

**2025 HOUSE INDUSTRY, BUSINESS AND LABOR**

**HB 1080**

# 2025 HOUSE STANDING COMMITTEE MINUTES

## Industry, Business and Labor Committee Room JW327C, State Capitol

HB 1080  
1/8/2025

A BILL relating to the regulation of appraisal management companies.
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1:30 p.m. Chairman Warrey opened the meeting.

Members Present: Chairman Warrey, Vice Chair Ostlie, Vice Chair Johnson, Representatives Bahl, Brown, Christy, Finley-DeVille, Grindberg, Kasper, Koppelman, D. Ruby, Schatz, Schauer, Vollmer

### Discussion Topics:

- Review of programs
- Compliancy
- Clarification
- Written notice
- Entity oversight
- Appraiser and loan officer

1:30 p.m. Corey Kost, Chairperson, ND Real Estate Appraiser Qualifications and Ethics Board, testified in support and submitted testimony #28270.

1:46 p.m. Representative Schauer moved Do Pass.

1:46 p.m. Representative Bahl seconded the motion.

Representatives	Vote
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	Y
Representative Collette Brown	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	Y
Representative Ben Koppelman	Y
Representative Dan Ruby	Y
Representative Mike Schatz	Y
Representative Austin Schauer	Y
Representative Daniel R. Vollmer	Y

Motion passed 14-0-0.

Representative Schauer will carry the bill.

1:47 p.m. Representative Johnson moved to place on Consent Calendar.

1:47 p.m. Representative Ostlie seconded the motion.

<b>Representatives</b>	<b>Vote</b>
Representative Jonathan Warrey	Y
Representative Mitch Ostlie	Y
Representative Landon Bahl	Y
Representative Collette Brown	Y
Representative Josh Christy	Y
Representative Lisa Finley-DeVille	Y
Representative Karen Grindberg	Y
Representative Jorin Johnson	Y
Representative Jim Kasper	N
Representative Ben Koppelman	Y
Representative Dan Ruby	N
Representative Mike Schatz	N
Representative Austin Schauer	N
Representative Daniel R. Vollmer	y

Motion passed 10-4-0.

**Additional Written Testimony:**

Mark Schiffman, Executive Director, Real Estate Valuations Advocacy Association (REVAA) submitted testimony in favor #28121.

Jill Beck, CEO, North Dakota Association of Realtors submitted testimony in favor #28179.

1:55 p.m. Chairman Warrey closed the meeting.

*Diane Lillis, Committee Clerk*

**REPORT OF STANDING COMMITTEE**  
**HB 1080 ([25.8107.01000](#))**

**Industry, Business and Labor Committee (Rep. Warrey, Chairman)** recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (14 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1080 was placed on the Tenth order on the calendar.



January 8, 2025

Chairman Jonathan Warrey  
Committee on Industry, Business and Labor  
North Dakota House of Representatives  
600 East Boulevard Avenue  
Bismarck, ND 58505

Subject: Support for HB 1080

Chairman Warrey and distinguished members of the Committee on Industry, Business and Labor:

The Real Estate Valuations Advocacy Association ([REVA](http://revaa.org)) is a national trade association whose membership includes appraisal management companies (AMC) and residential real estate valuation providers. AMCs are regulated in each state, including the North Dakota Real Estate Appraiser Qualifications and Ethics Board.

We are pleased to offer our support for H.B. 1080.

These proposed administrative rule revisions are important for bringing the state's appraisal management company licensing program into compliance with federal requirements. As a direct industry stakeholder, REVA appreciates the opportunity to collaborate with the North Dakota Real Estate Appraiser Qualification and Ethics Board as they drafted this legislation.

Beyond residential appraisals and valuation services, many REVA members create and provide innovative technologies and lender valuation services such as evaluations, Broker Price Opinions (BPO), Property Data Reports (PDR), and Automated Valuation Models (AVM).

