

1.1 A bill for an act

1.2 relating to commerce; requiring a certain appraisal fee disclosure; providing
1.3 for the licensing and regulation of appraisal management companies; reducing
1.4 the size of the Real Estate Appraiser Advisory Board; amending Minnesota
1.5 Statutes 2008, sections 82B.05, subdivision 5, by adding a subdivision; 82B.06;
1.6 Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1; proposing
1.7 coding for new law in Minnesota Statutes, chapter 47; proposing coding for new
1.8 law as Minnesota Statutes, chapter 82C.

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

1.10 **ARTICLE 1**

1.11 **REAL ESTATE APPRAISAL MANAGEMENT COMPANIES**

1.12 Section 1. **[47.2075] FEE DISCLOSURE.**

1.13 The lender must disclose to the owner of the real property that was the subject of an
1.14 appraisal performed by an employed or independent appraiser pursuant to an appraisal
1.15 assignment from the appraisal management company or the lender the fee paid to the
1.16 appraiser for the appraisal. The disclosure must be made by the lender promptly upon
1.17 receipt of the appraisal report by the employed or independent appraiser.

1.18 Sec. 2. **[82C.01] TITLE.**

1.19 This chapter shall be known as the Minnesota Appraisal Management Company
1.20 Licensing and Regulation Act.

1.21 Sec. 3. **[82C.02] DEFINITIONS.**

1.22 Subdivision 1. **Terms.** As used in this chapter, the terms in this section have the
1.23 meanings given them.

2.1 Subd. 2. **Appraisal.** In conformance with the Uniform Standards of Professional
2.2 Appraisal Practice (USPAP), "appraisal" is defined as: (noun) the act or process of
2.3 developing an opinion of value; an opinion of value; (adjective) of or pertaining to
2.4 appraising and related functions such as appraisal practice or appraisal services. For
2.5 purposes of this chapter, all appraisals or assignments that are referred to involve one to
2.6 four unit single-family properties.

2.7 Subd. 3. **Appraisal assignment.** "Appraisal assignment" means an engagement
2.8 for which an appraiser is employed or retained to act, or would be perceived by third
2.9 parties or the public as acting, as a disinterested third party in giving an unbiased analysis,
2.10 opinion, or conclusion relating to the nature, quality, value, or utility of named interests in,
2.11 or aspects of, identified real estate.

2.12 Subd. 4. **Appraisal management company.** "Appraisal management company"
2.13 means a corporation, partnership, sole proprietorship, subsidiary, unit, or other business
2.14 entity that:

2.15 (1) administers networks of independent contract or employee appraisers to perform
2.16 residential real estate appraisal assignments for clients;

2.17 (2) receives requests for residential real estate appraisal services from clients and, for
2.18 a fee paid by the client, enters into an agreement with one or more independent appraisers
2.19 to perform the real estate appraisal services contained in the request; or

2.20 (3) otherwise serves as a third-party broker of appraisal management services
2.21 between clients and appraisers.

2.22 Subd. 5. **Appraisal management services.** "Appraisal management services"
2.23 means the process of receiving a request for the performance of real estate appraisal
2.24 services from a client and, for a fee paid by the client, entering into an agreement with
2.25 one or more independent appraisers to perform the real estate appraisal services contained
2.26 in the request.

2.27 Subd. 6. **Appraiser.** "Appraiser" means a person who is expected to perform
2.28 valuation services competently and in a manner that is independent, impartial, and
2.29 objective and who is licensed under chapter 82B.

2.30 Subd. 7. **Appraisal fee schedule.** "Appraisal fee schedule" means a list of the
2.31 various real estate appraisal services requested by an appraisal management company in
2.32 this state from independent appraisers and the amount that the appraisal management
2.33 company is willing to pay to an independent appraiser for the performance of each of
2.34 the listed real estate appraisal assignments.

3.1 Subd. 8. **Appraiser panel.** "Appraiser panel" means a group of independent
3.2 appraisers that have been selected by an appraisal management company to perform
3.3 residential real estate appraisal assignments for the appraisal management company.

