

CHAPTER 7--H.F.No. 2

An act

relating to state government; appropriating money for jobs, economic development, energy, and commerce; modifying economic development programs; establishing wage theft prevention; modifying labor and industry policy provisions; modifying commerce policy provisions; modifying energy policy provisions; adopting Unemployment Insurance Advisory Council provisions; adopting Workers' Compensation Advisory Council provisions; modifying fees; increasing civil and criminal penalties; requiring reports;

amending Minnesota Statutes 2018, sections 15.72, subdivision 2; 16C.285, subdivision 3; 46.131, subdivisions 10, 11; 82B.021, subdivisions 14, 15; 82B.073, by adding a subdivision; 82B.09, subdivision 3; 82B.095, by adding a subdivision; 82B.11, subdivision 6, by adding a subdivision; 82B.13, subdivision 1; 82B.195, subdivision 2; 82B.21; 116C.7792; 175.20; 175.46, subdivisions 3, 13; 176.011, by adding subdivisions; 176.1812, subdivision 2; 176.231; 176.253; 176.2611, subdivisions 2, 5, 6; 176.275; 176.281; 176.285; 176.312; 177.27, subdivision 2, by adding a subdivision; 177.30; 177.32, subdivision 1; 181.03, by adding subdivisions; 181.032; 181.101; 216B.16, by adding a subdivision; 216B.1642, subdivision 2; 216B.2422, subdivision 1, by adding a subdivision; 216B.62, subdivision 3b; 216C.435, subdivisions 3a, 8; 216C.436, subdivision 4, by adding a subdivision; 268.035, subdivisions 4, 12, 15, 20; 268.044, subdivisions 2, 3; 268.046, subdivision 1; 268.047, subdivision 3; 268.051, subdivision 2a; 268.057, subdivision 5; 268.069, subdivision 1; 268.07, subdivision 1; 268.085, subdivisions 3, 3a, 13a, by adding subdivisions; 268.095, subdivisions 6, 6a; 268.105, subdivision 6; 268.145, subdivision 1; 268.18, subdivisions 2b, 5; 326B.082, subdivisions 6, 8, 12; 326B.103, subdivision 11; 326B.106, subdivision 9; 326B.46, by adding a subdivision; 326B.475, subdivision 4; 326B.821, subdivision 21; 326B.84; 337.10, subdivision 4; 341.30, subdivision 1; 341.32, subdivision 1; 341.321; 345.41; 469.074, by adding a subdivision; 469.081, by adding a subdivision; 469.089, by adding a subdivision; 609.52, subdivisions 1, 2, 3; Laws 2017, chapter 94, article 1, section 2, subdivision 3; article 10, sections 28; 29; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 176; 177; 181; 345; repealing Minnesota Statutes 2018, sections 82B.021, subdivision 17; 82B.095, subdivision 2; 82B.10, subdivisions 1, 2, 3, 4, 5, 6, 8, 9; 82B.11, subdivision 2; 82B.12; 82B.13, subdivisions 1a, 3, 4, 5, 6, 7, 8; 82B.14; 325F.75; 345.45.

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

ARTICLE 1

APPROPRIATIONS

Sec. 6.

DEPARTMENT OF COMMERCE

Subdivision 1. \$ **30,508,000** \$

Total Appropriation

Appropriations by Fund

2020

General 26,034,000

Special Revenue 2,060,000

Petroleum Tank 1,056,000

Workers' Compensation Fund 758,000

Renewable Development 600,000

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

Subd. 3. 8,868,000

Administrative Services

(a) \$384,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

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

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

(d) \$475,000 in fiscal year 2020 and \$350,000 in fiscal year 2021 are from the general fund for system modernization and cybersecurity upgrades for the unclaimed property program.

(e) \$230,000 in fiscal year 2020 and \$564,000 in fiscal year 2021 are for additional operations of the unclaimed property program.

(f) \$208,000 in fiscal year 2021 is for IT system modernization. In fiscal year 2022, the base amount is \$832,000, and in fiscal year 2023, the base amount is \$208,000. The base amount in fiscal year 2024 and beyond is \$0.