AMCs also invest heavily in new and emerging technology to increase overall efficiency. They work with lenders and other clients to place mobile technology in the hands of appraisers and other vendors to perform on-site data collection, including obtaining and creating photographs, video, floor plans, square footage calculations, 3D image scanning, virtual property tours and applications that can calculate GLA measurements.

Thank you for considering our perspective.

Sincerely,

Mark Schiffman  
Executive Director



To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

January 6, 2025

Chairman Jonathan Warrey  
Industry, Business and Labor Committee  
North Dakota House of Representatives  
600 East Boulevard Avenue  
Bismarck, ND 58505 S

RE: Support for HB 1080

Chairman Warrey and Members of the House Industry, Business and Labor Committee, for the record my name is Jill Beck and I am the CEO representing the North Dakota Association of REALTORS® (NDAR).

The North Dakota Association of REALTORS® membership is made up of more than 2,200 REALTORS® and more than 250 Business Partner members.

This will be short and brief as we have read this bill, asked questions, and discussed it before our Government Affairs Committee and Board of Directors at our Friday meeting. A review of North Dakota's Appraiser and AMC Regulations found some issues of non-compliance and this bill will bring them into compliance.

With AMCs being prevalent in our industry we are in full support of this bill to bring our statutes into full compliance.

We ask for your full support in moving HB 1080 forward.

My contact info is below if you have any further questions.

**Jill Beck, CEO**  
**North Dakota Association of REALTORS®**  
[Jill@ndrealtors.com](mailto:Jill@ndrealtors.com)  
**701-355-1010**

**HOUSE BILL NO. 1080****HOUSE INDUSTRY, BUSINESS AND LABOR COMMITTEE****Testimony****Corey Kost, Chairperson****NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD****January 8, 2025**

Mr. Chairman, members of the committee, my name is Corey Kost, and I am Chair of the North Dakota Real Estate Appraiser Qualifications and Ethics Board. I am also a practicing appraiser based in Bismarck. I will refer to this Board throughout my testimony as either the North Dakota Appraiser Board or the Appraiser Board.

It is my pleasure to represent the Appraiser Board this afternoon on House Bill 1080. This Bill updates the statutory language within the appraisal management company (AMC) statute to bring the statute into compliance with Title XI of FIRREA as amended by Dodd Frank and the AMC Rule. The AMC Rule is the federal interagency final rule on minimum requirements for State registration and supervision of AMCs.

All State Board Appraiser Management Company (AMC) Programs are monitored at the federal level by the Appraisal Subcommittee (ASC). The Appraisal Subcommittee conducts periodic Compliance Reviews of each State Appraiser and AMC Regulatory Program to determine compliance with Title XI and the AMC Rule. In the most recent ASC State Review of the North Dakota Appraiser Board's AMC Program, the ASC found three areas of noncompliance within the AMC statute, NDCC 43-23.5.

The Board and Staff collaborated with the Appraiser Board's ASC Policy Manager, as well as Mark Schiffman, Executive Director of REVAA (Real Estate Valuation Advocacy Association) and David Cherner of ClearCapital.com in drafting the proposed language to NDCC 43-23.5 to bring it into compliance with Title XI and the AMC Rule.

**SECTION 1. AMENDMENT. 43-23.5-01. Definitions.**

**Page 3, lines 22 - 26:** An amendment to 43-23.5-07 Exemptions addresses federally

regulated appraisal management companies. Therefore, the Board thought it was important provide a definition of a federally regulated appraisal management company.

**SECTION 2. AMENDMENT. 43-23.5-07. Exemptions.**

*ASC Issue No. 1: The State's exemption for federally regulated AMCs does not comply with Title XI. States shall not require an AMC that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institution regulatory agency to register with a State.*

**Page 4, line 11.** Federally regulated AMCs are not required to register with States. Therefore, the Board added "a federally regulated appraisal management company" as an exemption to bring this area into compliance.