3.4 Subd. 9. **Assignment.** "Assignment" means a valuation service provided as a
3.5 consequence of an agreement between an appraiser and a client.

3.6 Subd. 10. **Client.** "Client" means a party or parties who engage an independent
3.7 appraiser by employment or contract in a specific assignment. For this chapter, the
3.8 appraisal management company is the party engaging the independent appraiser and is
3.9 therefore the appraiser's client.

3.10 Subd. 11. **Commissioner.** "Commissioner" means the commissioner of commerce.

3.11 Subd. 12. **Controlling person.** "Controlling person" means:

3.12 (1) a member of senior management, owner, officer, director, and other person or
3.13 business entity seeking to offer appraisal management services in this state;

3.14 (2) an individual employed, appointed, or authorized by an appraisal management
3.15 company that has the authority to enter into:

3.16 (i) a contractual relationship with clients for the performance of appraisal
3.17 management services; and

3.18 (ii) agreements with employed and independent appraisers for the performance of
3.19 one to four unit single-family property appraisal assignments; or

3.20 (3) an individual who possesses, directly or indirectly, the power to direct or cause
3.21 the direction of the management or policies of an appraisal management company.

3.22 Subd. 13. **Employee.** "Employee" means an individual who is treated as an
3.23 employee for purposes of compliance with federal income tax laws.

3.24 Subd. 14. **Intended user.** "Intended user" means the client or other party identified
3.25 by name or type, as users of the appraisal, appraisal review, or appraisal consulting report
3.26 by the appraiser of communication with the client at the time of the assignment.

3.27 Subd. 15. **USPAP.** "USPAP" means the Uniform Standards of Professional
3.28 Appraisal Practice as established by the Appraisal Foundation. State and federal regulatory
3.29 authorities enforce the content of the current or applicable edition of USPAP.

3.30 Sec. 4. **[82C.03] LICENSING.**

3.31 Subdivision 1. **Requirement.** It is unlawful for a person, corporation, partnership,
3.32 sole proprietorship, subsidiary, unit, or other business entity to directly or indirectly
3.33 engage or attempt to engage in business as an appraisal management company, to directly
3.34 or indirectly engage or attempt to perform appraisal management services, or to advertise
3.35 or hold itself out as engaging in or conducting business as an appraisal management

4.1 company without first obtaining a license issued by the commissioner under the provisions
4.2 of this chapter, regardless of the entity's use of the term "appraisal management company,"
4.3 "mortgage technology company," or other name.

4.4 Subd. 2. **Owner requirements.** (a) An appraisal management company applying
4.5 to the commissioner for a license in this state may not be more than ten percent owned
4.6 by a person or entity that has been the subject of an order of certificate, registration or
4.7 license suspension, revocation, or denial; cease and desist order; injunctive order; or
4.8 order barring involvement in an industry or profession issued by this or another state or
4.9 federal regulatory agency.

4.10 (b) A person that owns more than ten percent of an appraisal management company
4.11 in this state shall:

4.12 (1) be of good moral character, as determined by the commissioner;

4.13 (2) submit to a background investigation, as determined by the commissioner; and

4.14 (3) certify to the commissioner that the person has never been the subject of an order
4.15 of certificate, registration or license suspension, revocation, or denial; cease and desist
4.16 order; injunctive order; or order barring involvement in an industry or profession issued
4.17 by this or another state or federal regulatory agency.

4.18 Subd. 3. **Controlling person requirements.** (a) An appraisal management company
4.19 applying to the commissioner for a license in this state shall designate a controlling person
4.20 that will be the main contact for all communication between the commissioner and the
4.21 appraisal management company.

4.22 (b) In order to serve as a controlling person of an appraisal management company,
4.23 a person must:

4.24 (1) certify to the commissioner that the person has never been the subject of an order
4.25 of certificate, registration or license suspension, revocation, or denial; cease and desist
4.26 order; injunctive order; or order barring involvement in an industry or profession issued
4.27 by this or another state or federal regulatory agency;

4.28 (2) be of good moral character, as determined by the commissioner; and

4.29 (3) submit to a background investigation, as determined by the commissioner.