(g) To account for base adjustments provided in Laws 2018, chapter 211, article 21, section 1, paragraph (a), the base is increased by \$1,000 in fiscal year 2022 and beyond.

ARTICLE 10

COMMERCE

Section 1.

Minnesota Statutes 2018, section 46.131, subdivision 10, is amended to read:

Subd. 10.

Change fee.

Each financial institution described in subdivision 2 shall pay a fee of \$50 to the commissioner of commerce upon application to the commissioner for approval of a change in its certificate, charter, articles of incorporation, bylaws, powers or license. Money collected by the commissioner under this subdivision shall be deposited in the ~~general fund~~ financial institutions account in subdivision 11.

Sec. 2.

Minnesota Statutes 2018, section 46.131, subdivision 11, is amended to read:

Subd. 11.

Financial institutions account; appropriation.

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

(b) The account consists of funds received from assessments under subdivision 7, examination fees under subdivision 8, and funds received pursuant to subdivision 10 and the following provisions: sections 53B.09; 53B.11, subdivision 1; 58A.045, subdivision 2; and 216C.437, subdivision 12.

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

EFFECTIVE DATE.

This section is effective July 1, 2019.

Sec. 3.

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

Subd. 14.

Federal Appraisal Subcommittee.

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 4.

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

Subd. 15.

Federal financial institutions regulatory agency.

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 5.

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

Subd. 2a.

Compensation.

Members of the board must be compensated in accordance with section 15.059.

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 6.

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

Subd. 3.

Fees to Federal Appraisal Subcommittee.

In addition to the fees required for licensure under this section, the commissioner must collect and remit such other fees as are required by the ~~Federal~~ Appraisal Subcommittee.

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 7.

Minnesota Statutes 2018, section 82B.095, is amended by adding a subdivision to read:
Subd. 3.

Conformance to Appraisal Qualifications Board criteria.

(a) The requirements to obtain a trainee real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser license are the education, examination, and experience requirements established by the Appraiser Qualifications Board of the Appraisal Foundation and published in the most recent version of the Real Property Appraiser Qualification Criteria.

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 8.

Minnesota Statutes 2018, section 82B.11, is amended by adding a subdivision to read:
Subd. 2a.

Trainee real property appraiser.

The scope of practice for a trainee real property appraiser is the appraisal of properties which a certified residential real property appraiser or certified general real property appraiser acting as the supervisory appraiser is permitted and competent to appraise.

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 9.

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

Temporary practice.

(a) The commissioner shall issue a license for temporary practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed by another state if:

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

(2) (1) the appraiser's business is of a temporary nature; and
(3) (2) the appraiser registers with the commissioner to obtain a temporary license before conducting appraisals within the state.

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

- (1) the time required to complete the assignment; or
- (2) 12 months.

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 10.

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

Trainee real property appraiser.

(a) As a prerequisite for licensing as a trainee real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has successfully completed:

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

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

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 11.

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

Disclosure requirements.

In addition to the requirements of the standards of professional appraisal practice as defined by section [82B.021](#), subdivision 31, an appraiser must, prior to performing any appraisal

service which requires licensing pursuant to this chapter, disclose in writing to the person contracting for the appraisal service the information identified in clause (4). In addition, an appraiser must prepare a written disclosure providing the information identified in clauses (1) to (13). The written disclosure must be included as part of the final written appraisal report. As specified in this subdivision, an appraiser must:

(1) disclose who has employed the appraiser;

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

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

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

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

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

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

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

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

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

(7) disclose that the appraiser has not performed appraisals of the type requested or for the type of property to be appraised as a regular part of the appraiser's business in the preceding five-year period, provided that if the appraiser asserts qualification by training or related experience to perform the appraisal, the appraiser must set forth the training or experience and how it is applicable to the appraisal;

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

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

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

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

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

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 12.

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

82B.21 CLASSIFICATION OF SERVICES.

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

EFFECTIVE DATE.

This section is effective January 1, 2020.

Sec. 13.

Minnesota Statutes 2018, section 345.41, is amended to read: