

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 2474

(SENATE AUTHORS: DAHMS)

DATE	D-PG	OFFICIAL STATUS
03/14/2019	925	Introduction and first reading
		Referred to Commerce and Consumer Protection Finance and Policy
04/03/2019	2146a	Comm report: To pass as amended and re-refer to Finance

1.1 A bill for an act

1.2 relating to commerce; appropriating money for the Department of Commerce;

1.3 making policy and technical changes; modifying the regulation of real estate

1.4 appraisers; amending Minnesota Statutes 2018, sections 46.131, subdivision 11,

1.5 by adding a subdivision; 82B.021, subdivisions 14, 15; 82B.073, by adding a

1.6 subdivision; 82B.09, subdivision 3; 82B.095, by adding a subdivision; 82B.11,

1.7 subdivision 6, by adding a subdivision; 82B.13, subdivision 1; 82B.195, subdivision

1.8 2; 82B.21; repealing Minnesota Statutes 2018, sections 82B.021, subdivision 17;

1.9 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, 9; 82B.11,

1.10 subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, 8; 82B.14; 82B.195,

1.11 subdivision 3.

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

1.13 **ARTICLE 1**

1.14 **APPROPRIATIONS**

1.15 Section 1. COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.

1.16 The sums shown in the columns marked "Appropriations" are appropriated to the agencies

1.17 and for the purposes specified in this article. The appropriations are from the general fund,

1.18 or another named fund, and are available for the fiscal years indicated for each purpose.

1.19 The figures "2020" and "2021" used in this article mean that the appropriations listed under

1.20 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.

1.21 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"

1.22 is fiscal years 2020 and 2021.

	APPROPRIATIONS	
	Available for the Year	
	Ending June 30	
	2020	2021
1.23		
1.24		
1.25		
1.26		

1.27 Sec. 2. DEPARTMENT OF COMMERCE.

2.1	<u>Subdivision 1. Total Appropriation</u>		<u>\$</u>	<u>18,206,000</u>	<u>\$</u>	<u>18,209,000</u>
2.2		<u>Appropriations by Fund</u>				
2.3		<u>2020</u>		<u>2021</u>		
2.4	<u>General</u>	<u>17,448,000</u>		<u>17,450,000</u>		
2.5	<u>Workers'</u>					
2.6	<u>Compensation</u>	<u>758,000</u>		<u>759,000</u>		
2.7	<u>The amounts that may be spent for each</u>					
2.8	<u>purpose are specified in the following</u>					
2.9	<u>subdivisions.</u>					
2.10	<u>Subd. 2. Administrative Services</u>			<u>7,397,000</u>		<u>7,399,000</u>
2.11	<u>(a) \$100,000 each year is for the support of</u>					
2.12	<u>broadband development.</u>					
2.13	<u>(b) \$384,000 each year is for additional</u>					
2.14	<u>compliance efforts with unclaimed property.</u>					
2.15	<u>The commissioner may issue contracts for</u>					
2.16	<u>these services.</u>					
2.17	<u>(c) \$5,000 each year is for Real Estate</u>					
2.18	<u>Appraisal Advisory Board compensation</u>					
2.19	<u>pursuant to Minnesota Statutes, section</u>					
2.20	<u>82B.073, subdivision 2a.</u>					
2.21	<u>Subd. 3. Enforcement</u>			<u>5,777,000</u>		<u>5,807,000</u>
2.22		<u>Appropriations by Fund</u>				
2.23	<u>General</u>	<u>5,577,000</u>		<u>5,607,000</u>		
2.24	<u>Workers'</u>					
2.25	<u>Compensation</u>	<u>200,000</u>		<u>200,000</u>		
2.26	<u>(a) \$547,000 in the first year and \$577,000 in</u>					
2.27	<u>the second year are for health care</u>					
2.28	<u>enforcement.</u>					
2.29	<u>(b) \$200,000 in each year is from the workers'</u>					
2.30	<u>compensation fund. Beginning in fiscal year</u>					
2.31	<u>2022, this amount is \$201,000.</u>					

