

1.1 Senator ..... moves to amend S.F. No. 2474 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "ARTICLE 1

1.4 APPROPRIATIONS

1.5 Section 1. COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.

1.6 The sums shown in the columns marked "Appropriations" are appropriated to the agencies  
1.7 and for the purposes specified in this article. The appropriations are from the general fund,  
1.8 or another named fund, and are available for the fiscal years indicated for each purpose.  
1.9 The figures "2020" and "2021" used in this article mean that the appropriations listed under  
1.10 them are available for the fiscal year ending June 30, 2020, or June 30, 2021, respectively.  
1.11 "The first year" is fiscal year 2020. "The second year" is fiscal year 2021. "The biennium"  
1.12 is fiscal years 2020 and 2021.

1.13		<b><u>APPROPRIATIONS</u></b>
1.14		<b><u>Available for the Year</u></b>
1.15		<b><u>Ending June 30</u></b>
1.16		<b><u>2020</u></b> <b><u>2021</u></b>

1.17 Sec. 2. DEPARTMENT OF COMMERCE.

1.18 Subdivision 1. Total Appropriation                      \$            18,206,000 \$            18,209,000

1.19                      Appropriations by Fund

1.20		<u>2020</u>	<u>2021</u>
1.21	<u>General</u>	<u>17,448,000</u>	<u>17,450,000</u>
1.22	<u>Workers'</u>		
1.23	<u>Compensation</u>	<u>758,000</u>	<u>759,000</u>

1.24 The amounts that may be spent for each  
1.25 purpose are specified in the following  
1.26 subdivisions.

1.27 Subd. 2. Administrative Services                      7,397,000                      7,399,000

1.28 (a) \$100,000 each year is for the support of  
1.29 broadband development.

1.30 (b) \$384,000 each year is for additional  
1.31 compliance efforts with unclaimed property.

1.32 The commissioner may issue contracts for  
1.33 these services.

2.1 (c) \$5,000 each year is for Real Estate  
 2.2 Appraisal Advisory Board compensation  
 2.3 pursuant to Minnesota Statutes, section  
 2.4 82B.073, subdivision 2a.

2.5 **Subd. 3. Enforcement** 5,777,000 5,807,000

2.6 Appropriations by Fund

2.7 General 5,577,000 5,607,000

2.8 Workers'  
 2.9 Compensation 200,000 200,000

2.10 (a) \$547,000 in the first year and \$577,000 in  
 2.11 the second year are for health care  
 2.12 enforcement.

2.13 (b) \$200,000 in each year is from the workers'  
 2.14 compensation fund. Beginning in fiscal year  
 2.15 2022, this amount is \$201,000.

2.16 **Subd. 4. Insurance** 5,032,000 5,003,000

2.17 Appropriations by Fund

2.18 General 4,474,000 4,444,000

2.19 Workers'  
 2.20 Compensation 558,000 559,000

2.21 (a) \$642,000 each year is for health insurance  
 2.22 rate review staffing.

2.23 (b) \$412,000 each year is for actuarial work  
 2.24 to prepare for implementation of  
 2.25 principle-based reserves.

2.26 (c) \$30,000 in fiscal year 2020 is for payment  
 2.27 of two years of membership dues for  
 2.28 Minnesota to the National Conference of  
 2.29 Insurance Legislators. This is a onetime  
 2.30 appropriation.

2.31 (d) \$558,000 in the first year and \$559,000 in  
 2.32 the second year are from the workers'  
 2.33 compensation fund. Beginning in fiscal year  
 2.34 2022, this amount is \$560,000.

3.1 **ARTICLE 2**

3.2 **COMMERCE**

3.3 Section 1. Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

3.4 Subd. 11. **Financial institutions account; appropriation.** (a) The financial institutions  
3.5 account is created as a separate account in the special revenue fund. ~~The account consists~~  
3.6 ~~of funds received from assessments under subdivision 7, examination fees under subdivision~~  
3.7 ~~8, and license and renewal fees under section 216C.437, subdivision 12.~~ Earnings, including  
3.8 interest, dividends, and any other earnings arising from account assets, must be credited to  
3.9 the account.

3.10 (b) The account consists of funds received from assessments under subdivision 7,  
3.11 examination fees under subdivision 8, and funds received pursuant to subdivision 10 and  
3.12 the following provisions: sections 53B.09; 53B.11, subdivision 1; and 58A.045, subdivision  
3.13 2.

3.14 ~~(b)~~ (c) Funds in the account are annually appropriated to the commissioner of commerce  
3.15 for activities under this section.