4.30 Subd. 4. **Application for license.** Application for an appraisal management
4.31 company license must be submitted on a form prescribed by the commissioner.

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

4.34 (1) the name of the entity seeking registration;

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

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

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

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

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

5.7 (7) a certification that the entity has a system and process in place to verify that a
5.8 person being added to the employment or appraiser panel of the appraisal management
5.9 company holds a license in good standing in this state pursuant to chapter 82B if a license
5.10 is required to perform appraisals pursuant to section 82C.12;

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

5.16 (9) a certification that the entity maintains a detailed record of each service request
5.17 that it receives and the independent appraiser that performs the residential real estate
5.18 appraisal services for the appraisal management company, pursuant to section 82C.14;

5.19 (10) an irrevocable Uniform Consent to Service of Process, pursuant to section
5.20 82C.07; and

5.21 (11) other information required by the commissioner.

5.22 Subd. 6. **Effective date of license.** An initial license issued under this chapter is
5.23 valid for a period not to exceed one year.

5.24 **Sec. 5. [82C.04] TERM OF LICENSE.**

5.25 The license for an appraisal management company issued under this chapter expires
5.26 on August 31 of each year.

5.27 **Sec. 6. [82C.05] LICENSE RENEWAL.**

5.28 Subdivision 1. **Term.** A license is renewable on August 31 of each year.

5.29 Subd. 2. **Timely renewal.** (a) Application for timely renewal of a license is
5.30 considered timely filed if received by the commissioner before the date of the license
5.31 expiration.

5.32 (b) An application for renewal is considered properly filed if made upon a form
5.33 prescribed by the commissioner, accompanied by fees prescribed by this chapter, and
5.34 containing information the commissioner requires.

6.1 (c) A licensee failing to make timely application for renewal of the license is
6.2 unlicensed until the renewal license has been issued by the commissioner and is received
6.3 by the licensee.

6.4 Subd. 3. **Contents of renewal application.** Application for the renewal of an
6.5 existing license must contain the information specified in section 82C.03; however, only
6.6 the requested information having changed from the most recent prior application need
6.7 be submitted.

6.8 Subd. 4. **Cancellation.** A licensee ceasing an activity or activities regulated by this
6.9 chapter and desiring to no longer be licensed shall inform the commissioner in writing
6.10 and, at the same time, surrender the license and all other symbols or indicia of licensure.

6.11 Sec. 7. **[82C.06] EXEMPTIONS.**

6.12 This chapter does not apply to:

6.13 (1) a corporation, partnership, sole proprietorship, subsidiary, unit, or other business
6.14 entity that exclusively employs persons on an employer and employee basis for the
6.15 performance of residential real estate appraisal assignments in the normal course of its
6.16 business and the entity is responsible for ensuring that the residential real estate appraisal
6.17 assignments being performed by its employees are being performed in accordance with
6.18 USPAP;

6.19 (2) an individual, corporation, partnership, sole proprietorship, subsidiary, unit, or
6.20 other business entity who in the normal course of business enters into an agreement,
6.21 whether written or otherwise, with another independent contractor appraiser for the
6.22 performance of residential real estate appraisal assignments that the hiring or contracting
6.23 appraiser cannot complete for any reason, including but not limited to competency, work
6.24 load, schedule, or geographic location; and

6.25 (3) an individual, corporation, partnership, sole proprietorship, subsidiary, unit, or
6.26 other business entity who in the normal course of business enters into an agreement,
6.27 whether written or otherwise, with another independent contractor appraiser for the
6.28 performance of residential real estate appraisal assignments and upon the completion of
6.29 the appraisal, the report of the appraiser performing the residential real estate appraisal
6.30 assignment is cosigned by the appraiser who is subcontracted with the independent
6.31 appraiser for the performance of the residential real estate appraisal assignment.