3.1	<u>Subd. 4. Insurance</u>		<u>5,032,000</u>	<u>5,003,000</u>
3.2		<u>Appropriations by Fund</u>		
3.3	<u>General</u>	<u>4,474,000</u>	<u>4,444,000</u>	
3.4	<u>Workers'</u>			
3.5	<u>Compensation</u>	<u>558,000</u>	<u>559,000</u>	
3.6	<u>(a) \$642,000 each year is for health insurance</u>			
3.7	<u>rate review staffing.</u>			
3.8	<u>(b) \$412,000 each year is for actuarial work</u>			
3.9	<u>to prepare for implementation of</u>			
3.10	<u>principle-based reserves.</u>			
3.11	<u>(c) \$30,000 in fiscal year 2020 is for payment</u>			
3.12	<u>of two years of membership dues for</u>			
3.13	<u>Minnesota to the National Conference of</u>			
3.14	<u>Insurance Legislators. This is a onetime</u>			
3.15	<u>appropriation.</u>			
3.16	<u>(d) \$558,000 in the first year and \$559,000 in</u>			
3.17	<u>the second year are from the workers'</u>			
3.18	<u>compensation fund. Beginning in fiscal year</u>			
3.19	<u>2022, this amount is \$560,000.</u>			

ARTICLE 2

COMMERCE

3.22 Section 1. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

3.23 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions
 3.24 account is created as a separate account in the special revenue fund. ~~The account consists~~
 3.25 ~~of funds received from assessments under subdivision 7, examination fees under subdivision~~
 3.26 ~~8, and license and renewal fees under section 216C.437, subdivision 12.~~ Earnings, including
 3.27 interest, dividends, and any other earnings arising from account assets, must be credited to
 3.28 the account.

3.29 (b) The account consists of funds received from assessments under subdivision 7,
 3.30 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and
 3.31 the following provisions: sections 53B.09; 53B.11, subdivision 1; and 58A.045, subdivision
 3.32 2.

4.1 ~~(b)~~ (c) Funds in the account are annually appropriated to the commissioner of commerce
4.2 for activities under this section.

4.3 **EFFECTIVE DATE.** This section is effective July 1, 2019.

4.4 Sec. 2. Minnesota Statutes 2018, section 46.131, is amended by adding a subdivision to
4.5 read:

4.6 **Subd. 12. Limitations on assessments.** The sum of the assessments levied under
4.7 subdivision 7 for a fiscal period beginning on July 1 and ending June 30 thereafter shall not
4.8 exceed 100 percent of the sum of the assessments levied for the fiscal period beginning one
4.9 year prior.

4.10 **EFFECTIVE DATE.** This section is effective the day following final enactment.

4.11 **ARTICLE 3**

4.12 **REAL ESTATE APPRAISER REGULATION**

4.13 Section 1. Minnesota Statutes 2018, section 82B.021, subdivision 14, is amended to read:

4.14 Subd. 14. **Federal Appraisal Subcommittee.** "~~Federal~~ Appraisal Subcommittee" means
4.15 the appraisal subcommittee of the Federal Financial Institutions Examinations Council under
4.16 United States Code, title 12, section 3301 et seq.

4.17 Sec. 2. Minnesota Statutes 2018, section 82B.021, subdivision 15, is amended to read:

4.18 Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial
4.19 institutions regulatory agency" means the Board of Governors of the Federal Reserve System,
4.20 Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the
4.21 Office of the Comptroller of the Currency, ~~the Office of Thrift Supervision~~, or the National
4.22 Credit Union Administration.

4.23 Sec. 3. Minnesota Statutes 2018, section 82B.073, is amended by adding a subdivision to
4.24 read:

4.25 **Subd. 2a. Compensation.** Members of the board must be compensated in accordance
4.26 with section 15.059.

5.1 Sec. 4. Minnesota Statutes 2018, section 82B.09, subdivision 3, is amended to read:

5.2 Subd. 3. **Fees to Federal Appraisal Subcommittee.** In addition to the fees required for
5.3 licensure under this section, the commissioner must collect and remit such other fees as are
5.4 required by the ~~Federal~~ Appraisal Subcommittee.

5.5 Sec. 5. Minnesota Statutes 2018, section 82B.095, is amended by adding a subdivision to
5.6 read:

5.7 Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The
5.8 requirements to obtain a trainee real property appraiser, licensed real property appraiser,
5.9 certified residential real property appraiser, or certified general real property appraiser
5.10 license are the education, examination, and experience requirements established by the
5.11 Appraiser Qualifications Board of the Appraisal Foundation and published in the most
5.12 recent version of the Real Property Appraiser Qualification Criteria.

5.13 (b) An applicant must complete the applicable education and experience requirements
5.14 before taking the required examination.

