

incentive pay, of a first grade patrol officer for the 12 months of the previous calendar year. For members retiring at ages between 50 and 55, the unit is the following fractional part of the average monthly salary, including amounts paid as college incentive pay, of a first grade patrol officer for the 12 months of the previous calendar year:

<u>Age</u>	<u>Fractional part</u>
<u>50</u>	<u>1/80</u>
<u>51</u>	<u>1/79</u>
<u>52</u>	<u>1/78</u>
<u>53</u>	<u>1/77</u>
<u>54</u>	<u>1/76</u>

No member of the Richfield police relief association shall be subject to a reduction of accrued benefits for deferring the receipt of a service pension.

Sec. 5. **REPEALER.**

Laws 1957, chapter 455, section 2, subdivision 3, is repealed.

Sec. 6. **EFFECTIVE DATE.**

Sections 1 to 5 are effective upon an affirmative vote by the Richfield police relief association to consolidate with the public employees retirement association under Minnesota Statutes, section 353A.04, and on approval of sections 1 to 5 by the Richfield city council and compliance with Minnesota Statutes, section 645.021. Sections 1 and 2 are retroactive to January 1, 1990. Retroactive benefit payments under section 1 are payable in a lump sum as soon as practicable after the effective date, but are not payable to an estate.

Presented to the governor May 14, 1991

Signed by the governor May 17, 1991, 11:27 a.m.

**CHAPTER 97—S.F.No. 1315**

*An act relating to commerce; real estate appraisers; amending Minnesota Statutes 1990, sections 82B.02, subdivisions 8 and 12; 82B.05, subdivision 1; 82B.11; 82B.13, subdivision 1, and by adding subdivisions; 82B.14; 82B.15, subdivision 3; 82B.17; 82B.18; and 82B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 82B; repealing Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225.*

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

Section 1. Minnesota Statutes 1990, section 82B.02, subdivision 8, is amended to read:

Subd. 8. **LICENSED REAL ESTATE APPRAISER.** "Licensed Real estate

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appraiser" means a person who develops and communicates real estate appraisals and who holds a current, valid license issued for licensed appraisal level I or H under this chapter; ~~including an appraiser employed by a state agency.~~

Sec. 2. Minnesota Statutes 1990, section 82B.02, subdivision 12, is amended to read:

Subd. 12. **STANDARDS OF PROFESSIONAL PRACTICE.** "Standards of professional practice" means the uniform standards of professional appraisal practice ~~adopted by~~ of the Appraisers Standards Board of the Appraisal Foundation in effect as of January 1, ~~1989~~ 1991, or other version of these standards the commissioner may by order designate.

Sec. 3. Minnesota Statutes 1990, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. **CREATION MEMBERS.** The real estate appraiser advisory board consists of 15 members appointed by the commissioner of commerce. Three of the members must be public members, four must be consumers of appraisal services, and eight must be licensed real estate appraisers of whom not less than two members shall be level H. ~~Mere membership in an organization does not make a person the organization's representative on the board state real property appraisers, federal residential real property appraisers, or certified federal residential real property appraisers and not less than two members shall be certified federal general real property appraisers.~~

Sec. 4. Minnesota Statutes 1990, section 82B.11, is amended to read:

#### 82B.11 CLASSES OF LICENSE.

Subdivision 1. **GENERALLY.** There are ~~two~~ five classes of license for licensed real estate appraisers.

Subd. 2. **LEVEL I STATE REAL PROPERTY APPRAISER.** ~~The licensed level I residential~~ When a net income capitalization analysis is not required by the uniform standards of professional appraisal practice, a state real estate property appraiser is a person meeting the requirements for licensing relating to the appraisal of may appraise residential real property or agricultural acreage when a net income capitalization analysis is not required by the uniform standards of professional appraisal practice property.

Subd. 3. **LEVEL H FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.** ~~The licensed level H real estate appraiser is a person meeting the requirements for licensing relating to the appraisal of all types of real property~~ A federal residential real property appraiser may appraise noncomplex one to four residential units having a transaction value less than \$1,000,000 and complex one to four residential units having a transaction value less than \$250,000.

Subd. 4. **CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.** A certified federal residential real property appraiser may

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appraise one to four residential units without regard to transaction value or complexity.

**Subd. 5. CERTIFIED FEDERAL GENERAL REAL PROPERTY APPRAISER.** A certified federal general real property appraiser may appraise all types of real property.

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

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

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

(3) the appraiser registers with the commissioner to obtain a temporary license prior to conducting appraisals within the state.

Sec. 5. Minnesota Statutes 1990, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. ~~LEVEL I CLASSIFICATION STATE REAL PROPERTY APPRAISER OR FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.~~ As a prerequisite to taking the examination for licensing as a licensed level I state real estate property appraiser or federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 75 classroom hours of courses. The courses must consist of 60 hours of general real estate appraisal principles and 15 hours related to standards of professional appraisal practice and the provisions of this chapter.

Sec. 6. Minnesota Statutes 1990, section 82B.13, is amended by adding a subdivision to read:

**Subd. 4. CERTIFIED FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER.** As a prerequisite to taking the examination for licensing as a certified federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.

Sec. 7. Minnesota Statutes 1990, section 82B.13, is amended by adding a subdivision to read:

**Subd. 5. CERTIFIED FEDERAL GENERAL REAL PROPERTY APPRAISER.** As a prerequisite to taking the examination for licensing as a cer-

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tified federal general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 165 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of nonresidential properties.

