## CHAPTER 94--S.F.No. 3435

*An act relating to real estate; modifying appraisal management company licensure; amending Minnesota Statutes 2018, sections 82C.03, subdivision 5; 82C.06; 82C.08, subdivisions 1, 2.*

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

Section 1. Minnesota Statutes 2018, section 82C.03, subdivision 5, is amended to read:

Subd. 5. **Minimum information.** The application must, at a minimum, include the following information:

(1) the name of the entity seeking registration;

(2) the business address or addresses of the entity seeking registration;

(3) telephone contact and e-mail information of the entity seeking registration;

(4) if the entity is not a corporation that is domiciled in this state, the name and contact information for the company's agent for service of process in this state;

(5) the name, address, and contact information for an individual or corporation, partnership, limited liability company, association, or other business entity that owns ten percent or more of the appraisal management company;

(6) the name, address, and contact information for a controlling person or persons;

(7) a certification that the entity has a system and process in place to verify that a person being added to the employment or appraiser panel of the appraisal management company for appraisal services within this state holds an active appraisal license in this state pursuant to chapter 82B if a license is required to perform appraisals;

(8) a certification that the entity has a system in place to review the work of all employed and independent appraisers that are performing real estate appraisal services for the appraisal management company on a periodic basis to verify that the real estate appraisal assignments are being conducted in accordance with USPAP and chapter 82B;

(9) a certification that the entity maintains a detailed record of each service request that it receives and the independent appraiser that performs the real estate appraisal services for the appraisal management company, pursuant to section 82C.13;

(10) a certification that the employees of the appraisal management company will be appropriately trained and familiar with the appraisal process;

(11) a certification that the appraisal management company has a system and process in place to verify that a person being added to the appraiser panel of the appraisal management company holds a license in good standing in this state pursuant to chapter 82B; ~~and~~

(12) an irrevocable Uniform Consent to Service of Process, pursuant to section 82C.07~~.~~; and

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(13) any information necessary for the commissioner to collect and transmit any required National Registry fees under section 82C.08, subdivision 2, paragraph (c).

Sec. 2. Minnesota Statutes 2018, section 82C.06, is amended to read:

**82C.06 EXEMPTIONS.**

This chapter does not apply to:

(1) a person that exclusively employs appraisers on an employer and employee basis for the performance of appraisals, and:

(i) the employer is responsible for ensuring that the appraisals are performed by employees in accordance with USPAP; and

(ii) the employer accepts all liability associated with the performance of the appraisal by the employee;

(2) a department or unit within a financial institution that is subject to direct regulation by an agency of the United States government, or to regulation by an agency of this state, that receives a request for the performance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser that is an independent contractor to the institution, except that an appraisal management company that is a wholly owned subsidiary of a financial institution shall not be considered a department or unit within a financial institution to which the provisions of this chapter do not apply;

(3) a person that enters into an agreement, whether written or otherwise, with an appraiser for the performance of an appraisal, and upon the completion of the appraisal, the report of the appraiser performing the appraisal is signed by both the appraiser who completed the appraisal and the appraiser who requested the completion of the appraisal, except that an appraisal management company may not avoid the requirements of this chapter by requiring that an employee of the appraisal management company that is an appraiser to sign an appraisal that is completed by an appraiser that is part of the appraisal panel of the appraisal management company; ~~or~~

(4) any governmental agency performing appraisals on behalf of that level of government or any agency performing ad valorem tax appraisals for county assessors; or

(5) an appraisal management company that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institution regulatory agency, except that it must provide the fees and information required to be collected by the commissioner pursuant to section 82C.08, subdivision 2, paragraph (c), for transmission to the Appraisal Subcommittee for the National Registry.

Sec. 3. Minnesota Statutes 2018, section 82C.08, subdivision 1, is amended to read:

Subdivision 1. **Establishment and retention.** Except as provided in subdivision 2, paragraph (c), the fees shall be retained by the commissioner for the sole purpose of administering this licensing and regulation program.

Sec. 4. Minnesota Statutes 2018, section 82C.08, subdivision 2, is amended to read:

Subd. 2. **Amounts.** (a) Each application for initial licensure shall be accompanied by a fee of $5,000.

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(b) Each application for renewal of the license must be received prior to its expiration with the renewal fee of $2,500.

(c) The commissioner must collect from appraisal management companies and federally regulated appraisal management companies operating in Minnesota any fees and information required by the Appraisal Subcommittee for the National Registry. The commissioner must transmit the fees and information collected under this paragraph to the Appraisal Subcommittee.

Presented to the governor May 16, 2020

Signed by the governor May 18, 2020, 8:10 a.m.

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