

SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION

S.F. No. 3503

(SENATE AUTHORS: WEBER and Klein)

DATE	D-PG	OFFICIAL STATUS
02/28/2022	5146	Introduction and first reading Referred to Commerce and Consumer Protection Finance and Policy
03/23/2022		Comm report: To pass as amended Second reading Author added Klein

1.1 A bill for an act

1.2 relating to commerce; real estate appraisers; making changes related to minimum

1.3 damage acquisition reports, continuing education, and investigations by the

1.4 commissioner; amending Minnesota Statutes 2020, sections 82B.03, by adding a

1.5 subdivision; 82B.07; 82B.19, by adding a subdivision; 82C.17, subdivision 2.

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

1.7 Section 1. Minnesota Statutes 2020, section 82B.03, is amended by adding a subdivision

1.8 to read:

1.9 Subd. 4. Minimum damage acquisition report. A real estate appraiser may provide a

1.10 minimum damage acquisition report for purposes of section 117.036. When providing a

1.11 minimum acquisition damage report, a real estate appraiser is not engaged in real estate

1.12 appraisal activity and is not subject to this chapter.

1.13 Sec. 2. Minnesota Statutes 2020, section 82B.07, is amended to read:

1.14 **82B.07 POWERS OF THE COMMISSIONER.**

1.15 (a) The commissioner shall:

1.16 (1) receive applications for licenses;

1.17 (2) establish the procedures for processing applications for licensing;

1.18 (3) issue a license for appraisers;

1.19 (4) maintain a registry of the names and addresses of people licensed under this chapter;

1.20 (5) keep records and all application materials submitted to the commissioner;

1.21 (6) conduct investigations;

2.1 (7) deny, revoke, and suspend licenses; and

2.2 (8) take other actions necessary to carry out the purposes of this chapter.

2.3 (b) When conducting an investigation pursuant to paragraph (a), clause (6), that includes
2.4 a review of an appraisal report for compliance with USPAP, the commissioner must have
2.5 the report reviewed by a real estate appraiser in accordance with USPAP standards 3 and
2.6 4.

2.7 Sec. 3. 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 the following terms having the meanings given:

2.11 (1) "asynchronous educational offering" has the meaning given in the most recent version
2.12 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
2.13 Qualifications Board;

2.14 (2) "classroom course" means an educational process where there is no geographic
2.15 separation between the student and the instructor; and

2.16 (3) "synchronous educational offering" has the meaning given in the most recent version
2.17 of the Real Property Appraiser Qualification Criteria, as established by the Appraiser
2.18 Qualifications Board.

2.19 (b) Notwithstanding section 45.30, subdivisions 1 and 6, the commissioner must grant
2.20 a licensee continuing education credit for a classroom course completed outside of Minnesota
2.21 or a synchronous educational offering if:

2.22 (1) the course has been approved for continuing education credit by the regulator of
2.23 appraisers in at least one other state or United States territory; and

2.24 (2) the licensee provides the commissioner with:

2.25 (i) a request for credit for a continuing education course completed outside of Minnesota;

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

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

2.28 (c) The commissioner must grant a licensee the same number of continuing education
2.29 credits for the classroom course as the number approved by the out-of-state appraisal
2.30 regulatory authority. If other states have approved a different number of continuing education

3.1 credits for a course, the commissioner must grant a licensee credit for the highest number
3.2 of credits approved by another state.

3.3 (d) This subdivision does not apply to asynchronous educational offerings.

3.4 Sec. 4. Minnesota Statutes 2020, section 82C.17, subdivision 2, is amended to read:

3.5 Subd. 2. **Evidence.** (a) An appraisal management company can evidence that the fees
3.6 paid to an appraiser were reasonable and customary through:

3.7 (1) objective third-party information, including, but not limited to, government agency
3.8 fee schedules or academic studies. An academic study used must exclude appraisal
3.9 assignments ordered by an appraisal management company. ~~The commissioner may establish~~
3.10 ~~a fee schedule for use by an appraisal management company; or~~

3.11 (2) reviewing each of the following factors and making adjustments to recent fees paid
3.12 for appraisal services performed in the market area:

3.13 (i) the type of property appraised;

3.14 (ii) the scope of the appraisal work;

3.15 (iii) the time in which the appraisal service must be performed;

3.16 (iv) appraiser qualifications;

3.17 (v) appraiser experience and professional record; and

3.18 (vi) appraiser work quality.

3.19 (b) The fees paid for a complex appraisal assignment shall reflect the increased time,
3.20 difficulty, and scope of work required.

3.21 (c) An appraisal management company shall maintain written documentation describing
3.22 and substantiating all methods and information used to determine the customary and
3.23 reasonable fees required by this section.