**SECTION 3. AMENDMENT. 43-23.5-08. Ownership Requirements.**

*ASC Issue No. 2: North Dakota does not determine whether any owner of the AMC has had their appraiser credential refused, denied, canceled, revoked, or surrendered for a substantive cause.*

**Page 4, lines 28 and 31, Page 5, lines 1-4, 7-10, and 20-25 .** The language has been revised to reflect the language from ASC Policy Statement 8 and AMC Rule CFR §34-214. States shall not register or renew an AMC if the AMC is owned by an individual that has had a license or certificate refused, denied, canceled, surrendered in lieu or revocation, or revoked in any State for a substantive cause, as determined by the Board. The revised language to HB 1080 brings this area of noncompliance into compliance.

**SECTION 4. AMENDMENT. 43-23.5-15 Retention of records.**

**Page 6, line 10.** If the Board requests records from the AMC, current language provides the AMC the option of submitting the requested records. The Board is amending the language in this Section to "require" an AMC submit records upon Board request.

**SECTION 5. AMENDMENT. 43-23.5-21.**

*ASC issue No. 3: North Dakota must impose requirements on State-registered AMCs to provide*



*written notice when removing appraisers from the Panel consistent with AMC Rule. ND allows an AMC to remove an appraiser from the panel without notice, within the first 90 days after the appraiser is first added to the panel, when there is no such grace period in the AMC rule.*

**Page 6, lines 14-15.** To bring this area into compliance, the language has been revised to prohibit anyone acting on behalf of an AMC from removing an appraiser from its panel without first providing written notice.

This concludes my testimony.

On behalf of the North Dakota Appraiser Board, I respectfully recommend a "Do Pass" of House Bill 1080.

I would be happy to entertain any questions.

Corey Kost, Chairperson  
North Dakota Real Estate Appraiser Qualifications and Ethics Board

**2025 SENATE INDUSTRY AND BUSINESS**

**HB 1080**

# 2025 SENATE STANDING COMMITTEE MINUTES

## Industry and Business Committee Fort Union Room, State Capitol

HB 1080  
2/17/2025

A bill relating to the regulation of appraisal management companies.
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3:30 p.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Kessel, Senator Enget

### Discussion Topics:

- Appraisal management company (AMC)
- Appraisal Subcommittee (ASC)
- AMC statute noncompliance and language changes
- Compliance reviews

3:30 p.m. Joe Sheehan, Public Member, ND Real Estate Appraiser Qualifications and Ethics Board, testified in favor and submitted testimony #37912.

3:33 p.m. Dave Campbell, Executive Director of the State Appraisal Board, testified in favor.

3:45 p.m. Jill Beck, CEO of the ND Association of Realtors, testified in favor and submitted testimony #37886.

### Additional written testimony:

Mark Schiffman, Executive Director of the Real Estate valuation Advocacy Association (REVAA) submitted testimony #37783 in favor.

3:47 p.m. Chairman Barta adjourned the meeting.

*Audrey Oswald, Committee Clerk*



February 17, 2025

Chairman Jeff Barta  
Committee on Industry and Business  
North Dakota Senate  
600 East Boulevard Avenue  
Bismarck, ND 58505

Subject: Support for HB 1080

Chairman Barta and distinguished members of the Committee on Industry and Business:

The Real Estate Valuations Advocacy Association ([REVA](https://revaa.org)) is a national trade association whose membership includes appraisal management companies (AMC) and residential real estate valuation providers. AMCs are regulated in each state, including the North Dakota Real Estate Appraiser Qualifications and Ethics Board.

We are pleased to offer our support for H.B. 1080 as amended in the House.

These proposed administrative rule revisions are important for bringing the state's appraisal management company licensing program into compliance with federal requirements. As a direct industry stakeholder, REVA appreciates the opportunity to collaborate with the North Dakota Real Estate Appraiser Qualification and Ethics Board as they drafted this legislation.

Beyond residential appraisals and valuation services, many REVA members create and provide innovative technologies and lender valuation services such as evaluations, Broker Price Opinions (BPO), Property Data Reports (PDR), and Automated Valuation Models (AVM).