Sec. 8. Minnesota Statutes 1990, section 82B.14, is amended to read:

**82B.14 EXPERIENCE REQUIREMENT.**

(a) ~~An original A license as a level II licensed real estate appraiser under section 82B.11, subdivision 3, 4, or 5,~~ may not be issued to a person who does not have the equivalent of two years of experience in real property appraisal supported by adequate written reports or file memoranda. This experience, or the equivalent of this experience, must be acquired within a period of five years immediately preceding the filing of the application for licensing.

(b) Each applicant for license as a level II licensed real estate appraiser 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 each year 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.

Sec. 9. Minnesota Statutes 1990, section 82B.15, subdivision 3, is amended to read:

Subd. 3. **PROCEDURE.** Service of process under this section may be made by filing a copy of the process with the commissioner or a representative, but is not effective unless: under the provisions of section 45.028.

(1) the plaintiff, who may be the commissioner in an action or proceeding started by the commissioner, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at the address as shown by the records at the office of the commissioner in the case of service made on the commissioner as attorney by appointment under subdivision 1; and at the defendant's or respondent's last known address in the case of service on the commissioner as attorney by appointment under subdivision 2; and

(2) the plaintiff's affidavit of compliance with this subdivision is filed in the action or proceeding on or before the return day of the process, if any, or within any additional time the court or administrative law judge allows.

Sec. 10. Minnesota Statutes 1990, section 82B.17, is amended to read:

**82B.17 LICENSE DESIGNATION.**

When a licensed real estate appraiser uses the designation real estate appraiser or licensed real estate appraiser similar terms in an appraisal report or in a contract or other instrument used by the license holder in conducting real property appraisal activities or in advertisements, the appraiser shall place

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the ~~person's~~ appraiser's license number adjacent to or immediately below the designation used and indicate the class of license held.

Sec. 11. Minnesota Statutes 1990, section 82B.18, is amended to read:

#### 82B.18 USE OF TERM.

The term "licensed real estate appraiser" may only be used to refer to individuals who hold the a license under this chapter. The term may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation, or group; or in a manner that might cause it to be interpreted as referring to a firm, partnership, corporation, group, or anyone other than an individual holder of the license.

No license may be issued under this chapter to a corporation, partnership, firm, or group. This does not prevent a licensed real estate appraiser from signing an appraisal report on behalf of a corporation, partnership, firm, or group practice.

Sec. 12. Minnesota Statutes 1990, section 82B.19, subdivision 3, is amended to read:

Subd. 3. **REINSTATEMENTS.** ~~On or after September 1, 1991,~~ A license as a real estate appraiser that has been revoked as a result of disciplinary action by the commissioner may not be reinstated unless the applicant presents evidence of completion of the continuing education required by this chapter. This requirement may not be imposed upon an applicant for reinstatement who has been required to successfully complete the examination for licensed real estate appraiser as a condition to reinstatement of a license.

#### Sec. 13. [82B.221] TRANSITION PERIOD PROVISIONS.

(a) The commissioner may issue a license as provided under section 82B.11, subdivision 3, 4, or 5, to a person who satisfies the requirements of sections 82B.10, 82B.12, and 82B.13, but has not satisfied the requirement of section 82B.14, provided the person provides evidence satisfactory to the commissioner that they have acquired the equivalent of two years of experience in real property appraisal by September 1, 1993.

(b) The commissioner may issue a license as provided under section 82B.11, subdivision 3, 4, or 5, to a person who has satisfied the requirements of sections 82B.10, 82B.12, and 82B.14, but who has not satisfied the requirements of section 82B.13, provided the person provides evidence satisfactory to the commissioner of completion of the appropriate licensing prerequisite education by September 1, 1993.

(c) Failure to meet the requirements of paragraph (a) or (b) of this section shall be grounds for revocation of a real estate appraiser's license.

#### Sec. 14. [82B.23] FEDERAL CERTIFICATION.

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Subdivision 1. REQUIREMENT. The commissioner shall certify and transmit to the appraisal subcommittee established pursuant to the Federal Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 100-73, the names of those licensees who have satisfied the requirements for certification established by the appraisal subcommittee and to collect and transmit any required fees.

Subd. 2. PUBLICATION OF FEDERAL CERTIFICATION CRITERIA. The commissioner shall file the federal certification criteria with the revisor of statutes for publication in Minnesota Rules. The revisor has the same editorial power over these criteria as the revisor has for rules adopted pursuant to chapter 14.

#### Sec. 15. EXISTING LICENSES.

Licenses issued pursuant to Minnesota Statutes, chapter 82B, before the effective date of this act remain valid and in effect until September 1, 1991. A licensee who satisfies the examination or education requirements of Minnesota Statutes, section 82B.225, no later than August 31, 1991, is eligible for licensure under Minnesota Statutes, section 82B.11, subdivision 2.

#### Sec. 16. FEDERAL RESIDENTIAL REAL PROPERTY APPRAISER TRANSITIONAL PREEXAMINATION EDUCATION REQUIREMENT.

Prior to January 1, 1994, as a prerequisite to taking the examination for licensing as a certified federal residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 105 classroom hours of courses, including 15 hours related to the standards of professional appraisal practice and the provisions of this chapter, with particular emphasis on the appraisal of one to four unit residential properties.

#### Sec. 17. REPEALER.

Minnesota Statutes 1990, sections 82B.05, subdivision 2; 82B.13, subdivision 2; and 82B.225, are repealed.

#### Sec. 18. EFFECTIVE DATE.

This act is effective the day after final enactment.

Presented to the governor May 14, 1991

Signed by the governor May 17, 1991, 11:26 a.m.

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