

**SENATE
STATE OF MINNESOTA
NINETIETH SESSION**

S.F. No. 2991

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DATE	D-PG	OFFICIAL STATUS
03/05/2018	6274	Introduction and first reading
		Referred to Commerce and Consumer Protection Finance and Policy
03/14/2018		Comm report: To pass as amended and re-refer to State Government Finance and Policy and Elections

1.1 A bill for an act

1.2 relating to commerce; regulating real estate appraisals; creating an advisory board;

1.3 prescribing its duties; proposing coding for new law in Minnesota Statutes, chapter

1.4 82B.

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

1.6 Section 1. **[82B.073] REAL ESTATE APPRAISAL ADVISORY BOARD.**

1.7 Subdivision 1. **Creation; appointments.** (a) The Real Estate Advisory Board is created

1.8 and composed of seven persons appointed by the commissioner. Members are appointed to

1.9 the board subject to the following conditions:

1.10 (1) all appointed members must be residents and citizens of this state for at least five

1.11 years before the date of appointment;

1.12 (2) the appointed membership of the board should reasonably reflect the geographic

1.13 distribution of the population of the state;

1.14 (3) one appointed member must have been actively engaged, have been in good standing

1.15 for the past five calendar years, and be currently licensed as a certified general real property

1.16 appraiser for a period of not less than five years;

1.17 (4) two appointed members must have been actively engaged, have been in good standing

1.18 for the past five calendar years, and be currently licensed as certified residential real property

1.19 appraisers for a period of not less than five years;

1.20 (5) one appointed member must hold a valid license as a real estate licensee for at least

1.21 five years before the date of appointment, must have been in good standing for the past five

1.22 calendar years, and must hold a valid certified general real property appraiser license,

2.1 certified residential real property appraiser license, or a residential real property appraiser
2.2 license issued under this section or a predecessor section for a period of at least five years
2.3 before the appointment;

2.4 (6) one appointed member must be a representative of mortgage origination, as evidenced
2.5 by the member's employment with a financial institution;

2.6 (7) One appointed member shall be a representative of an appraisal management company,
2.7 as evidenced by the member's employment with an appraisal management company; and

2.8 (8) one appointed member shall represent the interests of the general public. This member
2.9 must have knowledge of the real estate business.

2.10 (b) In making appointments as provided in paragraph (a), clauses (3) and (4), the
2.11 commissioner must give due consideration to recommendations by members and
2.12 organizations representing the profession.

2.13 (c) In making the appointments as provided in paragraph (a), clause (5), the commissioner
2.14 must give due consideration to the recommendations by members and organizations
2.15 representing the real estate industry.

2.16 (d) In making the appointments as provided in paragraph (a), clause (6), the commissioner
2.17 must give due consideration to the recommendations by members and organizations
2.18 representing financial institutions.

2.19 (e) In making the appointments as provided in paragraph (a), clause (7), the commissioner
2.20 must give due consideration to the recommendations by members and organizations
2.21 representing appraisal management companies.

2.22 Subd. 2. **Terms.** The term for all appraiser members of the board shall be four years,
2.23 while other members shall serve three-year terms. Each member may serve no more than
2.24 two consecutive terms.

2.25 Subd. 3. **Quorum.** A majority of the board members constitutes a quorum. A vacancy
2.26 in the membership of the board does not impair the right of a quorum to exercise all of the
2.27 rights and perform all of the duties of the board.

2.28 Subd. 4. **Meetings.** The board shall meet at least quarterly and may be convened by the
2.29 chairperson, vice-chairperson, or three members of the board upon ten days' written notice.

2.30 Subd. 5. **Officers.** The board shall, annually at the first meeting of the fiscal year, elect
2.31 a chair, vice-chair, and a secretary from its members. The chair shall preside over the
2.32 meetings and shall coordinate with the commissioner in developing and distributing an

3.1 agenda for each meeting. The secretary shall keep and distribute meeting minutes. In the
3.2 absence of the chair, the vice-chair shall preside over the meeting.

3.3 Subd. 6. **Commissioner's report.** Once per quarter, the commissioner of commerce or
3.4 the commissioner's designee shall provide a report summarizing the list of appraisal courses
3.5 and seminars that were denied continuing education credit and the rationale for denial.

3.6 Subd. 7. **Commissioner as nonvoting member.** The commissioner of commerce or the
3.7 commissioner's designee shall serve as a member of the board without vote.

3.8 Subd. 8. **Duties.** (a) The board shall advise, provide input, and make recommendations
3.9 to the department regarding licenses, continuing education, disciplinary action, and
3.10 industry-related trends.

3.11 (b) The board shall advise and make recommendations to the department on disciplinary
3.12 and best practice matters involving licensees.

3.13 Subd. 9. **Disciplinary action feedback.** Once per quarter, the commissioner of commerce
3.14 or the commissioner's designee shall provide the board with a summary list of public
3.15 disciplinary actions taken. The board shall provide feedback regarding best practices for all
3.16 public disciplinary matters involving licensees.

3.17 Subd. 10. **Per diem and expenses.** Each voting member of the board shall receive a per
3.18 diem stipend in an amount to be determined by the commissioner. Each member shall be
3.19 paid the member's necessary expenses while engaged in the performance of board duties.

3.20 Subd. 11. **Notice of commissioner's disagreement.** If the department disagrees with
3.21 any advice or recommendation provided by the board under this section to the department,
3.22 then notice of the disagreement must be provided to the board by the department.