworthy or incompetent
 15 manner as to endanger the interest of the public;
- 16 (9) Violated any of the standards for the development or communication
 17 of real estate appraisals or any other rule promulgated by the
 18 Commission;
- 19 (10) Performed any other act which constitutes improper, fraudulent, or
 20 dishonest conduct; or
- 21 (11) Violated any of the provisions of this Chapter.

22 (b) Following a hearing, the ~~Commission~~ Appraisal Board shall also have power
 23 to direct the Commission to suspend or revoke any license or certificate issued under the
 24 provisions of this Article or to reprimand or censure any licensee or certificate holder
 25 when:

- 26 (1) The licensee or certificate holder has been convicted of, or has entered
 27 a plea of guilty or no contest upon which final judgment is entered by
 28 a court of competent jurisdiction in this State, or any other state, to an
 29 offense involving moral turpitude which would reasonably affect the
 30 performance of the licensee or certificate holder in the real estate
 31 appraisal business; or
- 32 (2) A final civil judgment has been entered against the licensee or
 33 certificate holder on grounds of fraud, misrepresentation or deceit in
 34 the making of any appraisal of real estate.

35 (c) When a person licensed or certified under this Article is accused of any act,
 36 omission, or misconduct which would subject him to disciplinary action, the licensee or
 37 certificate holder, with the consent and approval of the ~~Commission~~ Appraisal Board,
 38 may surrender his license or certificate and all the rights and privileges pertaining to it
 39 for a period of time established by the ~~Commission~~ Appraisal Board. A person who
 40 surrenders his license or certificate shall not thereafter be eligible for or submit any
 41 application for licensure or certification as a real estate appraiser during the period that
 42 the license or certificate is surrendered."

43 Sec. 11. G.S. 93A-81(b) reads as rewritten:

1 "(b) The Commission ~~may~~ may, on its own motion or at the request of the Real
2 Estate Appraisal Board, appear in its own name in superior court in actions for
3 injunctive relief to prevent any person from violating the provisions of this Article or
4 rules promulgated by the Commission. The superior court shall have the power to grant
5 these injunctions whether or not criminal prosecution has been or may be instituted as a
6 result of the violations, and whether or not the person is the holder of a license or
7 certificate issued by the Commission under this Article."

8 Sec. 12. Article 6 of Chapter 146 of the General Statutes is amended by
9 adding a new section to read:

10 **"§ 146-22.2. Appraisal of property to be acquired by State.**

11 Where an appraisal of real estate or an interest in real estate is required by law to be
12 made before acquisition of the property by the State or an agency of the State, the
13 appraisal shall be made by a real estate appraiser licensed or certified by the State under
14 Article 5 of Chapter 93A of the General Statutes."

15 Sec. 13. Notwithstanding the provisions of G.S. 93A-78, the terms of all
16 members of the Real Estate Appraisal Committee shall continue to and shall expire on
17 July 1, 1991. Effective for terms to begin July 1, 1991, the new members of the newly
18 designated Real Estate Appraisal Board shall be appointed as provided in G.S. 93A-78,
19 as amended by this act. Notwithstanding the provisions of G.S. 93A-78, the terms
20 beginning July 1, 1991, shall be staggered as follows: the appointee recommended by
21 the President Pro Tempore shall serve for two years; and three of the appointees of the
22 Governor shall serve for three years; and the appointee recommended by the Speaker of
23 the House of Representatives and the remaining appointees of the Governor shall serve
24 for four years. When the term of a member beginning July 1, 1991, expires, the next
25 term of that member shall be a three-year term as provided in G.S. 93A-78, as amended
26 by this act.

27 Sec. 14. G.S. 120-123 is amended by adding at the end a new subdivision to
28 read:

29 "(58) The Real Estate Appraisal Board of the Real Estate Commission created in
30 G.S. 93A-78."

31 Sec. 15. Part I and Sections 13 and 15 of this act are effective upon
32 ratification. The remainder of this act shall become effective July 1, 1991.