5.15 Sec. 6. Minnesota Statutes 2018, section 82B.11, is amended by adding a subdivision to
5.16 read:

5.17 Subd. 2a. **Trainee real property appraiser.** The scope of practice for a trainee real
5.18 property appraiser is the appraisal of properties which a certified residential real property
5.19 appraiser or certified general real property appraiser acting as the supervisory appraiser is
5.20 permitted and competent to appraise.

5.21 Sec. 7. Minnesota Statutes 2018, section 82B.11, subdivision 6, is amended to read:

5.22 Subd. 6. **Temporary practice.** (a) The commissioner shall issue a license for temporary
5.23 practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed
5.24 by another state if:

5.25 ~~(1) the property to be appraised is part of a federally related transaction and the person~~
5.26 ~~is licensed to appraise property limited to the same transaction value or complexity provided~~
5.27 ~~in subdivision 3, 4, or 5;~~

5.28 ~~(2)~~ (1) the appraiser's business is of a temporary nature; and

5.29 ~~(3)~~ (2) the appraiser registers with the commissioner to obtain a temporary license before
5.30 conducting appraisals within the state.

5.31 (b) The term of a temporary practice license is the lesser of:

6.1 (1) the time required to complete the assignment; or

6.2 (2) 12 months.

6.3 If more than 12 months are necessary to complete the assignment, a new temporary
6.4 application and fee is required.

6.5 Sec. 8. Minnesota Statutes 2018, section 82B.13, subdivision 1, is amended to read:

6.6 Subdivision 1. **Trainee real property appraiser.** ~~(a)~~ As a prerequisite for licensing as
6.7 a trainee real property appraiser, an applicant must present evidence satisfactory to the
6.8 commissioner that the person has successfully completed:

6.9 ~~(1) at least 75 hours of prelicense courses approved by the commissioner. Fifteen of the~~
6.10 ~~75 hours must include successful completion of the 15-hour national USPAP course; and~~

6.11 ~~(2) in addition to the required hours under clause (1);~~ a six-hour course that is specifically
6.12 oriented to the requirements and responsibilities of supervisory appraisers and trainee
6.13 appraisers. A course approved by the commissioner for the purposes of this subdivision
6.14 must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This
6.15 course must not be counted toward qualifying education to upgrade to a higher level appraiser
6.16 license.

6.17 ~~(b) All qualifying education must be completed within the five-year period prior to the~~
6.18 ~~date of submission of a trainee real property appraiser license application.~~

6.19 Sec. 9. Minnesota Statutes 2018, section 82B.195, subdivision 2, is amended to read:

6.20 Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards of
6.21 professional appraisal practice as defined by section 82B.021, subdivision 31, an appraiser
6.22 must, prior to performing any appraisal service which requires licensing pursuant to this
6.23 chapter, disclose in writing to the person contracting for the appraisal service the information
6.24 identified in clause (4). In addition, an appraiser must prepare a written disclosure providing
6.25 the information identified in clauses (1) to (13). The written disclosure must be included as
6.26 part of the final written appraisal report. As specified in this subdivision, an appraiser must:

6.27 (1) disclose who has employed the appraiser;

6.28 (2) disclose who the appraisal is rendered for, if not the person who employed the
6.29 appraiser;

6.30 (3) disclose the purpose of the appraisal, including an explanation of the difference
6.31 between the appraisal being given and an appraisal of fee simple market valuation;

7.1 (4) disclose any conflict of interest or situation which might reasonably be perceived to
7.2 be a conflict of interest which must include, but not be limited to, the following situations:

7.3 (i) whether the appraiser has any ownership interest in the subject property or contiguous
7.4 properties;

7.5 (ii) whether there is an ownership interest by a spouse, parent, or child of the appraiser
7.6 in the property or contiguous properties; and

7.7 (iii) whether the appraiser has a continuing business relationship with one of the parties,
7.8 for example, any part-time or full-time employment of the appraiser, spouse, children living
7.9 at home, or dependent children.

