

CHAPTER 235—S.F.No. 3551

An act relating to real estate appraisers; regulating trainees; modifying appraiser education, experience, and examination requirements; amending Minnesota Statutes 2004, section 82B.11, subdivisions 2, 3; Minnesota Statutes 2005 Supplement, sections 82B.095; 82B.13, subdivisions 1, 4, 5, by adding subdivisions; 82B.14.

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

Section 1. Minnesota Statutes 2005 Supplement, section 82B.095, is amended to read:

82B.095 APPRAISER QUALIFICATION COMPONENTS.

Subdivision 1. **Components before January 1, 2009.** The three components required for a real property appraiser license are education, experience, and examination. Applicants for a class of license must document that they have met at least the component criteria that were in effect at the time they completed that component, provided that at a minimum, the January 1, 2003, criteria has been met.

Subd. 2. **Components on or after January 1, 2009.** (a) On or after January 1, 2009, an applicant for a class of license must document that the applicant has met the education, experience, and examination components in effect after January 1, 2008.

(b) Qualifications for all levels of licensing must conform to the Real Property Qualification Criteria established by the Appraisal Qualifications Board for implementation effective January 1, 2008.

Sec. 2. Minnesota Statutes 2004, section 82B.11, subdivision 2, is amended to read:

Subd. 2. **Registered Trainee real property appraiser.** When a net income capitalization analysis is not required by the uniform standards of professional appraisal practice, a registered trainee real property appraiser may appraise residential real property or agricultural property.

Sec. 3. Minnesota Statutes 2004, section 82B.11, subdivision 3, is amended to read:

Subd. 3. **Licensed residential real property appraiser.** A licensed residential real property appraiser may appraise noncomplex residential property or agricultural property having a transaction value less than \$1,000,000 and complex residential or agricultural property having a transaction value less than \$250,000.

Sec. 4. Minnesota Statutes 2005 Supplement, section 82B.13, subdivision 1, is amended to read:

Subdivision 1. **Registered Trainee real property appraiser or licensed real property appraiser.** As a prerequisite for licensing as a registered trainee real property appraiser or licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 90 classroom hours of prelicense courses. The courses must consist of 75 hours of general real estate appraisal principles and the 15-hour national USPAP course.

(a) After January 1, 2008, a trainee real property appraiser applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 75 hours of prelicense courses approved by the commissioner.

(b) After January 1, 2008, a licensed real property appraiser applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 150 hours of prelicense courses approved by the commissioner.

Sec. 5. Minnesota Statutes 2005 Supplement, section 82B.13, subdivision 4, is amended to read:

Subd. 4. **Certified residential real property appraiser.** As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 120 classroom hours of prelicense courses, with particular emphasis on the appraisal of one to four unit residential properties. Fifteen of the 120 hours must include successful completion of the 15-hour national USPAP course.

After January 1, 2008, a certified residential real property appraiser applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) 200 hours of prelicense courses approved by the commissioner; and

(2) an associate degree from an accredited college or university. In lieu of the required degree the applicant may present satisfactory documentation of completion of 21 semester credit hours from an accredited college or university covering the following subject matter courses: English composition; principles of economics (micro or macro); finance; algebra, geometry, or higher mathematics; statistics; introduction to computer word processing/spreadsheets; and business or real estate law. If an applicant has completed education requirements before January 1, 2008, no college degree is required.

Sec. 6. Minnesota Statutes 2005 Supplement, section 82B.13, subdivision 5, is amended to read:

Subd. 5. **Certified general real property appraiser.** As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed at least 180 classroom hours of prelicense courses, with particular emphasis on the appraisal of nonresidential properties. Fifteen of the 180 hours must include successful completion of the 15-hour national USPAP course.

After January 1, 2008, a certified general real property appraiser applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

(1) 300 hours of prelicense courses approved by the commissioner; and

(2) a bachelor's degree from an accredited college or university. In lieu of the required degree the applicant may present satisfactory documentation of completion of 30 semester credit hours from an accredited college or university covering the following subject matters courses: English composition; micro economics; macro economics; finance; algebra, geometry, or higher mathematics; statistics; introduction to computer word processing/spreadsheets; business or real estate law; and two elective courses in accounting, geography, ag-economics, business management, or real estate. If an applicant has complete education requirements before January 1, 2008, no college degree is required.

