



**Ninety-Seventh Legislature - First Session - 2001**  
**Committee Statement**  
**LB 162**

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**Hearing Date:** January 16, 2001  
**Committee On:** Banking, Commerce and Insurance

**Introducers:** (Hudkins)  
**Title:** Change credentialing and regulation provisions for real estate appraisers

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**Roll Call Vote – Final Committee Action:**

- Advanced to General File
  - X Advanced to General File with Amendments
  - Indefinitely Postponed
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**Vote Results:**

6	Yes	Senators Landis, Tyson, Aguilar, Bourne, Jensen, Kremer
	No	
	Present, not voting	
2	Absent	Senators Bruning, Smith

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**Proponents:**

Senator Carol Hudkins  
 John Bredemeyer  
 Marilyn Hasselbalch  
 Gary Hassebrook  
 Walter Radcliffe  
 Bill Mueller

**Representing:**

Introducer  
 NE Real Estate Appraiser Board  
 NE Real Estate Appraiser Board  
 NE Real Estate Appraiser Board  
 NE Real Estate Association  
 NE State Bar Association

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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**Summary of purpose and/or changes:**

LB 162 (Hudkins) would amend various sections throughout the Real Estate Appraiser Act.

The bill would provide, section by section, as follows:

Sections 1, 2, 9, 10, 11, 15, 16, 18, 19, 26, 33 to 38, and 41 would amend sections 76-2201, 76-2203, 76-2217.01, 76-2218, 76-2220, 76-2225, 76-2226, 76-2228, 76-2229, 76-

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2233.02, 76-2242, 76-2243 to 76-2246, 77-2247.01, and 76-2250 of the Real Estate Appraiser Act to make stylistic and technical changes.

Section 3 would amend section 76-2204 of the Real Estate Appraiser Act to provide that an “appraisal” means an analysis, opinion, or conclusion prepared by any person and not just by a real estate appraiser.

Section 4 would add a new section to the Real Estate Appraiser Act to provide a definition of “appraisal practice.”

Section 5 would amend section 76-2207 of the Real Estate Appraiser Act to provide that an appraiser trainee means a person who assists a licensed, certified residential, or certified general real estate appraiser, but not a registered real estate appraiser.

Section 6 would add a new section to the Real Estate Appraiser Act to provide a definition of “credential”: registration, license, or certificate.

Section 7 would amend section 76-2215 of the Real Estate Appraiser Act to expand the definition of “real estate appraisal activity” to include “a consulting service, an advocate consulting service, an evaluation assignment, or a valuation assignment.”

Section 8 would amend section 76-2216 to expand the definition of “real estate appraiser” to include a person “who offers, attempts, or agrees to perform or performs real estate appraisal activity with the intention or upon the promise of receiving valuable consideration.”

Section 12 would amend section 76-2221 of the Real Estate Appraiser Act to provide that the act does not apply to (1) any owner of real estate, employee of the owner, or attorney representing the owner (rather than simply “any person”) who renders an estimate or opinion of value of the real estate or any interest in the real estate when such estimate or opinion is for the purpose of real estate taxation, or any other person who renders such an estimate or opinion of value when that estimate or opinion requires a specialized knowledge that a real estate appraiser would not have, or (2) any owner of real estate, employee of the owner, or attorney representing the owner (rather than simply “any person”) who renders an estimate or opinion of value of real estate or any interest in real estate or damages thereto when such estimate or opinion is offered as testimony in any condemnation proceeding, or any other person who renders such an estimate or opinion when that estimate or opinion requires a specialized knowledge that a real estate appraiser would not have.

Section 13 would amend section 76-2222 of the Real Estate Appraiser Act to provide that of the two at-large members of the Real Estate Appraiser Board, one shall be a licensed real estate broker “who also holds a credential as a licensed or certified appraiser” (rather than simply a “licensed real estate broker or salesperson”).



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Section 14 would amend section 76-2223 of the Real Estate Appraiser Act to provide that the Real Estate Appraiser Board may: (1) develop specifications for timing, location, and security for credentialing examinations; (2) issue subpoenas to compel attendance of witnesses and production of papers, require submission of evidence, apply to the district court to require attendance and testimony of witnesses and production of evidence; (3) enter into consent decrees and issue cease and desist orders; (4) incur, collect fees for, and pay expenses in connection with activities which shall be open to credential holders; and (5) annually adopt minimum standards for appraisals.

Section 17 would amend section 76-2227 of Real Estate Appraiser Act to provide that credentials shall only be issued to persons who have a good reputation for honesty, trustworthiness, integrity, and competence to perform assignments in such manner as to safeguard the interest of the public and only after satisfactory proof of such qualification has been presented to the board upon request.

Sections 20 to 23 would amend sections 76-2229.01, 76-2230, 76-2231.01, and 76-2232 of the Real Estate Appraiser Act to: (1) increase the required class hours from seventy-five to ninety for registration as a registered real estate appraiser (section 76-2229.01); and (2) increase the requirements for the examination for a registered real estate appraiser (section 76-2229.01), a licensed real estate appraiser (section 76-2230), a certified residential real estate appraiser (section 76-2231.01), and a certified general real estate appraiser (section 76-2232).

