

Specifies the information that must be provided to the Department of Commerce to apply for a license as an AMC. Provides that initial licenses are valid until August 31 of the expiration year assigned by the Department of Commerce.

- 4 **Term of license.** Makes initial licenses valid for a period of one year or less and expire on August 31 of the year assigned by the Department of Commerce.
- 5 **License renewal.** Makes renewal licenses valid for 12 months. Specifies the deadline and procedure for applying for a renewal license. Requires a business that no longer wishes to be licensed to inform the department and surrender the license.
- 6 **Exemptions.** Exempts certain types of entities and situations from licensure as AMCs. They are: (1) an employer of appraisers that uses only its own employees as appraisers, supervises them, and accepts all liability for work; (2) a financial institution regulated by the federal government or this state that uses a procedure specified in the bill to obtain appraisals for its own purposes; (3) an arrangement in which an appraisal is signed by the appraiser that did the appraisal and the appraiser that requested it; and (4) any government agency performing appraisals for that level of government and any agency performing ad valorem tax appraisals for county assessors.
- 7 **Consent to service of process.** Requires licensees to provide an irrevocable consent to service of process prescribed by the Department of Commerce.
- 8 **Licensing fees.** Provides that licensing fees under this article must be retained by the commissioner for purposes of licensing and regulation under this chapter. Sets a \$5,000 fee for initial licensing, and \$2,500 fee for a renewal license. Makes fees nonrefundable except for overpayments.
- 9 **Investigations and procedures.** Gives the commissioner the same enforcement powers the commissioner has for the other industries and occupations the commissioner regulates.
- 10 **Employee requirements.** Specifies what functions performed by an employee of an AMC must be performed by a licensed appraiser.
- 11 **Limitations.** Provides that APMs licensed under this chapter must use only MN-licensed appraisers to perform appraisals in MN.
- 12 **Adherence to standards.** Requires an AMC to periodically review the work of appraisers in its network and report certain violations to the commissioner.
- 13 **Record keeping.** Requires AMCs to keep detailed records of its appraisal requests and the appraiser that performs it for five years.
- 14 **Appraiser independence; prohibitions.** Prohibits AMCs from attempting to influence the result of an appraisal by intimidating or otherwise influencing the appraiser in any way. Specifically prohibits 14 ways this intimidation or other improper influence could occur.
- 15 **Adjudication of disputes between an appraisal management company and an independent appraiser.** Specifies the procedure an AMC must follow in removing an appraiser from its network.
- 16 **Denial, suspension, revocation of licenses.** Specifies the powers of the commissioner of

commerce in taking action against a company or individual that has violated this chapter or other laws related to it.

- 17** **Appropriation.** Appropriates \$223,000 from the general fund to the commissioner of commerce for fiscal 2011 to implement this article of the bill. Specifies base appropriations of \$119,000 for fiscal 2012 and \$123,000 for fiscal 2013.

Article 2: Real Estate Appraiser Advisory Board

Overview

Article 2 makes changes in the Real Estate Appraiser Advisory Board, which advises the Department of Commerce on matters relating to regulation of real estate appraisers.

- 1** **Members.** Changes the membership of the Real Estate Appraiser Advisory Board in several ways. Reduces it from 15 to nine members. Requires that at least three members, one in each of the three categories, live or work outside of the Twin Cities seven-county metro area.
- 2** **Conduct of meetings.** Changes the board's quorum requirement to adjust to the reduced number of members.
- 3** **Enforcement data.** Requires the commissioner to provide the board on a regular basis with the commissioner's public enforcement data.
- 4** **Powers of the board.** Permits the board to make recommendations to the commissioner at the board's own initiative, instead of only at the commissioner's request.