Sec. 7. Minnesota Statutes 2005 Supplement, section 82B.13, is amended by adding a subdivision to read:

Subd. 6. **All appraiser license levels.** The required course hours for all appraiser license levels include completion of the 15-hour national USPAP course and specific core curriculum courses and hours in accordance with the real property appraiser qualification criteria as defined by the Appraisal Qualifications Board:

Trainee

<u>Basic appraisal principles</u>	<u>30 hours</u>
<u>Basic appraisal procedures</u>	<u>30 hours</u>
<u>The 15-hour national USPAP course or its equivalent</u>	<u>15 hours</u>
<u>Trainee level total education requirements</u>	<u>75 hours</u>

Licensed

<u>Basic appraisal principles</u>	<u>30 hours</u>
<u>Basic appraisal procedures</u>	<u>30 hours</u>
<u>The 15-hour national USPAP course or its equivalent</u>	<u>15 hours</u>
<u>Residential market analysis and highest and best use</u>	<u>15 hours</u>
<u>Residential appraiser site valuation and cost approach</u>	<u>15 hours</u>
<u>Residential sales comparison and income approaches</u>	<u>30 hours</u>
<u>Residential report writing and case studies</u>	<u>15 hours</u>
<u>Licensed level total education requirements</u>	<u>150 hours</u>

Certified residential

<u>Basic appraisal principles</u>	<u>30 hours</u>
<u>Basic appraisal procedures</u>	<u>30 hours</u>
<u>The 15-hour national USPAP course or its equivalent</u>	<u>15 hours</u>
<u>Residential market analysis and highest and best use</u>	<u>15 hours</u>
<u>Residential appraiser site valuation and cost approach</u>	<u>15 hours</u>
<u>Residential sales comparison and income approaches</u>	<u>30 hours</u>
<u>Residential report writing and case studies</u>	<u>15 hours</u>
<u>Statistics, modeling, and finance</u>	<u>15 hours</u>
<u>Advanced residential applications and case studies</u>	<u>15 hours</u>
<u>Appraisal subject matter electives</u>	<u>20 hours</u>
<u>(May include hours over minimum shown above in other modules)</u>	
<u>Certified residential level total education requirements</u>	<u>200 hours</u>

Certified general

<u>Basic appraisal principles</u>	<u>30 hours</u>
<u>Basic appraisal procedures</u>	<u>30 hours</u>
<u>The 15-hour national USPAP course or its equivalent</u>	<u>15 hours</u>
<u>General appraiser market analysis and highest and best use</u>	<u>30 hours</u>
<u>Statistics, modeling, and finance</u>	<u>15 hours</u>

<u>General appraiser sales comparison approach</u>	<u>30 hours</u>
<u>General appraiser site valuation and cost approach</u>	<u>30 hours</u>
<u>General appraiser income approach</u>	<u>60 hours</u>
<u>General appraiser report writing and case studies</u>	<u>30 hours</u>
<u>Appraisal subject matter electives</u>	<u>30 hours</u>
<u>(May include hours over minimum shown above in other modules)</u>	
<u>Certified general level total education requirements</u>	<u>300 hours</u>

Sec. 8. Minnesota Statutes 2005 Supplement, section 82B.13, is amended by adding a subdivision to read:

Subd. 7. **Student tracking manual.** It is the responsibility of students to record the qualifying education they have completed in a student tracking manual broken down by required core curriculum modules and subtopics, and to maintain an orderly record of education, experience, and other requirements.

Sec. 9. Minnesota Statutes 2005 Supplement, section 82B.14, is amended to read:

82B.14 EXPERIENCE REQUIREMENT.

(a) As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal obtained in no fewer than 12 months.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal obtained in no fewer than 24 months.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal obtained in no fewer than 30 months. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

(c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

(d) Experience for all classifications must be obtained after January 30, 1989, and must be USPAP compliant.

Presented to the governor May 22, 2006

Signed by the governor May 26, 2006, 5:06 p.m.