AMCs also invest heavily in new and emerging technology to increase overall efficiency. They work with lenders and other clients to place mobile technology in the hands of appraisers and other vendors to perform on-site data collection, including obtaining and creating photographs, video, floor plans, square footage calculations, 3D image scanning, virtual property tours and applications that can calculate GLA measurements.

Thank you for considering our perspective.

Sincerely,

*Mark A. Schiffman*

Mark Schiffman  
Executive Director



To advocate for the success of our members in partnership with our local Associations and the National Association of REALTORS®

February 17, 2025

Chairman Barta  
Senate Industry and Business Committee  
North Dakota House of Representatives  
600 East Boulevard Avenue  
Bismarck, ND 58505 S

RE: Support for HB 1080

Chairman Barta and Members of the Senate Industry and Business Committee, for the record my name is Jill Beck and I am the CEO representing the North Dakota Association of REALTORS® (NDAR).

The North Dakota Association of REALTORS® membership is made up of more than 2,200 REALTORS® and more than 250 Business Partner members.

This will be short and brief as we have read this bill, asked questions, and discussed it before our Government Affairs Committee and Board of Directors at our Friday meeting. A review of North Dakota's Appraiser and AMC Regulations found some issues of non-compliance and this bill will bring them into compliance.

With AMCs being prevalent in our industry we are in full support of this bill to bring our statutes into full compliance.

We ask for your full support in moving HB 1080 forward.

My contact info is below if you have any further questions.

**Jill Beck, CEO**  
**North Dakota Association of REALTORS®**  
[Jill@ndrealtors.com](mailto:Jill@ndrealtors.com)  
**701-355-1010**

**HOUSE BILL NO. 1080**  
**SENATE INDUSTRY AND BUSINESS COMMITTEE**  
**Testimony**  
**Joe Sheehan, Public Member**  
**NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD**  
**February 17, 2025**

Mr. Chairman, members of the committee, my name is Joe Sheehan, and I serve as Public Member on the North Dakota Real Estate Appraiser Qualifications and Ethics Board. It is my pleasure to represent the Appraiser Board this afternoon on House Bill 1080. I will refer to this Board throughout my testimony as either the North Dakota Appraiser Board or the Appraiser Board.

HB 1080 updates the statutory language within the appraisal management company (AMC) statute to bring the statute into compliance with Title XI of FIRREA as amended by Dodd Frank and the AMC Rule. The AMC Rule is the federal interagency final rule on minimum requirements for State registration and supervision of AMCs.

All State Board Appraiser Management Company (AMC) Programs are monitored at the federal level by the Appraisal Subcommittee (ASC). The Appraisal Subcommittee conducts periodic Compliance Reviews of each State Appraiser and AMC Regulatory Program to determine compliance with Title XI and the AMC Rule. In the most recent ASC State Review of the North Dakota Appraiser Board's AMC Program, the ASC found three areas of noncompliance within the AMC statute, NDCC 43-23.5.

The Board and Staff collaborated with the Appraiser Board's ASC Policy Manager, as well as Mark Schiffman, Executive Director of REVAA (Real Estate Valuation Advocacy Association) and David Cherner of ClearCapital.com in drafting the proposed language to NDCC 43-23.5 to bring it into compliance with Title XI and the AMC Rule.

**SECTION 1. AMENDMENT. 43-23.5-01. Definitions.**

**Page 3, lines 22 - 26:** An amendment to 43-23.5-07 Exemptions relates to federally regulated appraisal management companies. Therefore, the Board decided it was necessary to provide a definition for a federally regulated appraisal management company.

## **SECTION 2. AMENDMENT. 43-23.5-07. Exemptions.**

**ASC Issue No. 1:** *The State's exemption for federally regulated AMCs does not comply with Title XI. States shall not require an AMC that is a subsidiary owned and controlled by a financial institution regulated by a federal financial institution regulatory agency to register with a State.*

**Page 4, line 11.** Federally regulated AMCs are not required to register with States.

Therefore, the Board included "a federally regulated appraisal management company" as an exemption to ensure compliance in this area.