6.32 Sec. 8. **[82C.07] CONSENT TO SERVICE OF PROCESS.**

7.1 An entity applying for a license as an appraisal management company in this state
7.2 shall complete an irrevocable Uniform Consent to Service of Process as prescribed by
7.3 the commissioner.

7.4 Sec. 9. **[82C.08] LICENSING FEES.**

7.5 Subdivision 1. Establishment and retention. The commissioner shall establish the
7.6 fee to be paid by an appraisal management company seeking licensing under this chapter.
7.7 The fees must be retained by the commissioner for the sole purpose of administering this
7.8 licensing and regulation program.

7.9 Subd. 2. Amounts. (a) The application for initial licensure must be accompanied
7.10 by a fee of \$5,000.

7.11 (b) The application for renewal of the license must be received before the one-year
7.12 expiration period with the renewal fee of \$2,500.

7.13 Subd. 3. Forfeiture. All fees are nonrefundable except that an overpayment of a fee
7.14 must be refunded upon proper application.

7.15 Sec. 10. **[82C.09] INVESTIGATIONS AND SUBPOENAS.**

7.16 The commissioner has under this chapter the same powers with respect to section
7.17 45.027, including the authority to impose a civil penalty not to exceed \$10,000 per
7.18 violation.

7.19 Sec. 11. **[82C.10] EMPLOYEE REQUIREMENTS.**

7.20 (a) An employee of the appraisal management company, or a person working on
7.21 behalf of the appraisal management company, must be appropriately trained and familiar
7.22 with the appraisal process.

7.23 (b) An employee of the appraisal management company that has the responsibility to
7.24 review the work of employed and independent appraisers where the subject properties are
7.25 located within the state, and which include the reviewer's opinion of value or concurrence
7.26 with the original appraiser's value, must be licensed according to chapter 82B and perform
7.27 the review assignments in compliance with USPAP and chapter 82B.

7.28 Sec. 12. **[82C.11] LIMITATIONS.**

7.29 An appraisal management company licensed in this state pursuant to this chapter
7.30 may not enter into contracts or agreements with an employee or independent appraiser
7.31 for the performance of residential real estate appraisal assignments unless that person is
7.32 licensed in good standing pursuant to chapter 82B.

8.1 Sec. 13. **[82C.12] PRE-ENGAGEMENT CERTIFICATION.**

8.2 An appraisal management company must certify to the commissioner on an annual
8.3 basis on a form prescribed by the commissioner that the appraisal management company
8.4 has a system and process in place to verify that a person being added to the appraiser
8.5 panel of the appraisal management company holds a license in good standing in this state
8.6 pursuant to chapter 82B.

8.7 Sec. 14. **[82C.13] ADHERENCE TO STANDARDS.**

8.8 An appraisal management company must have a system in place to review the
8.9 work of all employed and independent appraisers that are performing real estate appraisal
8.10 assignments for the appraisal management company on at least an annual basis to ensure
8.11 that the real estate appraisal services are being conducted in accordance with USPAP
8.12 and chapter 82B.

8.13 Sec. 15. **[82C.14] RECORD KEEPING.**

8.14 An appraisal management company must maintain a detailed record of each
8.15 service request that it receives and the independent appraiser that performs the appraisal
8.16 assignment for the appraisal management company.

8.17 Records must be kept for a period of at least five years after the appraisal assignment
8.18 request is sent to the independent appraiser or completion of the appraisal report,
8.19 whichever period expires last.

8.20 Sec. 16. **[82C.15] APPRAISER FEE SCHEDULE.**

8.21 An appraisal management company must disclose to the commissioner, upon
8.22 request, the fee schedules for employed and independent appraisers, and the fee schedules
8.23 for the appraisal management company.