Sections 24 and 25 would amend sections 76-2233 and 76-2233.01 of the Real Estate Appraiser Act to update requirements for a non resident of this state to obtain credentials, including temporary credentials, other than registration as a registered real estate appraiser.

Section 27 would amend section 76-2236 of the Real Estate Appraiser Act to provide that during the first full year of a two-year continuing education period, every new or upgraded credential holder shall furnish evidence to the Real Estate Appraiser Board that he or she has satisfactorily completed one-half of the two-year continuing education requirements; and to provide that hours of satisfactorily completed approved continuing education activities cannot be carried over from one two-year continuing education period to another.

Section 28 would amend section 76-2237 of the Real Estate Appraiser Act to provide that the Real Estate Appraiser Board shall annually review its rules and regulations regarding generally accepted standards of professional appraisal practice.

Section 29 would amend section 76-2238 of the Real Estate Appraiser Act (1) to provide that the enumerated acts and omissions in this section shall be considered grounds for denial of an application for credentialing by the Real Estate Appraiser Board as well as grounds for disciplinary action by the board; and (2) to provide for the following additional grounds for disciplinary action or denial of an application: (a) demonstrating negligence, incompetence, or unworthiness to act as an appraiser, (b) suspension or revocation of an appraisal credential or a



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license in another regulated occupation, trade, or profession in this or any other jurisdiction; (c) failure to comply with terms of a consent agreement or a settlement agreement; (d) failure to produce materials requested by the board concerning any matter under investigation, (e) presentation to the board of any check which is returned unpaid, and (f) failure to pass the examination.

Section 30 would amend section 76-2239 of the Real Estate Appraiser Act to provide that violation of the act or the rules and regulations during a period of probation shall cause immediate execution of a suspension penalty.

Section 31 would amend section 76-2240 of Real Estate Appraiser Act to provide that costs incurred for a disciplinary hearing, including fees of counsel, court reporters, investigators, and witnesses, shall be taxed as costs in such action as the Real Estate Appraiser Board may direct.

Section 32 would amend section 76-2241 of the Real Estate Appraiser Act to compress the four-part fee schedule (registrations, licenses, residential certifications, and general certifications) into one fee schedule for all credentials, with the only change being an initial and renewal credentialing fee of not more than three hundred dollars (rather than not more than one hundred dollars for registrations, not more than two hundred dollars for licenses, but already not more than three hundred dollars for residential certifications and for general certifications).

Section 39 would amend section 76-2248 of the Real Estate Appraiser Act to provide that the Attorney General may appoint special counsel to prosecute actions under the act and all fees and expenses allowed shall be taxed as costs as the court may direct.

Section 40 would amend section 76-2249 of the Real Estate Appraiser Act to provide that the Real Estate Appraiser Board shall provide without charge to any credential holder a set of the board's rules and regulations and other information the board deems important; and that the board may provide such material to any other person for a reasonable fee.

Section 42 would provide repealers.

Section 43 would provide for outright repeal of the following sections of the Real Estate Appraiser Act:

(1) Section 76-2229.02 (obsolete on its face); and

(2) Sections 76-2234, 76-2234.01, and 76-2235 (which would be made redundant and unnecessary by amendments to section 76-2233.02 in section 26 of the bill).



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**Explanation of amendments, if any:**

The committee amendments would provide as follows:

(1) In section 1 (to amend section 76-2204) the committee amendments would (a) reinstate language in the definition of “appraisal” which provides that an appraisal is “prepared by a real estate appraiser” and (b) repeal current language from the definition of “appraisal” which provides that an appraisal relates to the “nature, quality, or utility” of real estate as well as the value of real estate. (Page 2.)

(2) In section 8 (to amend section 76-2216) the committee amendments would amend current language in the definition of “real estate appraiser” to provide that a real estate appraiser is a person who, among other things, holds himself or herself out to the general public “as a real estate appraiser” rather than holds himself or herself out to the general public “for real estate appraisal activity”. (Page 3.)

(3) In section 11 (to amend section 76-2220) the committee amendments would strike proposed new language and reinstate current language so this section continues to provide that it is unlawful to act as “a real estate appraiser” without proper credentialing rather than act as “an appraiser of real estate” without proper credentialing. This committee amendment simply provides for continued use in this section of the defined term “real estate appraiser.” (Page 4.)

(4) In section 12 (to amend section 76-2221) the committee amendments would provide an additional category of persons who are exempt from the Real Estate Appraiser Act: Any owner of real estate, employee of the owner, or licensed attorney representing the owner who renders an estimate or opinion of value of the real estate or any interest in the real estate when such estimate or opinion is offered in connection with a legal matter involving real property. (Page 6.)

(5) In section 37 (to amend section 76-2246) the committee amendments would strike and replace new language in order to provide that any person required to be credentialed under the Real Estate Appraiser Act who, among other things, “advertises or holds himself or herself out to the general public as a real estate appraiser” rather than “acts in the capacity of a real estate appraiser,” without credentialing is guilty of a Class III misdemeanor. (Page 41.)

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**Senator David M. Landis, Chairperson**