## **SECTION 3. AMENDMENT. 43-23.5-08. Ownership Requirements.**

**ASC Issue No. 2:** *North Dakota does not determine whether any owner of the AMC has had their appraiser credential refused, denied, canceled, revoked, or surrendered for a substantive cause.*

**Page 4, lines 28 - 31, Page 5, lines 1 - 25.** The House passed HB 1080 as proposed by the Board. The amendments specific to 43-23.5-08 Ownership Requirements were made to align with ASC Policy Statement 8 and AMC Rule CFR §34-214, stating that States shall not register or renew an AMC if it is owned by an individual who has had their license or certificate denied, canceled, surrendered in lieu of revocation, or revoked in any State for substantive reasons, as determined by the Board.

While the original language in HB 1080 addressed noncompliance with Title XI and AMC Rule, upon further review, the amendments specific to 43-23.5-08 Ownership Requirements were found to be confusing.

Chairman Kost and staff consulted with ASC Compliance Manager John Brennan and ASC Policy Managers Kristi Klemet and Allison Nespor to clarify the current language. The ASC recommended amending 43-23.5-08 Ownership Requirements to mirror that of AMC Rule CFR §34-214.

Based on the ASC's recommendation, the Board proposes additional amendments to HB 1080 as follows:

### **43-23.5-08. Ownership Requirements.**

1. *An appraisal management company applying for, holding, or renewing a registration under this chapter may not be in whole or in part, directly or indirectly, owned by:*
  - a. *~~An~~ an individual who has had an appraiser license or certification in this state or in any*

~~other state refused, denied, canceled, surrendered in lieu of revocation, or revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated for a substantive cause, as determined by the board, and the license or certificate was subsequently granted or reinstated.~~

- b. ~~An entity that is owned by any individual who has had an appraiser license or certification in this state or any other state refused, denied, canceled, surrendered in lieu of revocation, or revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated for a substantive cause, as determined by the board, and the license or certificate was subsequently granted or reinstated.~~

An appraisal management company is not barred from being registered if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has been reinstated by the jurisdiction in which the appraiser was licensed or certified.

2. Each person that owns more than ten percent of an appraisal management company applying for, holding, or renewing a registration under this chapter:
  - a. Must be of good moral character.
  - b. 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 the appraisal management company and that no entity that owns the appraisal management company is owned by ~~any person~~ an individual that has had an appraiser license or certification in this state or any other state refused, denied, canceled, surrendered in lieu of revocation, or revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated for a substantive cause, as determined by the board, and the license or certificate was subsequently granted or reinstated.

The proposed language to HB 1080 has the same intent as the original language passed by the House but offers greater clarity.



**SECTION 4. AMENDMENT. 43-23.5-15 Retention of records.**

**Page 6, line 10.** The current wording allows the AMC to choose whether to provide records upon the Board's request. The Board is revising the language in this section to mandate that the AMC must submit the requested records when asked by the Board.

**SECTION 5. AMENDMENT. 43-23.5-21.**

***ASC issue No. 3:*** *North Dakota must impose requirements on State-registered AMCs to provide written notice when removing appraisers from the Panel consistent with AMC Rule. ND allows an AMC to remove an appraiser from the panel without notice, within the first 90 days after the appraiser is first added to the panel, when there is no such grace period in the AMC rule.*

**Page 6, lines 14-15.** To bring this area into compliance, the language has been revised to prohibit anyone acting on behalf of an AMC from removing an appraiser from its panel without first providing written notice.

This concludes my testimony.

On behalf of the North Dakota Appraiser Board, I respectfully recommend a "Do Pass" of House Bill 1080.

I would be happy to entertain any questions.

