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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-SECOND SESSION

H. F. No. 737

02/04/2021 Authored by O'Driscoll, Frazier, Freiberg and Theis
The bill was read for the first time and referred to the Committee on Commerce Finance and Policy

1.1 A bill for an act
1.2 relating to commerce; allowing continuing education credit, evaluations, and
1.3 modifying standards of conduct for real property appraisers; amending Minnesota
1.4 Statutes 2020, sections 82B.021, by adding subdivisions; 82B.03, by adding a
1.5 subdivision; 82B.19, by adding a subdivision; 82B.195, by adding a subdivision;
1.6 proposing coding for new law in Minnesota Statutes, chapter 82B.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision
1.9 to read:

1.10 Subd. 14a. Evaluation. "Evaluation" means an estimate of the value of real property,
1.11 made in accordance with the Interagency Appraisal and Evaluation Guidelines provided to
1.12 an entity regulated by a federal financial institution's regulatory agency, for use in a real
1.13 estate-related financial transaction for which an appraisal is not required by federal law.

1.14 Sec. 2. Minnesota Statutes 2020, section 82B.021, is amended by adding a subdivision to
1.15 read:

1.16 Subd. 16a. Interagency Appraisal and Evaluation Guidelines. "Interagency Appraisal
1.17 and Evaluation Guidelines" means the appraisal and evaluation guidelines provided by a
1.18 federal financial institution's regulatory agency, as provided by Federal Register, volume
1.19 75, page 77450 (2010), as amended.

2.1 Sec. 3. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision to  
2.2 read:

2.3 Subd. 3. **Evaluation.** A licensed real estate appraiser may provide an evaluation. When  
2.4 providing an evaluation, a licensed real estate appraiser is not engaged in real estate appraisal  
2.5 activity and is not subject to this chapter. An evaluation by a licensed real estate appraiser  
2.6 under this subdivision must contain a disclosure that the evaluation is not an appraisal.

2.7 Sec. 4. Minnesota Statutes 2020, section 82B.19, is amended by adding a subdivision to  
2.8 read:

2.9 Subd. 5. **Out-of-state continuing education credit.** (a) For purposes of this subdivision,  
2.10 "classroom course" means an educational process where there is no geographic separation  
2.11 between the instructor and the learner.

2.12 (b) Notwithstanding section 45.30, subdivisions 1 and 6, the commissioner must grant  
2.13 a licensee continuing education credit for a classroom course completed out of state if:

2.14 (1) the course has been approved for continuing education credit by the regulator of  
2.15 appraisers in at least two other states, provided the continuing education requirements in  
2.16 the approving states comply with the Appraiser Qualifications Board requirements;

2.17 (2) the course content, textbooks, and examinations utilized by the Minnesota licensee  
2.18 are substantially similar to those approved for use by the other states in which the course  
2.19 is approved; and

2.20 (3) the licensee provides the commissioner with:

2.21 (i) a request for credit for a continuing education course completed out of state;

2.22 (ii) a certificate of successful course completion from the educator; and

2.23 (iii) a fee to be determined by the commissioner.

2.24 (c) The commissioner must grant a licensee the same number of continuing education  
2.25 credits for the classroom course as the number approved by the out-of-state appraisal  
2.26 regulatory authority. If other states have approved a different number of continuing education  
2.27 credits for a course, the commissioner must grant a licensee credit for the highest number  
2.28 of credits approved by another state.

2.29 (d) This subdivision does not apply to continuing education courses subject to section  
2.30 45.306.

3.1 Sec. 5. Minnesota Statutes 2020, section 82B.195, is amended by adding a subdivision to  
3.2 read:

3.3 Subd. 5. **Evaluation.** When providing an evaluation, a licensed real estate appraiser is  
3.4 not required to comply with the Uniform Standards of Professional Appraisal Performance.

3.5 Sec. 6. **[82B.25] VALUATION BIAS.**

3.6 Subdivision 1. **Definition.** For the purposes of this section, "valuation bias" means to  
3.7 explicitly, implicitly, or structurally select data and apply that data to an appraisal  
3.8 methodology or technique in a biased manner that harms a protected class, as defined by  
3.9 the Fair Housing Act of 1968, and its amendments.

3.10 Subd. 2. **Education.** Within two years of receiving a license under this chapter, and as  
3.11 required by the Appraiser Qualifications Board, a real property appraiser shall provide  
3.12 evidence of satisfactory completion to the commissioner of a continuing education course  
3.13 on the valuation bias of real property.

3.14 **EFFECTIVE DATE.** This section is effective August 1, 2021. A person who holds a  
3.15 license as a real property appraiser must complete the seminar required under this section  
3.16 within two years of the effective date.