

LEGISLATURE OF NEBRASKA
ONE HUNDRED THIRD LEGISLATURE
FIRST SESSION
LEGISLATIVE BILL 72

Introduced by McCoy, 39.

Read first time January 10, 2013

Committee: Banking, Commerce and Insurance

A BILL

1 FOR AN ACT relating to the Nebraska Real Estate License Act; to amend
2 section 81-885.21, Revised Statutes Cumulative
3 Supplement, 2012; to change the sunset date for allowing
4 interest-bearing trust accounts; and to repeal the
5 original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 81-885.21, Revised Statutes Cumulative
2 Supplement, 2012, is amended to read:

3 81-885.21 (1) Each broker other than an inactive broker
4 shall maintain in a bank, savings bank, building and loan
5 association, or savings and loan association a separate, insured
6 checking account in this state in his or her name or the name under
7 which he or she does business which shall be designated a trust
8 account in which all downpayments, earnest money deposits, or other
9 trust funds received by him or her, his or her associate brokers, or
10 his or her salespersons on behalf of his or her principal or any
11 other person shall be deposited and remain until the transaction is
12 closed or otherwise terminated unless all parties having an interest
13 in the funds have agreed otherwise in writing. Until July 1, 2014,
14 2017, such trust account may be either an interest-bearing or a non-
15 interest-bearing account and, if interest-bearing, shall comply with
16 subsection (7) of this section. On and after July 1, 2014,~~2017,~~ such
17 trust account shall be a non-interest-bearing account.

18 (2) Each broker shall notify the commission of the name
19 of the bank, savings bank, building and loan association, or savings
20 and loan association in which the trust account is maintained and
21 also the name of the account on forms provided therefor.

22 (3) Each broker shall authorize the commission to examine
23 such trust account by a duly authorized representative of the
24 commission. Such examination shall be made annually or at such time
25 as the commission may direct.

1 (4) A broker may maintain more than one trust account in
2 his or her name or the name under which he or she does business if
3 the commission is advised of such account as required in subsection
4 (2) of this section.

5 (5) In the event a branch office maintains a separate
6 trust account, a separate bookkeeping system shall be maintained in
7 the branch office.

8 (6) A broker shall not be entitled to any part of the
9 earnest money or other money paid to him or her or the entity under
10 which he or she does business in connection with any real estate
11 transaction as part or all of his or her compensation or
12 consideration until the transaction has been consummated or
13 terminated.

14 (7) If the trust account is an interest-bearing account,
15 as authorized under subsection (1) of this section, the interest may
16 only be distributed or otherwise accrue to nonprofit organizations
17 that are exempt from the payment of federal income taxes. The
18 commission may further define policies and procedures for the
19 processing of and distributions from interest-bearing trust accounts
20 by rule and regulation.

21 Sec. 2. Original section 81-885.21, Revised Statutes
22 Cumulative Supplement, 2012, is repealed.