Joe Sheehan, Public Member  
North Dakota Real Estate Appraiser Qualifications and Ethics Board

# 2025 SENATE STANDING COMMITTEE MINUTES

## Industry and Business Committee

Fort Union Room, State Capitol

HB 1080

2/18/2025

A bill relating to the regulation of appraisal management companies.
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10:41 a.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chair Boehm, Senator Klein, Senator Kessel, Senator Enget

### Discussion Topics:

- Owner requirement language clarification

10:41 a.m. Chairman Barta led the committee discussion regarding the proposed amendment under the ownership requirements section referenced from previous testimony #37912 submitted on (2/17 at 3:30 p.m.).

10:46 a.m. Chairman Barta closed the hearing.

*Audrey Oswald, Committee Clerk*

# 2025 SENATE STANDING COMMITTEE MINUTES

## Industry and Business Committee Fort Union Room, State Capitol

HB 1080  
2/19/2025

Relating to the regulation of appraisal management and companies.
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11:00 a.m. Chairman Barta opened the hearing.

Members present: Chairman Barta, Vice-Chairman Boehm, Senator Klein, Senator Kessel, Senator Enget

### Discussion Topics:

- Language strikethroughs and clarification
- Appraisal Sub-Committee policy compliance

11:01 a.m. Jill Beck, CEO for the ND Association of Realtors, testified in neutral.

11:03 a.m. Jodie Campbell, Co-administrator of the ND Association of Realtors Board, testified in neutral.

11:06 a.m. Senator Kessel moved to adopt amendment LC# 25.8107.01001.

Senator Klein seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

11:07 a.m. Senator Klein moved a Do Pass As Amended.

11:07 a.m. Senator Boehm seconded the motion.

Senators	Vote
Senator Jeff Barta	Y
Senator Keith Boehm	Y
Senator Mark Enget	Y
Senator Greg Kessel	Y
Senator Jerry Klein	Y

Motion passed 5-0-0.

Senator Enget will carry the bill.

Senate Industry and Business Committee

HB 1080

2/19/25

Page 2

11:10 a.m. Chairman Barta adjourned the meeting.

*Audrey Oswald, Committee Clerk*

February 19, 2025

Sixty-ninth  
Legislative Assembly  
of North Dakota

**PROPOSED AMENDMENTS TO**

**HOUSE BILL NO. 1080**

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 amend and reenact sections 43-23.5-01, 43-23.5-07, 43-23.5-08, and  
2 43-23.5-15 and subsection 6 of section 43-23.5-21 of the North Dakota Century Code, relating  
3 to the regulation of appraisal management companies.

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

5 **SECTION 1. AMENDMENT.** Section 43-23.5-01 of the North Dakota Century Code is  
6 amended and reenacted as follows:

7 **43-23.5-01. Definitions.**

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

- 9 1. "Appraisal firm" means any person or entity that exclusively employs persons on an  
10 employer and employee basis for the performance of real estate appraisal services in  
11 the normal course of its business and the real estate appraisal services being  
12 performed are in accordance with the uniform standards of professional appraisal  
13 practices.
- 14 2. "Appraisal management company" means, in connection with valuing properties  
15 collateralizing mortgage loans or mortgages incorporated into a securitization, any  
16 external third party that oversees a network or panel of more than fifteen certified or  
17 licensed appraisers in this state or twenty-five or more nationally within a given year,  
18 that is authorized either by a creditor of a consumer credit transaction secured by a  
19 consumer's principal dwelling or by an underwriter or other principal in the secondary  
20 mortgage markets that engages in appraisal management services.