7.10 Failure to promptly give notification of a conflict must be considered a violation of the
7.11 standards of professional appraisal practice;

7.12 (5) disclose that the appraisal is a reevaluation and identify the areas of difference
7.13 between the two appraisals and the justification for the changes;

7.14 (6) disclose any facts concerning the valuation needed for loan purposes or similar
7.15 information that was provided to the appraiser before or during the appraisal;

7.16 (7) disclose that the appraiser has not performed appraisals of the type requested or for
7.17 the type of property to be appraised as a regular part of the appraiser's business in the
7.18 preceding five-year period, provided that if the appraiser asserts qualification by training
7.19 or related experience to perform the appraisal, the appraiser must set forth the training or
7.20 experience and how it is applicable to the appraisal;

7.21 (8) disclose the license classification of the appraiser and the types of appraisals that the
7.22 appraiser is authorized to conduct under the licensure;

7.23 (9) disclose any lack of experience or training that would affect the ability of the appraiser
7.24 to perform the appraisal or could cause rejection of the appraisal by the party requiring the
7.25 appraisal;

7.26 (10) disclose any appraisal on the same property made by the appraiser in the last three
7.27 years;

7.28 (11) disclose all pertinent assumptions upon which a valuation based upon income from
7.29 the property is derived such as expected occupancy rates, rental rates, construction of future
7.30 improvements, roads, or highways; and

7.31 ~~(12) prior to performing the appraisal, disclose whether the appraiser has previously~~
7.32 ~~been to the property; and~~

8.1 (~~13~~) disclose any other fact or circumstance that could bring the reliability of the appraisal
8.2 or the impartiality of the appraiser into question.

8.3 Sec. 10. Minnesota Statutes 2018, section 82B.21, is amended to read:

8.4 **82B.21 CLASSIFICATION OF SERVICES.**

8.5 A client or employer may retain or employ a licensed real estate appraiser to act as a
8.6 disinterested third party in giving an unbiased estimate of value or analysis; to provide a
8.7 market analysis to facilitate the client's or employer's objectives; ~~or to perform a limited~~
8.8 ~~appraisal~~. The appraisal and the appraisal report must comply with the provisions of this
8.9 chapter and the uniform standards of professional appraisal practice.

8.10 Sec. 11. **REPEALER.**

8.11 Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2;
8.12 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, and 9; 82B.11, subdivision 2; 82B.12; 82B.13,
8.13 subdivisions 1a, 3, 4, 5, 6, 7, and 8; 82B.14; and 82B.195, subdivision 3, are repealed.

8.14 Sec. 12. **EFFECTIVE DATE.**

8.15 Sections 1 to 11 are effective January 1, 2020.

82B.021 DEFINITIONS.

Subd. 17. **Foundation appraisal organization.** "Foundation appraisal organization" means a member private appraisal trade organization of the Appraisal Foundation including, but not limited to, the following: American Institute of Real Estate Appraisers, American Society of Appraisers, American Society of Farm Managers and Rural Appraisers, International Association of Assessing Officers, International Right of Way Association, National Association of Independent Fee Appraisers, National Society of Real Estate Appraisers, or Society of Real Estate Appraisers.

82B.095 APPRAISER QUALIFICATION COMPONENTS.

Subd. 2. **Conformance to Appraiser Qualifications Board criteria.** Qualifications for all levels of licensing must conform to the Real Property Qualification Criteria established by the Appraisal Qualifications Board for implementation effective January 1, 2015.

82B.10 EXAMINATIONS.

Subdivision 1. **Generally.** (a) An applicant for a license must pass an examination conducted by the commissioner. The examinations must be of sufficient scope to establish the competency of the applicant to act as a real estate appraiser and must conform with the current National Uniform Exam Content Outlines published by the Appraiser Qualifications Board.

(b) A passing grade for a real estate appraiser licensing examination must be the cut score defined by the Appraiser Qualifications Board criteria.

(c) To qualify for a license as a trainee real property appraiser, an applicant must pass a current trainee real property appraiser examination. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(d) To qualify for a license as a licensed real property appraiser, an applicant must pass a current uniform licensed real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(e) To qualify for a license as a certified residential real property appraiser, an applicant must pass a current uniform certified residential real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(f) To qualify for a license as a certified general real property appraiser, an applicant must pass a current uniform certified general real property appraiser examination approved by the Appraiser Qualifications Board. The examination must test the applicant's knowledge of appraisal terms, principles, theories, and ethics as provided in this chapter.

(g) An applicant must complete the applicable education prerequisites in section 82B.13 and the experience requirements in section 82B.14 before the applicant takes the examination required under this section.

Subd. 2. **Reexaminations.** An examination must be required before renewal of a license that has been suspended, or before the issuance of a license to a person whose license has been ineffective for a period of two years. No reexamination is required of an individual who has failed to renew an existing license because of absence from the state while on active duty with the armed services of the United States of America.

Subd. 3. **Examination frequency.** The commissioner must hold examinations at times and places the commissioner determines.

