

**Sixty-sixth Legislative Assembly of North Dakota
In Regular Session Commencing Thursday, January 3, 2019**

SENATE BILL NO. 2075
(Industry, Business and Labor Committee)
(At the request of the North Dakota Real Estate Appraiser Qualifications and Ethics Board)

AN ACT to amend and reenact sections 43-23.5-07, 43-23.5-08, and 43-23.5-12 of the North Dakota Century Code, relating to appraisal management companies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 43-23.5-07 of the North Dakota Century Code is amended and reenacted as follows:

43-23.5-07. Exemptions.

The provisions of this chapter ~~shall~~do not apply to:

1. An appraisal firm.
2. A financial institution, including a department or unit within the institution, that is regulated by an agency of this state or the United States government.
3. A person ~~who~~that enters an agreement with an appraiser for the performance of an appraisal that upon completion results in a report signed by both the appraiser who completed the appraisal and the appraiser who requested completion of the appraisal.
4. An appraisal management company with an appraisal panel of ~~not more~~fewer than ~~fifteen~~sixteen certified or licensed appraisers in this state or fewer than ~~twenty-five or more~~ nationally within a given year.
5. An appraisal management company that is a subsidiary owned and controlled by a financial institution that is subject to appraisal independence standards at least as stringent as those under chapter 43-23.5-21, if regulated by an agency of this state, or the Truth in Lending Act [15 U.S.C. 1601 et seq.], if regulated by the United States government.

SECTION 2. AMENDMENT. Section 43-23.5-08 of the North Dakota Century Code is amended and reenacted as follows:

43-23.5-08. Owner requirements.

1. An appraisal management company applying for, holding, or renewing a registration under this chapter ~~shall~~may not be ~~more than ten percent~~ owned by:
 - a. ~~A person~~An individual who has had an appraiser license or certification in this state or in any other state refused, denied, canceled, revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated.
 - b. An entity that is ~~more than ten percent~~ owned by any ~~person~~individual who has had an appraiser license or certification in this state or any other state refused, denied, canceled, revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated.
2. Each person that owns more than ten percent of an appraisal management company applying for, holding, or renewing a registration under this chapter ~~shall~~:
 - a. ~~Be~~Must be of good moral character.

- b. ~~Submit~~ Shall submit to a criminal background investigation for an initial application or as required by the board.
3. Each appraisal management company applying for a registration or for renewal of a registration under this chapter shall certify to the board on a form prescribed by the board that the company has reviewed each entity that owns ~~more than ten percent~~ of the appraisal management company and that no entity that owns ~~more than ten percent~~ of the appraisal management company is ~~more than ten percent~~ owned by any person that has had an appraiser license or certification in this state or any other state refused, denied, canceled, revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated.

SECTION 3. AMENDMENT. Section 43-23.5-12 of the North Dakota Century Code is amended and reenacted as follows:

43-23.5-12. Appraisal review.

Any employee of, or independent contractor to, the appraisal management company that performs an appraisal review for a property located in this state must be:

1. A certified or licensed appraiser in good standing in this state; or
2. A certified or licensed appraiser in good standing in another state.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Sixty-sixth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2075.

Senate Vote: Yeas 47 Nays 0 Absent 0

House Vote: Yeas 89 Nays 0 Absent 5

Secretary of the Senate

Received by the Governor at _____ M. on _____, 2019.

Approved at _____ M. on _____, 2019.

Governor

Filed in this office this _____ day of _____, 2019,

at _____ o'clock _____ M.

Secretary of State