- 1       3. "Appraisal management services" means to, directly or indirectly, perform any of the  
2       following functions on behalf of a lender, financial institution, client, or any other  
3       person in conjunction with a consumer credit transaction that is secured by a  
4       consumer's primary dwelling:
  - 5       a. Administer an appraiser panel.
  - 6       b. Recruit, retain, or select appraisers.
  - 7       c. Qualify, verify licensing or certification, and negotiate fees and service level  
8       expectations with persons who are part of an appraiser panel.
  - 9       d. Contract with appraisers to perform appraisal assignments.
  - 10      e. Receive an order for an appraisal from one person, and deliver the order for the  
11      appraisal to an appraiser that is part of an appraiser panel for completion.
  - 12      f. Manage the process of having an appraisal performed, including providing  
13      administrative duties, such as receiving appraisal orders and reports, submitting  
14      completed appraisal reports to creditors and underwriters, collecting fees from  
15      creditors and underwriters for services provided, and reimbursing appraisers for  
16      services performed.
  - 17      g. Track and determine the status of appraisal orders.
  - 18      h. Conduct an appraisal review or other quality control of a completed appraisal  
19      prior to the delivery of the appraisal to the person that ordered the appraisal.
  - 20      i. Provide a completed appraisal performed by an appraiser to one or more clients.
- 21      4. "Appraisal review" means the act or process of developing and communicating an  
22      opinion about the quality of another appraiser's work that was performed as part of an  
23      appraisal assignment related to the appraiser's data collection, analysis, opinions,  
24      conclusions, estimate of value, or compliance with the uniform standards of  
25      professional appraisal practice. This term does not include:
  - 26      a. A general examination for grammatical, typographical, or other similar errors.
  - 27      b. A general examination for completeness, including regulatory client requirements,  
28      or both, as specified in the agreement process that does not communicate an  
29      opinion.
- 30      5. "Appraiser panel" means a network of licensed or certified appraisers who have:



- 1           a.   Responded to an invitation, request, or solicitation from an appraisal  
2           management company, in any form, to perform appraisals for persons that have  
3           ordered appraisals through the appraisal management company, or to perform  
4           appraisals for the appraisal management company directly, on a periodic basis,  
5           as requested and assigned by the appraisal management company.
- 6           b.   Been selected and approved by an appraisal management company to perform  
7           appraisals for any client of the appraisal management company that has ordered  
8           an appraisal through the appraisal management company, or to perform  
9           appraisals for the appraisal management company directly, on a periodic basis,  
10          as assigned by the appraisal management company.
- 11        6.   "Board" means the North Dakota real estate appraiser qualifications and ethics board.
- 12        7.   "Controlling person" means:
  - 13           a.   An officer, director, or owner of greater than a ten percent interest of a  
14           corporation, partnership, or other business entity seeking to act as an appraisal  
15           management company in this state.
  - 16           b.   An individual employed, appointed, or authorized by an appraisal management  
17           company that has the authority to enter a contractual relationship with other  
18           persons for performance of services requiring registration as an appraisal  
19           management company and has the authority to enter agreements with appraisers  
20           for the performance of appraisals.
  - 21           c.   An individual who possesses, directly or indirectly, the power to direct or cause  
22           the direction of the management or policies of an appraisal management  
23           company.
- 24        8.   "Federal financial institutions regulatory agencies" includes the board of governors of  
25           the federal reserve system, the federal deposit insurance corporation, the office of the  
26           comptroller of the currency, and the national credit union administration.
- 27        9.   "Federally regulated appraisal management company" means an appraisal  
28           management company that is owned and controlled by an insured depository  
29           institution, as defined in 12 U.S.C. 1813 and regulated by the office of the comptroller  
30           of the currency, the board of governors of the federal reserve system, or the federal  
31           deposit insurance corporation.

1     10. "Federally related transaction" means any real estate-related financial transaction  
2           which a federal financial institutions regulatory agency or the resolution trust  
3           corporation engages in, contracts for, or regulates, and requires the services of an  
4           appraiser.

5     ~~10.~~11. "Real estate-related financial transaction" means any transaction involving:  
6           a.    The sale, lease, purchase, investment in, or exchange of real property, including  
7                interests in property or the financing thereof.  
8           b.    The refinancing of real property or interests in real property.  
9           c.    The use of real property or interests in property as security for a loan or  
10           investment, including mortgage-backed securities.

