

Introduced by

Representatives D. Ruby, Swiontek, Wolff, Vetter

Senators Barta, Meyer, Thomas

1 A BILL for an Act to amend and reenact sections 43-23.3-01 and 43-23.3-18 of the North
2 Dakota Century Code, relating to the definitions of agency and evaluation, the standards of
3 professional appraisal practice, and appraisal and evaluation guidelines.

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

5 **SECTION 1. AMENDMENT.** Section 43-23.3-01 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **43-23.3-01. Definitions.**

8 As used in this chapter, unless the context otherwise requires:

9 1. "Agency" means:

10 a. Board of governors of the federal reserve system;

11 b. Farm credit administration;

12 c. Federal deposit insurance corporation;

13 d. National credit union administration;

14 e. Office of the comptroller of the currency; and

15 f. State financial regulator.

16 2. "Analysis" means a study of real estate other than estimating value.

17 ~~2.3.~~ "Appraisal" means an analysis, opinion, or conclusion relating to the nature, quality,
18 value, or utility of specified interests in, or aspects of, real estate. An appraisal may be
19 classified by subject matter into either a valuation or an analysis.

20 ~~3.4.~~ "Appraisal assignment" means an engagement for which a person is employed or
21 retained to act, or would be perceived by the public as acting, as a disinterested party
22 in rendering an unbiased supportable appraisal.

23 ~~4.5.~~ "Appraisal foundation" means the appraisal foundation incorporated as an Illinois
24 corporation on November 30, 1987.

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- 1 ~~5-6.~~ "Appraisal report" means any communication of an appraisal.
- 2 ~~6-7.~~ "Appraisal subcommittee" means the appraisal subcommittee of the federal financial
3 institutions examination council.
- 4 ~~7-8.~~ "Appraiser" means a person who engages in appraisal activity for valuable
5 consideration.
- 6 ~~8-9.~~ "Apprentice appraiser" means a person who holds a valid permit as an apprentice
7 appraiser.
- 8 ~~9-10.~~ "Board" means the North Dakota real estate appraiser qualifications and ethics board.
- 9 ~~10-11.~~ "Certified appraiser" means a person who holds a valid permit as a certified residential
10 or general appraiser.
- 11 ~~11-12.~~ "Certified general appraiser" means a person who holds a valid permit as a certified
12 general appraiser.
- 13 ~~12-13.~~ "Certified residential appraiser" means a person who holds a valid permit as a certified
14 residential appraiser.
- 15 ~~14.~~ "Evaluation" means an estimate of the value of real property for use in a federally
16 related real estate financial transaction for which an appraisal is not required by
17 federal law.
- 18 ~~13-15.~~ "Licensed appraiser" means a person who holds a valid permit as a licensed
19 appraiser.
- 20 ~~14-16.~~ "Permit" means the document issued by the board, verifying that the person named on
21 the permit has fulfilled all prerequisites to practice either as an apprentice appraiser, a
22 licensed appraiser, or a certified appraiser.
- 23 ~~15-17.~~ "Real estate" means an identified parcel or tract of land including improvements, and
24 interests, benefits, and rights inherent in the ownership of real estate.
- 25 ~~16-18.~~ "Uniform standards of professional appraisal practices" means standards of appraisal
26 promulgated by the appraisal standards board of the appraisal foundation as adopted
27 by the board.
- 28 ~~17-19.~~ "Valuation" means an estimate of the value of real estate or real property.

29 **SECTION 2. AMENDMENT.** Section 43-23.3-18 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **43-23.3-18. Standards of professional appraisal practice - Exception - Appraisal and**
2 **evaluation guidelines.**

3 1. An apprentice, licensed, or certified appraiser shall:

4 a. Shall comply with the standards of professional appraisal practice and ethical
5 rules specified by the uniform standards of professional appraisal practice and all
6 other standards and ethical requirements adopted by the appraisal standards
7 board of the appraisal foundation, except as authorized under subdivision b.

8 b. May provide an evaluation to an institution regulated by an agency without
9 complying with the uniform standards of professional appraisal practice. An
10 evaluation must:

11 (1) Comply with the most current evaluation guidelines issued by an agency;

12 and

13 (2) Be conspicuously identified as an evaluation.