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State of Minnesota
HOUSE OF REPRESENTATIVES

**EIGHTY-FIFTH
SESSION**

HOUSE FILE No. 1335

February 22, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

March 15, 2007

Committee Recommendation and Adoption of Report:

To Pass and placed on the Consent Calendar

Read Second Time

1.1 A bill for an act
1.2 relating to real estate appraisers; requiring consistent use of the State Building
1.3 Code's definition of a "story above grade"; amending Minnesota Statutes 2006,
1.4 section 82B.20, subdivision 2.

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

1.6 Section 1. Minnesota Statutes 2006, section 82B.20, subdivision 2, is amended to read:

1.7 Subd. 2. **Conduct prohibited.** No person may:

1.8 (1) obtain or try to obtain a license under this chapter by knowingly making a
1.9 false statement, submitting false information, refusing to provide complete information
1.10 in response to a question in an application for license, or through any form of fraud or
1.11 misrepresentation;

1.12 (2) fail to meet the minimum qualifications established by this chapter;

1.13 (3) be convicted, including a conviction based upon a plea of guilty or nolo
1.14 contendere, of a crime that is substantially related to the qualifications, functions, and
1.15 duties of a person developing real estate appraisals and communicating real estate
1.16 appraisals to others;

1.17 (4) engage in an act or omission involving dishonesty, fraud, or misrepresentation
1.18 with the intent to substantially benefit the license holder or another person or with the
1.19 intent to substantially injure another person;

1.20 (5) engage in a violation of any of the standards for the development or
1.21 communication of real estate appraisals as provided in this chapter;

1.22 (6) fail or refuse without good cause to exercise reasonable diligence in developing
1.23 an appraisal, preparing an appraisal report, or communicating an appraisal;

2.1 (7) engage in negligence or incompetence in developing an appraisal, in preparing
2.2 an appraisal report, or in communicating an appraisal;

2.3 (8) willfully disregard or violate any of the provisions of this chapter or the rules of
2.4 the commissioner for the administration and enforcement of the provisions of this chapter;

2.5 (9) accept an appraisal assignment when the employment itself is contingent upon
2.6 the appraiser reporting a predetermined estimate, analysis, or opinion, or where the fee
2.7 to be paid is contingent upon the opinion, conclusion, or valuation reached, or upon the
2.8 consequences resulting from the appraisal assignment;

2.9 (10) violate the confidential nature of governmental records to which the person
2.10 gained access through employment or engagement as an appraiser by a governmental
2.11 agency;

2.12 (11) offer, pay, or give, and no person shall accept, any compensation or other thing
2.13 of value from a real estate appraiser by way of commission-splitting, rebate, finder's fee,
2.14 or otherwise in connection with a real estate appraisal. This prohibition does not apply
2.15 to transactions among persons licensed under this chapter if the transactions involve
2.16 appraisals for which the license is required;

2.17 (12) engage or authorize a person, except a person licensed under this chapter, to act
2.18 as a real estate appraiser on the appraiser's behalf;

2.19 (13) violate standards of professional practice;

2.20 (14) make an oral appraisal report without also making a written report within a
2.21 reasonable time after the oral report is made;

2.22 (15) represent a market analysis to be an appraisal report;

2.23 (16) give an appraisal in any circumstances where the appraiser has a conflict of
2.24 interest, as determined under rules adopted by the commissioner; ~~or~~

2.25 (17) in performing an appraisal, use a definition of "story above grade" that differs
2.26 from the definition contained in the State Building Code adopted under section 16B.61,
2.27 subdivision 1; or

2.28 (18) engage in other acts the commissioner by rule prohibits.

2.29 **EFFECTIVE DATE.** This section is effective January 1, 2008, and applies to
2.30 appraisals performed on or after that date.