3.16 **EFFECTIVE DATE.** This section is effective July 1, 2019.

3.17 Sec. 2. Minnesota Statutes 2018, section 46.131, is amended by adding a subdivision to  
3.18 read:

3.19 Subd. 12. **Limitations on assessments.** The sum of the assessments levied under  
3.20 subdivision 7 for a fiscal period beginning on July 1 and ending June 30 thereafter shall not  
3.21 exceed 100 percent of the sum of the assessments levied for the fiscal period beginning one  
3.22 year prior.

3.23 **EFFECTIVE DATE.** This section is effective the day following final enactment.

3.24 **ARTICLE 3**

3.25 **REAL ESTATE APPRAISER REGULATION**

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

3.27 Subd. 14. **Federal Appraisal Subcommittee.** "Federal Appraisal Subcommittee" means  
3.28 the appraisal subcommittee of the Federal Financial Institutions Examinations Council under  
3.29 United States Code, title 12, section 3301 et seq.

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

4.2 Subd. 15. **Federal financial institutions regulatory agency.** "Federal financial  
4.3 institutions regulatory agency" means the Board of Governors of the Federal Reserve System,  
4.4 Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the  
4.5 Office of the Comptroller of the Currency, ~~the Office of Thrift Supervision~~, or the National  
4.6 Credit Union Administration.

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

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

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

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

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

4.17 Subd. 3. **Conformance to Appraisal Qualifications Board criteria.** (a) The  
4.18 requirements to obtain a trainee real property appraiser, licensed real property appraiser,  
4.19 certified residential real property appraiser, or certified general real property appraiser  
4.20 license are the education, examination, and experience requirements established by the  
4.21 Appraiser Qualifications Board of the Appraisal Foundation and published in the most  
4.22 recent version of the Real Property Appraiser Qualification Criteria.

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

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

4.27 Subd. 2a. **Trainee real property appraiser.** The scope of practice for a trainee real  
4.28 property appraiser is the appraisal of properties which a certified residential real property  
4.29 appraiser or certified general real property appraiser acting as the supervisory appraiser is  
4.30 permitted and competent to appraise.

5.1 Sec. 7. Minnesota Statutes 2018, section 82B.11, subdivision 6, is amended to read:

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

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

5.8 ~~(2)~~ (1) the appraiser's business is of a temporary nature; and

5.9 ~~(3)~~ (2) the appraiser registers with the commissioner to obtain a temporary license before  
5.10 conducting appraisals within the state.

5.11 (b) The term of a temporary practice license is the lesser of:

5.12 (1) the time required to complete the assignment; or

5.13 (2) 12 months.

5.14 If more than 12 months are necessary to complete the assignment, a new temporary  
5.15 application and fee is required.

5.16 Sec. 8. Minnesota Statutes 2018, section 82B.13, subdivision 1, is amended to read:

5.17 Subdivision 1. **Trainee real property appraiser.** ~~(a)~~ As a prerequisite for licensing as  
5.18 a trainee real property appraiser, an applicant must present evidence satisfactory to the  
5.19 commissioner that the person has successfully completed:

5.20 ~~(1) at least 75 hours of prelicense courses approved by the commissioner. Fifteen of the~~  
5.21 ~~75 hours must include successful completion of the 15-hour national USPAP course; and~~

5.22 ~~(2) in addition to the required hours under clause (1), a six-hour course that is specifically~~  
5.23 oriented to the requirements and responsibilities of supervisory appraisers and trainee  
5.24 appraisers. A course approved by the commissioner for the purposes of this subdivision  
5.25 must be given the course title "Minnesota Supervisor/Trainee Appraiser Course." This  
5.26 course must not be counted toward qualifying education to upgrade to a higher level appraiser  
5.27 license.

5.28 ~~(b) All qualifying education must be completed within the five-year period prior to the~~  
5.29 ~~date of submission of a trainee real property appraiser license application.~~

6.1 Sec. 9. Minnesota Statutes 2018, section 82B.195, subdivision 2, is amended to read:

6.2 Subd. 2. **Disclosure requirements.** In addition to the requirements of the standards of  
6.3 professional appraisal practice as defined by section 82B.021, subdivision 31, an appraiser  
6.4 must, prior to performing any appraisal service which requires licensing pursuant to this  
6.5 chapter, disclose in writing to the person contracting for the appraisal service the information  
6.6 identified in clause (4). In addition, an appraiser must prepare a written disclosure providing  
6.7 the information identified in clauses (1) to (13). The written disclosure must be included as  
6.8 part of the final written appraisal report. As specified in this subdivision, an appraiser must:

