

60.8

ARTICLE 7

60.9

REAL ESTATE APPRAISER REGULATION

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

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

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

60.15 Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial
60.16 institutions regulatory agency" means the Board of Governors of the Federal Reserve System,
60.17 Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the
60.18 Office of the Comptroller of the Currency, ~~the Office of Thrift Supervision~~, or the National
60.19 Credit Union Administration.

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

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

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

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

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

61.3 Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The
61.4 requirements to obtain a trainee real property appraiser, licensed real property appraiser,
61.5 certified residential real property appraiser, or certified general real property appraiser
61.6 license are the education, examination, and experience requirements established by the
61.7 Appraiser Qualifications Board of the Appraisal Foundation and published in the most
61.8 recent version of the Real Property Appraiser Qualification Criteria.

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

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

61.13 Subd. 2a. **Trainee real property appraiser.** The scope of practice for a trainee real
61.14 property appraiser is the appraisal of properties which a certified residential real property

- 61.15 appraiser or certified general real property appraiser acting as the supervisory appraiser is
 61.16 permitted and competent to appraise.
- 61.17 Sec. 7. Minnesota Statutes 2018, section 82B.11, subdivision 6, is amended to read:
- 61.18 Subd. 6. **Temporary practice.** (a) The commissioner shall issue a license for temporary
 61.19 practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed
 61.20 by another state if:
- 61.21 ~~(1) the property to be appraised is part of a federally related transaction and the person~~
 61.22 ~~is licensed to appraise property limited to the same transaction value or complexity provided~~
 61.23 ~~in subdivision 3, 4, or 5;~~
- 61.24 ~~(1)~~ (1) the appraiser's business is of a temporary nature; and
- 61.25 ~~(2)~~ (2) the appraiser registers with the commissioner to obtain a temporary license before
 61.26 conducting appraisals within the state.
- 61.27 (b) The term of a temporary practice license is the lesser of:
- 61.28 (1) the time required to complete the assignment; or
- 61.29 (2) 12 months.
- 61.30 If more than 12 months are necessary to complete the assignment, a new temporary
 61.31 application and fee is required.
- 62.1 Sec. 8. Minnesota Statutes 2018, section 82B.13, subdivision 1, is amended to read:
- 62.2 Subdivision 1. **Trainee real property appraiser.** ~~(a)~~ As a prerequisite for licensing as
 62.3 a trainee real property appraiser, an applicant must present evidence satisfactory to the
 62.4 commissioner that the person has successfully completed:
- 62.5 ~~(1) at least 75 hours of prelicense courses approved by the commissioner. Fifteen of the~~
 62.6 ~~75 hours must include successful completion of the 15-hour national USPAP course; and~~
- 62.7 ~~(2) in addition to the required hours under clause (1), a six-hour course that is specifically~~
 62.8 oriented to the requirements and responsibilities of supervisory appraisers and trainee
 62.9 appraisers. A course approved by the commissioner for the purposes of this subdivision
 62.10 must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This
 62.11 course must not be counted toward qualifying education to upgrade to a higher level appraiser
 62.12 license.
- 62.13 ~~(b) All qualifying education must be completed within the five-year period prior to the~~
 62.14 ~~date of submission of a trainee real property appraiser license application.~~
- 62.15 Sec. 9. Minnesota Statutes 2018, section 82B.195, subdivision 2, is amended to read:
- 62.16 Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards of
 62.17 professional appraisal practice as defined by section 82B.021, subdivision 31, an appraiser

- 62.18 must, prior to performing any appraisal service which requires licensing pursuant to this
 62.19 chapter, disclose in writing to the person contracting for the appraisal service the information
 62.20 identified in clause (4). In addition, an appraiser must prepare a written disclosure providing
 62.21 the information identified in clauses (1) to (13). The written disclosure must be included as
 62.22 part of the final written appraisal report. As specified in this subdivision, an appraiser must:
- 62.23 (1) disclose who has employed the appraiser;
- 62.24 (2) disclose who the appraisal is rendered for, if not the person who employed the
 62.25 appraiser;
- 62.26 (3) disclose the purpose of the appraisal, including an explanation of the difference
 62.27 between the appraisal being given and an appraisal of fee simple market valuation;
- 62.28 (4) disclose any conflict of interest or situation which might reasonably be perceived to
 62.29 be a conflict of interest which must include, but not be limited to, the following situations:
- 62.30 (i) whether the appraiser has any ownership interest in the subject property or contiguous
 62.31 properties;
- 63.1 (ii) whether there is an ownership interest by a spouse, parent, or child of the appraiser
 63.2 in the property or contiguous properties; and
- 63.3 (iii) whether the appraiser has a continuing business relationship with one of the parties,
 63.4 for example, any part-time or full-time employment of the appraiser, spouse, children living
 63.5 at home, or dependent children.
- 63.6 Failure to promptly give notification of a conflict must be considered a violation of the
 63.7 standards of professional appraisal practice;
- 63.8 (5) disclose that the appraisal is a reevaluation and identify the areas of difference
 63.9 between the two appraisals and the justification for the changes;
- 63.10 (6) disclose any facts concerning the valuation needed for loan purposes or similar
 63.11 information that was provided to the appraiser before or during the appraisal;
- 63.12 (7) disclose that the appraiser has not performed appraisals of the type requested or for
 63.13 the type of property to be appraised as a regular part of the appraiser's business in the
 63.14 preceding five-year period, provided that if the appraiser asserts qualification by training
 63.15 or related experience to perform the appraisal, the appraiser must set forth the training or
 63.16 experience and how it is applicable to the appraisal;
- 63.17 (8) disclose the license classification of the appraiser and the types of appraisals that the
 63.18 appraiser is authorized to conduct under the licensure;
- 63.19 (9) disclose any lack of experience or training that would affect the ability of the appraiser
 63.20 to perform the appraisal or could cause rejection of the appraisal by the party requiring the
 63.21 appraisal;

- 63.22 (10) disclose any appraisal on the same property made by the appraiser in the last three
63.23 years;
- 63.24 (11) disclose all pertinent assumptions upon which a valuation based upon income from
63.25 the property is derived such as expected occupancy rates, rental rates, construction of future
63.26 improvements, roads, or highways; and
- 63.27 (12) ~~prior to performing the appraisal, disclose whether the appraiser has previously~~
63.28 ~~been to the property; and~~
- 63.29 ~~(13)~~ disclose any other fact or circumstance that could bring the reliability of the appraisal
63.30 or the impartiality of the appraiser into question.
- 64.1 Sec. 10. Minnesota Statutes 2018, section 82B.21, is amended to read:
64.2 82B.21 CLASSIFICATION OF SERVICES.
- 64.3 A client or employer may retain or employ a licensed real estate appraiser to act as a
64.4 disinterested third party in giving an unbiased estimate of value or analysis; to provide a
64.5 market analysis to facilitate the client's or employer's objectives; ~~or to perform a limited~~
64.6 ~~appraisal.~~ The appraisal and the appraisal report must comply with the provisions of this
64.7 chapter and the uniform standards of professional appraisal practice.
- 64.8 Sec. 11. **REPEALER.**
- 64.9 Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2;
64.10 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, and 9; 82B.11, subdivision 2; 82B.12; 82B.13,
64.11 subdivisions 1a, 3, 4, 5, 6, 7, and 8; and 82B.14, are repealed.
- 64.12 Sec. 12. **EFFECTIVE DATE.**
- 64.13 Sections 1 to 11 are effective January 1, 2020.