8.24 Sec. 17. **[82C.16] APPRAISER INDEPENDENCE; PROHIBITIONS.**

8.25 (a) It is unlawful for an employee, director, officer, or agent of an appraisal
8.26 management company licensed in this state pursuant to this chapter to influence or attempt
8.27 to influence the development, reporting, or review of an appraisal through coercion,
8.28 extortion, collusion, compensation, instruction, inducement, intimidation, bribery, or in
8.29 any other manner, including but not limited to:

8.30 (1) withholding or threatening to withhold timely payment for an appraisal;

9.1 (2) withholding or threatening to withhold future business or assignments for an
9.2 employed or independent appraiser, or demoting or terminating or threatening to demote
9.3 or terminate an employed or independent appraiser;

9.4 (3) expressly or impliedly promising future business, assignments, promotions, or
9.5 increased compensation for an employed or independent appraiser;

9.6 (4) conditioning the request for an appraisal assignment on the payment of an
9.7 appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached,
9.8 or on a preliminary estimate or opinion requested from an employed or independent
9.9 appraiser;

9.10 (5) requesting that an employed or independent appraiser provide an estimated,
9.11 predetermined, or desired valuation in an appraisal report, or provide estimated values or
9.12 comparable sales at any time before the completion of an appraisal assignment;

9.13 (6) providing to an employed or independent appraiser an anticipated, estimated,
9.14 encouraged, or desired value for a subject property or a proposed or target amount to be
9.15 loaned to the borrower, except that a copy of the sales contract for purchase transactions
9.16 must be provided;

9.17 (7) providing to an employed or independent appraiser, or an entity or person related
9.18 to the appraiser, stock or other financial or nonfinancial benefits;

9.19 (8) allowing the removal of an employed or independent appraiser from a list of
9.20 qualified appraisers used by an entity, without prior written notice to the appraiser, which
9.21 notice must include documented evidence of the appraiser's violation of USPAP, chapter
9.22 82B, substandard performance, or otherwise improper or unprofessional behavior;

9.23 (9) obtaining, using, or paying for a second or subsequent appraisal or ordering an
9.24 automated valuation model in connection with a mortgage financing transaction unless
9.25 there is a reasonable basis to believe that the initial appraisal was flawed or tainted and
9.26 the basis is clearly and appropriately noted in the loan file, or unless the appraisal or
9.27 automated valuation model is done pursuant to a bona fide prefunding or postfunding
9.28 appraisal review or quality control process;

9.29 (10) requesting or requiring an employed or independent appraiser to provide the
9.30 appraisal management company or any of its employees, or any of its clients, with the
9.31 appraiser's digital signature;

9.32 (11) altering, amending, or changing an appraisal report submitted by an appraiser,
9.33 by among other things, removing or applying a signature, adding or deleting information
9.34 from the appraisal report;

9.35 (12) requiring the appraiser to collect the fee from a borrower, homeowner, or
9.36 other person;

10.1 (13) requiring an appraiser to sign any sort of indemnification agreement that would
10.2 require the appraiser to defend and hold harmless the company, a software provider that
10.3 the company requires an appraiser to use, or a company the company does business with,
10.4 from liability, damage, losses, or claims;

10.5 (14) using appraisers selected or referred by any employee of a loan production or
10.6 sales staff, lender, broker, or real estate agent;

10.7 (15) disclosing the employed or independent appraiser's name and contact
10.8 information in regards to an assignment before the delivery of the appraisal report; or

10.9 (16) other act or practice that impairs or attempts to impair an appraiser's
10.10 independence, objectivity, or impartiality.

10.11 (b) Nothing in paragraph (a) prohibits the appraisal management company from
10.12 requesting that an independent appraiser:

10.13 (1) consider additional appropriate property information;

10.14 (2) provide further detail, substantiation, or explanation for the appraiser's value
10.15 conclusion; or

10.16 (3) correct objective factual errors in an appraisal report.

10.17 Sec. 18. **[82C.17] ADJUDICATION OF DISPUTES BETWEEN AN APPRAISAL**
10.18 **MANAGEMENT COMPANY AND AN INDEPENDENT APPRAISER.**

10.19 Except within the first 30 days after an independent appraiser is first added to the
10.20 appraiser panel of an appraisal management company, an appraisal management company
10.21 may not remove an appraiser from its appraiser panel, or otherwise refuse to assign
10.22 requests for real estate appraisal services to an independent appraiser, without:

10.23 (1) notifying the appraiser in writing of the reasons why the appraiser is being
10.24 removed from the appraiser panel or is not receiving appraisal requests from the appraisal
10.25 management company;

10.26 (2) if the appraiser is being removed from the panel for illegal conduct, violation of
10.27 USPAP or a violation of chapter 82B, the nature of the alleged conduct or violation; and

10.28 (3) providing an opportunity for the appraiser to respond to the notification of the
10.29 appraisal management company.

10.30 Sec. 19. **[82C.18] DENIAL, SUSPENSION, REVOCATION OF LICENSES.**

10.31 Subdivision 1. **Powers of commissioner.** (a) The commissioner may by order
10.32 take any or all of the following actions:

10.33 (1) bar a person from employment at an appraisal management company;

10.34 (2) deny, suspend, or revoke an appraisal management company license;

- 11.1 (3) censure an appraisal management company license; and
11.2 (4) impose a civil penalty as provided for in section 45.027.
- 11.3 (b) In order to take the action in paragraph (a), the commissioner must find:
11.4 (1) that the order is in the public interest; and
11.5 (2) that an officer, director, partner, employee, agent, controlling person, or any
11.6 person occupying a similar status or performing similar functions, has:
11.7 (i) violated any provision of this chapter;
11.8 (ii) filed an application for a license that is incomplete in any material respect or
11.9 contains a statement that, in light of the circumstances under which it is made, is false or
11.10 misleading with respect to a material fact;
11.11 (iii) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive,
11.12 or dishonest act or practice, whether or not the act or practice involves the appraisal
11.13 management company;
11.14 (iv) engaged in an act or practice, whether or not the act or practice involves the
11.15 business of appraisal management, appraisal assignments, or real estate mortgage related
11.16 practices that demonstrates untrustworthiness, financial irresponsibility, or incompetence;
11.17 (v) pled guilty, with or without explicitly admitting guilt, pled nolo contendere,
11.18 or been convicted of a felony, gross misdemeanor, or a misdemeanor involving moral
11.19 turpitude;
11.20 (vi) paid a civil penalty or been the subject of disciplinary action by the
11.21 commissioner, an order of suspension or revocation, cease and desist order, injunction
11.22 order, or order barring involvement in an industry or profession issued by this or any other
11.23 state or federal regulatory agency, government-sponsored enterprise, or by the Secretary
11.24 of Housing and Urban Development;
11.25 (vii) been found by a court of competent jurisdiction to have engaged in conduct
11.26 evidencing gross negligence, fraud, misrepresentation, or deceit;
11.27 (viii) refused to cooperate with an investigation or examination by the commissioner;
11.28 (ix) failed to pay any fee or assessment imposed by the commissioner; or
11.29 (x) failed to comply with state and federal tax obligations.
- 11.30 Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section,
11.31 the commissioner shall issue an order requiring the subject of the proceeding to show
11.32 cause why action should not be taken against the licensee according to this section. The
11.33 order must be calculated to give reasonable notice of the time and place for the hearing
11.34 and must state the reasons for entry of the order. The commissioner may by order
11.35 summarily suspend a license pending a final determination of an order to show cause. If a
11.36 license is summarily suspended, pending final determination of an order to show cause, a

12.1 hearing on the merits must be held within 30 days of the issuance of the order of summary
12.2 suspension. All hearings must be conducted under chapter 14. After the hearing, the
12.3 commissioner shall enter an order disposing of the matter as the facts require. If the
12.4 subject of the order fails to appear at a hearing after having been duly notified of it, the
12.5 subject is considered in default, and the proceeding may be determined against the subject
12.6 of the order upon consideration of the order to show cause, the allegations of which may
12.7 be considered to be true.

12.8 Subd. 3. **Actions against lapsed license.** If a license lapses, is surrendered,
12.9 withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute
12.10 a proceeding under this subdivision within two years after the license was last effective
12.11 and enter a revocation or suspension order as of the last date which the license was in
12.12 effect, and may impose a civil penalty as provided for in this section or section 45.027.