11     **SECTION 2. AMENDMENT.** Section 43-23.5-07 of the North Dakota Century Code is  
12     amended and reenacted as follows:

13     **43-23.5-07. Exemptions.**

14     The provisions of this chapter do not apply to:

- 15       1.    An appraisal firm.
- 16       2.    A federally regulated appraisal management company, or a financial institution,  
17           including a department or unit within the institution, that is regulated by an agency of  
18           this state or the United States government.
- 19       3.    A person that enters an agreement with an appraiser for the performance of an  
20           appraisal that upon completion results in a report signed by both the appraiser who  
21           completed the appraisal and the appraiser who requested completion of the appraisal.
- 22       4.    An appraisal management company with an appraisal panel of fewer than sixteen  
23           certified or licensed appraisers in this state or fewer than twenty-five nationally within a  
24           given year.
- 25       5.    An appraisal management company that is a subsidiary owned and controlled by a  
26           financial institution that is subject to appraisal independence standards at least as  
27           stringent as those under chapter 43-23.5-21, if regulated by an agency of this state, or  
28           the Truth in Lending Act [15 U.S.C. 1601 et seq.], if regulated by the United States  
29           government.

30     **SECTION 3. AMENDMENT.** Section 43-23.5-08 of the North Dakota Century Code is  
31     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 may not be, in whole or in part, directly or indirectly, owned by:
  - ~~a. An~~ an individual who has had an appraiser license or certification in this state or in any other state refused, denied, canceled, surrendered in lieu of revocation, or revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated for a substantive cause, as determined by the board, and the license or certificate was subsequently granted or reinstated.
  - ~~b. An entity that is owned by any~~ an individual who has had an appraiser license or certification in this state or any other state refused, denied, canceled, surrendered in lieu of revocation, or revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated for a substantive cause, as determined by the board, and the license or certificate was 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:
  - a. Must be of good moral character.
  - b. 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 the appraisal management company and that no entity that owns the appraisal management company is owned by ~~any person~~ an individual that has had an appraiser license or certification in this state or any other state refused, denied, canceled, surrendered in lieu of revocation, or revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not subsequently granted or reinstated for a substantive cause, as determined by the board, and the license or certificate was subsequently granted or reinstated.

4. An appraisal management company is not barred from registration if the license or certificate of the appraiser with an ownership interest was not revoked for a substantive cause and has not been reinstated by the jurisdiction in which the appraiser was licensed or certified.

**SECTION 4. AMENDMENT.** Section 43-23.5-15 of the North Dakota Century Code is amended and reenacted as follows:

**43-23.5-15. Retention of records.**

1. Each appraisal management company seeking to be registered or to renew an existing registration in this state shall certify to the board on a form prescribed by the board that the company maintains a detailed record of each service request that the company receives for appraisal of real property located in this state.
2. An appraisal management company registered in this state shall retain for five years all records required to be maintained under this chapter as described in rules. This five-year period shall commence on the date of the final action by the appraisal management company for each individual transaction or, if the appraisal management company is notified that the transaction is involved in litigation, the five-year period shall commence on the date the litigation is finally disposed.
3. All records required to be maintained by the registered appraisal management company ~~may~~must, upon request by the board, be made available for inspection and copying by the board on reasonable notice to the appraisal management company.

**SECTION 5. AMENDMENT.** Subsection 6 of section 43-23.5-21 of the North Dakota Century Code is amended and reenacted as follows:

6. ~~Except within the first ninety days after an independent appraiser is added to an appraiser page, remove~~Remove an independent appraiser from an appraiser panel without prior written notice to the appraiser, with the prior written notice including evidence of the following, if applicable:
  - a. The appraiser's illegal conduct.
  - b. A violation of the uniform standards of professional appraisal practice, this chapter, or the rules adopted by the board.
  - c. Improper or unprofessional conduct.

**REPORT OF STANDING COMMITTEE  
HB 1080**

**Industry and Business Committee (Sen. Barta, Chairman)** recommends **AMENDMENTS** ([25.8107.01001](#)) and when so amended, recommends **DO PASS** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). HB 1080 was placed on the Sixth order on the calendar. This bill does not affect workforce development.