6.9 (1) disclose who has employed the appraiser;

6.10 (2) disclose who the appraisal is rendered for, if not the person who employed the  
6.11 appraiser;

6.12 (3) disclose the purpose of the appraisal, including an explanation of the difference  
6.13 between the appraisal being given and an appraisal of fee simple market valuation;

6.14 (4) disclose any conflict of interest or situation which might reasonably be perceived to  
6.15 be a conflict of interest which must include, but not be limited to, the following situations:

6.16 (i) whether the appraiser has any ownership interest in the subject property or contiguous  
6.17 properties;

6.18 (ii) whether there is an ownership interest by a spouse, parent, or child of the appraiser  
6.19 in the property or contiguous properties; and

6.20 (iii) whether the appraiser has a continuing business relationship with one of the parties,  
6.21 for example, any part-time or full-time employment of the appraiser, spouse, children living  
6.22 at home, or dependent children.

6.23 Failure to promptly give notification of a conflict must be considered a violation of the  
6.24 standards of professional appraisal practice;

6.25 (5) disclose that the appraisal is a reevaluation and identify the areas of difference  
6.26 between the two appraisals and the justification for the changes;

6.27 (6) disclose any facts concerning the valuation needed for loan purposes or similar  
6.28 information that was provided to the appraiser before or during the appraisal;

6.29 (7) disclose that the appraiser has not performed appraisals of the type requested or for  
6.30 the type of property to be appraised as a regular part of the appraiser's business in the  
6.31 preceding five-year period, provided that if the appraiser asserts qualification by training

7.1 or related experience to perform the appraisal, the appraiser must set forth the training or  
7.2 experience and how it is applicable to the appraisal;

7.3 (8) disclose the license classification of the appraiser and the types of appraisals that the  
7.4 appraiser is authorized to conduct under the licensure;

7.5 (9) disclose any lack of experience or training that would affect the ability of the appraiser  
7.6 to perform the appraisal or could cause rejection of the appraisal by the party requiring the  
7.7 appraisal;

7.8 (10) disclose any appraisal on the same property made by the appraiser in the last three  
7.9 years;

7.10 (11) disclose all pertinent assumptions upon which a valuation based upon income from  
7.11 the property is derived such as expected occupancy rates, rental rates, construction of future  
7.12 improvements, roads, or highways; and

7.13 ~~(12) prior to performing the appraisal, disclose whether the appraiser has previously~~  
7.14 ~~been to the property; and~~

7.15 ~~(13)~~ disclose any other fact or circumstance that could bring the reliability of the appraisal  
7.16 or the impartiality of the appraiser into question.

7.17 Sec. 10. Minnesota Statutes 2018, section 82B.21, is amended to read:

7.18 **82B.21 CLASSIFICATION OF SERVICES.**

7.19 A client or employer may retain or employ a licensed real estate appraiser to act as a  
7.20 disinterested third party in giving an unbiased estimate of value or analysis; to provide a  
7.21 market analysis to facilitate the client's or employer's objectives; ~~or to perform a limited~~  
7.22 ~~appraisal~~. The appraisal and the appraisal report must comply with the provisions of this  
7.23 chapter and the uniform standards of professional appraisal practice.

7.24 Sec. 11. **REPEALER.**

7.25 Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2;  
7.26 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, and 9; 82B.11, subdivision 2; 82B.12; 82B.13,  
7.27 subdivisions 1a, 3, 4, 5, 6, 7, and 8; 82B.14; and 82B.195, subdivision 3, are repealed.

7.28 Sec. 12. **EFFECTIVE DATE.**

7.29 Sections 1 to 11 are effective January 1, 2020."

7.30 Delete the title and insert:

8.1 "A bill for an act  
8.2 relating to commerce; appropriating money for the Department of Commerce;  
8.3 making policy and technical changes; modifying the regulation of real estate  
8.4 appraisers; amending Minnesota Statutes 2018, sections 46.131, subdivision 11,  
8.5 by adding a subdivision; 82B.021, subdivisions 14, 15; 82B.073, by adding a  
8.6 subdivision; 82B.09, subdivision 3; 82B.095, by adding a subdivision; 82B.11,  
8.7 subdivision 6, by adding a subdivision; 82B.13, subdivision 1; 82B.195, subdivision  
8.8 2; 82B.21; repealing Minnesota Statutes 2018, sections 82B.021, subdivision 17;  
8.9 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, 9; 82B.11,  
8.10 subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, 8; 82B.14; 82B.195,  
8.11 subdivision 3."