12.13 **ARTICLE 2**

12.14 **REAL ESTATE APPRAISER ADVISORY BOARD**

12.15 Section 1. Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1, is
12.16 amended to read:

12.17 Subdivision 1. **Members.** The Real Estate Appraiser Advisory Board consists
12.18 of ~~15~~ nine members appointed by the commissioner of commerce. ~~Three of the Two~~
12.19 ~~members must be public members~~ must be public members, four, one member must be
12.20 ~~consumers~~ a consumer of appraisal services, ~~and eight~~ three must be ~~real estate appraisers~~
12.21 ~~of whom not less than two members must be trainee real property appraisers, licensed~~
12.22 ~~real property appraisers, or certified residential real property appraisers, not less than two~~
12.23 ~~members~~ and three must be certified general real property appraisers, and not less than
12.24 one ~~member~~ of those members must be certified by the Appraisal Qualification Board
12.25 of the Appraisal Foundation to teach the Uniform Standards of Professional Appraisal
12.26 Practice. Three members must live or work outside of the seven-county metropolitan area.
12.27 The board is governed by section 15.0575.

12.28 **EFFECTIVE DATE.** This section is effective August 1, 2010.

12.29 Sec. 2. Minnesota Statutes 2008, section 82B.05, subdivision 5, is amended to read:

12.30 Subd. 5. **Conduct of meetings.** Places of regular board meetings must be decided
12.31 by the vote of members. Written notice must be given to each member of the time and
12.32 place of each meeting of the board at least ten days before the scheduled date of regular

13.1 board meetings. The board shall establish procedures for emergency board meetings and
13.2 other operational procedures, subject to the approval of the commissioner.

13.3 The members of the board shall elect a chair from among the members to preside
13.4 at board meetings.

13.5 A quorum of the board is ~~eight~~ five members.

13.6 The board shall meet at least once every six months as determined by a majority vote
13.7 of the members or a call of the commissioner. The chair of the board may call a meeting at
13.8 any other time, subject to the notice requirements of this section.

13.9 **EFFECTIVE DATE.** This section is effective August 1, 2010.

13.10 Sec. 3. Minnesota Statutes 2008, section 82B.05, is amended by adding a subdivision
13.11 to read:

13.12 **Subd. 7. Enforcement reports.** The commissioner shall, on a regular basis, provide
13.13 the board with the commissioner's enforcement reports.

13.14 **EFFECTIVE DATE.** This section is effective August 1, 2010.

13.15 Sec. 4. Minnesota Statutes 2008, section 82B.06, is amended to read:

13.16 **82B.06 POWERS OF THE BOARD.**

13.17 The board shall make recommendations to the commissioner as the commissioner
13.18 requests or at the board's own initiative on:

13.19 (1) rules with respect to each category of licensed real estate appraiser, the type of
13.20 educational experience, appraisal experience, and equivalent experience that will meet
13.21 the requirements of this chapter;

13.22 (2) examination specifications for each category of licensed real estate appraiser,
13.23 to assist in providing or obtaining appropriate examination questions and answers, and
13.24 procedures for grading examinations;

13.25 (3) rules with respect to each category of licensed real estate appraiser, the
13.26 continuing education requirements for the renewal of licensing that will meet the
13.27 requirements provided in this chapter;

13.28 (4) periodic review of the standards for the development and communication of
13.29 real estate appraisals provided in this chapter and rules explaining and interpreting the
13.30 standards; ~~and~~

13.31 (5) development of standards and procedures for processing the determination of
13.32 appraiser violations of this chapter and USPAP; and

13.33 ~~(5)~~ (6) other matters necessary in carrying out the provisions of this chapter.

14.1 **EFFECTIVE DATE.** This section is effective August 1, 2010.

APPENDIX
Article locations in s3043-2

ARTICLE 1 REAL ESTATE APPRAISAL MANAGEMENT COMPANIES Page.Ln 1.10
ARTICLE 2 REAL ESTATE APPRAISER ADVISORY BOARD Page.Ln 12.13