

Fifty-ninth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1124

Introduced by

Industry, Business and Labor Committee

(At the request of the North Dakota Real Estate Appraiser Qualifications and Ethics Board)

1 A BILL for an Act to create and enact a new section to chapter 43-23.3 of the North Dakota  
2 Century Code, relating to the issuance of real estate appraiser permits to applicants licensed or  
3 certified by another state; to amend and reenact sections 43-23.3-04, 43-23.3-10, 43-23.3-11,  
4 43-23.3-19, and 43-23.3-23 of the North Dakota Century Code, relating to real estate  
5 appraisers and the practice of real estate appraisal.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Section 43-23.3-04 of the North Dakota Century Code is  
8 amended and reenacted as follows:

9 **43-23.3-04. Permit required - Exemptions.** Except as provided in this section, a  
10 person may not directly or indirectly engage in, advertise, conduct the business of, or act in any  
11 capacity as a licensed or certified appraiser without first obtaining a permit as provided in this  
12 chapter. An appraiser licensed or certified in another state may not engage in, advertise,  
13 conduct the business of, or act in any capacity as an appraiser in this state without first  
14 obtaining a ~~nonresident~~ temporary permit under section 43-23.3-11. This chapter does not  
15 apply to a licensed real estate broker or salesman who, in the ordinary course of business,  
16 gives an opinion to a potential seller or third party as to the recommended listing price of real  
17 estate or an opinion to a potential purchaser or third party as to the recommended purchase  
18 price of real estate. However, the opinion as to the listing price or the purchase price may not  
19 be referred to as an appraisal. This chapter does not apply to a person who, in the ordinary  
20 course of business, gives an opinion of the value of real estate to that person's employer.

21 **SECTION 2.** A new section to chapter 43-23.3 of the North Dakota Century Code is  
22 created and enacted as follows:

23 **Issuance of permits to applicants licensed or certified by another state.** The board  
24 may issue a permit to an applicant who is licensed or certified in good standing by another state

1 if the other state's requirements to be licensed or certified are at least substantially equivalent to  
2 the requirements imposed by this state. If an applicant was licensed or certified by another  
3 state by reciprocity or a similar process, the requirements of the state in which the applicant  
4 was originally licensed or certified must be at least substantially equivalent to the requirements  
5 imposed by this state.

6 **SECTION 3. AMENDMENT.** Section 43-23.3-10 of the North Dakota Century Code is  
7 amended and reenacted as follows:

8 **43-23.3-10. Term Expiration of permit.** Permits expire on December thirty-first of  
9 each year. The expiration date of the permit must appear on the permit and no other notice of  
10 its expiration need be given to the permittee.

11 **SECTION 4. AMENDMENT.** Section 43-23.3-11 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **43-23.3-11. Nonresident Temporary permit.**

- 14 1. ~~A nonresident~~ The board may issue a temporary permit to an applicant who is  
15 licensed or certified in good standing by another state. The board may deny a  
16 temporary permit to an applicant whose permit, license, or certification was  
17 revoked, suspended, or otherwise subjected to discipline by any state or  
18 jurisdiction.
- 19 2. An applicant for a temporary permit shall file with the board a designation in writing  
20 which appoints the chairman of the board to act as the applicant's licensed agent  
21 upon whom all judicial and other process or legal notices directed to the applicant  
22 may be served. Copies of the appointment, certified by the chairman of the board,  
23 may be received in evidence in any proceeding and must be given the same effect  
24 as the original. In the written designation, the applicant shall agree that any lawful  
25 process against that individual which is served upon the agent is of the same legal  
26 force as if served upon the applicant, and that the authority of the agent continues  
27 in force as long as any liability of the applicant remains outstanding in this state.  
28 Upon the receipt of any process or notice, the chairman shall mail a copy of the  
29 process or notice by certified mail, return receipt requested, to the last-known  
30 business address of the ~~nonresident appraiser~~ applicant.

2- 3. The board may issue a temporary permit to ~~a nonresident~~ an applicant if the applicant agrees in writing to abide by this chapter and to submit to the jurisdiction of the board.

3- 4. The board shall issue a temporary permit to ~~practice to a nonresident~~ an applicant who has complied with this section. The board may require the ~~nonresident~~ applicant to pay a ~~temporary appraiser's~~ fee. The board shall determine the amount of the ~~temporary~~ fee and the duration of the temporary permit.

4- ~~If the board determines that another state has substantially equivalent requirements and the board enters into a reciprocity agreement, an applicant from that state may obtain a permit to practice as either a licensed or certified appraiser upon application and payment of any required permit fee.~~

**SECTION 5. AMENDMENT.** Section 43-23.3-19 of the North Dakota Century Code is amended and reenacted as follows:

**43-23.3-19. Continuing education.** ~~Each applicant for renewal of a permit shall submit proof of participation in the minimum number of continuing education hours required and approved by the board.~~ The board shall adopt rules for the implementation of continuing education requirements to assure that permit renewal applicants have current knowledge of appraisal theories, practices, and techniques that provide a high degree of service and protection to the public. The rules must establish:

1. Policies and procedures for obtaining board approval of courses of instruction.
2. Standards, policies, and procedures to be applied by the board in evaluating an applicant's claims of equivalency.
3. Standards, monitoring methods, and systems for recording attendance by course sponsors.

**SECTION 6. AMENDMENT.** Section 43-23.3-23 of the North Dakota Century Code is amended and reenacted as follows:

**43-23.3-23. Penalties.** A person acting or purporting to act as a licensed or a certified appraiser without holding a permit to practice is guilty of a class A misdemeanor. An appraiser licensed or certified in another state who engages in, advertises, conducts the business of, or acts in any capacity as an appraiser without first obtaining a ~~nonresident~~ temporary permit is guilty of a class A misdemeanor. In addition to any other penalty, a person receiving any

- 1 money or other compensation in violation of this chapter is subject to a penalty of not less than
- 2 the amount of the sum of money received and not more than three times the sum in the
- 3 discretion of the court.