Subd. 4. **Period for application.** An applicant who obtains an acceptable score on an examination must file an application and obtain the license within two years of the date of successful completion of the examination or a second examination must be taken to qualify for the license.

Subd. 5. **Renewal; examination.** Except as provided in subdivision 2, no examination is required for the renewal of a license. However, a licensee who has been licensed in the state of Minnesota and who fails to renew the license for a period of two years must be required by the commissioner to again take an examination.

Subd. 6. **Examination eligibility; revocation.** No applicant may take an examination if a license as a real estate appraiser has been revoked in this or another state within two years of the date of the application.

Subd. 8. **Fees.** The commissioner may assess an examination fee sufficient to recover the actual direct costs of holding the examination.

Subd. 9. **Cheating.** The commissioner must not accept the scores of a person who has cheated on an examination. Cheating on a real estate appraiser examination must be grounds for denying an application for an appraiser's license.

82B.11 CLASSES OF LICENSE.

Subd. 2. **Trainee real property appraiser.** When a net income capitalization analysis is not required by the uniform standards of professional appraisal practice, a trainee real property appraiser may appraise residential real property or agricultural property.

82B.12 EXAMINATION REQUIREMENT.

An original license as a licensed real estate appraiser must be issued to a person who has demonstrated through a written examination process that the appraiser has the following qualifications:

(1) appropriate knowledge of technical terms commonly used in or related to real estate appraising, appraisal report writing, and economic concepts applicable to real estate;

(2) understanding the principles of land economics, real estate appraisal processes, and problems likely to be encountered in gathering, interpreting, and processing of data in carrying out appraisal disciplines;

(3) understanding the standards for the development and communication of real estate appraisals as provided in this chapter;

(4) knowledge of theories of depreciation, cost estimating, methods of capitalization, and the mathematics of real estate appraisal that are appropriate for the classification of license for which the person is applying;

(5) knowledge of other principles and procedures appropriate for the classification of license for which the person is applying;

(6) basic understanding of real estate law; and

(7) understanding the types of misconduct and ethical considerations for which disciplinary proceedings may be started against a licensed real estate appraiser.

82B.13 EDUCATION PREREQUISITES.

Subd. 1a. **Licensed real property appraiser.** As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 150 hours of prelicense courses approved by the commissioner. The courses must consist of 75 hours of general real estate appraisal principles and the 15-hour national USPAP course; and

(2) an associate degree or higher from an accredited college or university. In lieu of the required degree, the applicant may present satisfactory documentation of successful completion of 30 semester credit hours of instruction from an accredited college or university.

Subd. 3. **Commissioner's approval; rules.** The courses and instruction and procedures of courses must be approved by the commissioner. The commissioner may adopt rules to administer this section. These rules must, to the extent practicable, conform to the rules adopted for real estate and insurance education. The credit hours required under this section may be credited to a person for distance education courses that meet Appraiser Qualifications Board criteria.

Subd. 4. **Certified residential real property appraiser.** As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 200 hours of prelicense courses approved by the commissioner, with particular emphasis on the appraisal of one to four unit residential properties. Fifteen of the 200 hours must include successful completion of the 15-hour national USPAP course; and

(2) a bachelor's degree or higher from an accredited college or university.

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Repealed Minnesota Statutes: S2474-1

Subd. 5. **Certified general real property appraiser.** As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) at least 300 hours of prelicense courses approved by the commissioner, with particular emphasis on the appraisal of nonresidential properties. Fifteen of the 300 hours must include successful completion of the 15-hour national USPAP course; and

(2) a bachelor's degree or higher from an accredited college or university.

Subd. 6. **All appraiser license levels.** To receive approval from the commissioner, an appraiser prelicense education course must be at least 15 hours long. The required course hours for all appraiser license levels include completion of the 15-hour national USPAP course and specific core curriculum courses and hours in accordance with the real property appraiser qualification criteria as defined by the Appraisal Qualifications Board:

