

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB139

Hearing Date: Tuesday January 27, 2015
Committee On: Banking, Commerce and Insurance
Introducer: Johnson
One Liner: Change and eliminate provisions relating to the Real Property Appraiser Act

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Campbell, Craighead, Gloor, Howard, Lindstrom, Scheer, Schumacher, Williams
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Senator Jerry Johnson
Tyler Kohtz
Tom Kubert
Justin Brady

Representing:

Introducer
NE Real Property Appraiser Board
NE Real Property Appraiser Board
NE Realtors Association

Opponents:

Larry Dix
Bill Peters

Representing:

NACO
Self

Neutral:

Representing:

Summary of purpose and/or changes:

This bill, introduced at the request of the Real Property Appraiser Board, would update and add provisions throughout the Real Property Appraiser Act, sections 76-2201 to 76-2250.

The bill would update, rearrange, and add new definitions. The following definitions would be revised: "appraisal"; "appraisal practice" (valuation assignments or evaluation assignments performed by a person acting as a real property appraiser, including appraisal and appraisal review assignments); "real property appraisal activity" (any act or process involved in developing an analysis, opinion, or conclusion relating to the value of specified interests in or aspects of identified real property. Real property appraisal activity includes evaluation assignments, valuation assignments, and appraisal review assignments); "report"; and "two-year continuing education period". The following definitions would be new: "appraisal review assignment" (the act or process of developing and communicating an opinion about the quality of a real property appraiser's work that was performed as part of a valuation assignment or evaluation assignment); "assignment" (an agreement between a real property appraiser or real property associate and a client to perform a valuation service or the valuation service that is performed as a consequence of such an agreement); "client"; "credential holder"; "education provider"; "employee" (any person who is employed on a permanent basis and who devotes substantially all of his or her time to performing services on behalf of an employer and whose compensation for the services is in the form of salary, or its equivalent, paid by the employer. Employee does not include an independent

contractor); "instructor"; "jurisdiction"; "person"; "real property associate"; "report"; "scope of work"; "specialized knowledge"; "valuation services" (all services pertaining to aspects of property value, including services performed by both real property appraisers and real property associates); and "work file". (Section 3 to 42)

The bill would authorize the board to issue a cease and desist order against any person who acts as a real property appraiser or real property associate without the appropriate credential. The bill would authorize the board, through the Attorney General, to obtain an order from the district court for the enforcement of the cease and desist order. (Section 43)

The bill would provide that the Real Property Appraiser Act does not apply to elected officials who estimate market value of real property in their official capacity. The bill would provide that the act does not apply to automated valuation models. (Section 44)

The bill would provide that three rather than four members of the board shall constitute a quorum. The bill would authorize the members of the board to receive a per diem for days actually spent in traveling to and from and attending meetings and conferences. (Section 45)

The bill would create a new category of credential holder: real property associate. The bill would provide that the scope of practice of a real property associate shall be limited to valuation services not requiring a credential as a trainee real property appraiser, licensed residential real property appraiser, certified residential real property appraiser, or certified general real property appraiser. (Section 48)

The bill would update sections regarding temporary credentials and renewal of credentials. (Sections 56 and 57)

The bill would enact a new section to provide for a credential to be placed on inactive status. (Section 58)

The bill would update provisions regarding continuing education requirements. (Section 59)

The bill would provide for expanded disciplinary actions. (Sections 62 and 63)

The bill would authorize the Attorney General to maintain an action in district court to abate and enjoin acts and practices which constitute or will constitute a violation of the Real Property Appraiser Act. (Section 71)

The bill would outright repeal sections regarding an obsolete category of credential: registered real property appraiser. (Section 80)

Explanation of amendments:

The committee amendments would amend section 44 by removing all proposed amendments to section 76-2221 other than technical and clean-up changes. Section 76-2221 contains an enumeration of persons exempt from the Real Property Appraiser Act. The committee amendments would strike new definitions of "automated valuation model," "employee," and "specialized knowledge," (sections 10, 21, and 36) which would be applicable only to existing or proposed provisions in section 44 (described above).

Jim Scheer, Chairperson