Trainee	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours
The 15-hour national USPAP course or its equivalent	15 hours
Trainee level total education requirements	75 hours
Licensed	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours
The 15-hour national USPAP course or its equivalent	15 hours
Residential market analysis and highest and best use	15 hours
Residential appraiser site valuation and cost approach	15 hours
Residential sales comparison and income approaches	30 hours
Residential report writing and case studies	15 hours
Licensed level total education requirements	150 hours
Certified residential	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours
The 15-hour national USPAP course or its equivalent	15 hours
Residential market analysis and highest and best use	15 hours
Residential appraiser site valuation and cost approach	15 hours
Residential sales comparison and income approaches	30 hours
Residential report writing and case studies	15 hours
Statistics, modeling, and finance	15 hours
Advanced residential applications and case studies	15 hours
Appraisal subject matter electives	20 hours
(May include hours over minimum shown above in other modules)	
Certified residential level total education requirements	200 hours
Certified general	
Basic appraisal principles	30 hours
Basic appraisal procedures	30 hours

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The 15-hour national USPAP course or its equivalent	15 hours
General appraiser market analysis and highest and best use	30 hours
Statistics, modeling, and finance	15 hours
General appraiser sales comparison approach	30 hours
General appraiser site valuation and cost approach	30 hours
General appraiser income approach	60 hours
General appraiser report writing and case studies	30 hours
Appraisal subject matter electives	30 hours
(May include hours over minimum shown above in other modules)	
Certified general level total education requirements	300 hours

Subd. 7. **Student tracking manual.** It is the responsibility of students to record the qualifying education they have completed in a student tracking manual broken down by required core curriculum modules and subtopics, and to maintain an orderly record of education, experience, and other requirements.

Subd. 8. **Appraiser prelicense education.** (a) Credit toward the qualifying education requirements of this section may also be obtained via the completion of a degree in real estate from an accredited degree-granting college or university approved by the Association to Advance Collegiate Schools of Business, or a regional or national accreditation agency recognized by the United States Secretary of Education, provided that the college or university has had its curriculum reviewed and approved by the Appraiser Qualifications Board.

(b) Notwithstanding section 45.22, a college or university real estate course may be approved retroactively by the commissioner for appraiser prelicense education credit if:

(1) the course was offered by a college or university physically located in Minnesota;

(2) the college or university was an approved education provider at the time the course was offered; and

(3) the commissioner's approval is made to the same extent in terms of courses and hours and with the same time limits as those specified by the Appraiser Qualifications Board.

82B.14 EXPERIENCE REQUIREMENT.

(a) As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal obtained in no fewer than 12 months.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal obtained in no fewer than 24 months.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal obtained in no fewer than 30 months. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

(d) Experience for all classifications must be obtained after January 30, 1989, and must be USPAP compliant.

82B.195 STANDARDS OF CONDUCT.

Subd. 3. **Additional requirements.** In addition to the requirements of subdivisions 1 and 2, an appraiser must:

- (1) not knowingly make any of the following unacceptable appraisal practices:
 - (i) include inaccurate or misleading factual data about the subject neighborhood, site, improvements, or comparable sales;
 - (ii) fail to comment on negative factors with respect to the subject neighborhood, subject property, or proximity of the subject property to adverse influences;
 - (iii) unless otherwise disclosed in the appraisal report, use comparables in the valuation process that the appraiser has not at least personally inspected from the exterior by driving by them;
 - (iv) select and use inappropriate comparable sales or fail to use comparables that are physically and by location the most similar to the subject property;
 - (v) use data, particularly comparable sales data, that was provided by parties who have a financial interest in the sale or financing of the subject property without the appraiser's verification of the information from a disinterested source. For example, it would be inappropriate for an appraiser to use comparable sales provided by the builder of the subject property or a real estate broker who is handling the sale of the subject property, unless the appraiser verifies the accuracy of the data provided through another source. If a signed HUD Settlement Statement is used for this verification, the appraiser must also verify the sale data with the buyer or county records. The appraiser must also make an independent investigation to determine that the comparable sales provided were the best ones available;
 - (vi) use adjustments to the comparable sales that do not reflect the market's reaction to the differences between the subject property and the comparables, or fail to make adjustments when they are clearly indicated;
 - (vii) develop a valuation conclusion that is based either partially or completely on factors identified in chapter 363A, including race, color, creed, religion, sex, marital status, status with regard to public assistance, disability, sexual orientation, familial status of the owner or occupants of nearby property, or national origin of either the prospective owners or occupants of the properties in the vicinity of the subject property; or
 - (viii) develop a valuation conclusion that is not supported by available market data;
- (2) provide a resume, current within six months of the date it is provided, to anyone who employs the appraiser, indicating all professional degrees and licenses held by the appraiser; and
- (3) reject any request by the person who has employed the appraiser that is in conflict with the requirements of Minnesota law or this chapter and withdraw from the appraisal assignment if the employing party persists in the request.