

## LEGISLATIVE BILL 186

Approved by the Governor February 14, 2007

Introduced by Langemeier, 23; Erdman, 47

FOR AN ACT relating to real property appraisers; to amend sections 76-2210, 76-2210.01, 76-2210.02, 76-2213, 76-2213.01, 76-2217.01, 76-2219, 76-2223, 76-2226, 76-2227, 76-2228, 76-2228.01, 76-2229, 76-2229.01, 76-2230, 76-2231.01, 76-2232, 76-2233, 76-2233.01, 76-2236, 76-2237, 76-2241, 76-2242, 76-2247.01, and 77-5004, Revised Statutes Cumulative Supplement, 2006; to change provisions relating to credentialing of real property appraisers; to update references; to delete obsolete provisions; to harmonize provisions; and to repeal the original sections.

Be it enacted by the people of the State of Nebraska,

Section 1. Section 76-2210, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2210 Certified general real property appraiser means a person who holds a valid ~~certificate~~ credential as a certified general real property appraiser issued under the Real Property Appraiser Act.

Sec. 2. Section 76-2210.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2210.01 Certified real property appraiser means a person who holds a valid ~~certificate~~ credential as a certified general real property appraiser or a valid ~~certificate~~ credential as a certified residential real property appraiser issued under the Real Property Appraiser Act.

Sec. 3. Section 76-2210.02, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2210.02 Certified residential real property appraiser means a person who holds a valid ~~certificate~~ credential as a certified residential real property appraiser issued under the Real Property Appraiser Act.

Sec. 4. Section 76-2213, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2213 Licensed real property appraiser ~~or licensed residential real property appraiser~~ means a person who holds a valid ~~license~~ credential as a licensed real property appraiser ~~or as a licensed residential real property appraiser~~ issued under the Real Property Appraiser Act.

Sec. 5. Section 76-2213.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2213.01 ~~National~~ Uniform Standards of Professional Appraisal Practice means the standards promulgated by the Appraisal Foundation, as the standards existed on January 1, ~~2006~~, 2007.

Sec. 6. Section 76-2217.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2217.01 Registered real property appraiser means a person who holds a valid ~~registration~~ credential as a registered real property appraiser as provided in section 76-2229.01.

Sec. 7. Section 76-2219, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2219 Valuation assignment means (1) an appraisal that estimates the value of identified real estate or identified real property at a particular point in time or (2) a valuation service provided as a consequence of an agreement between a real property appraiser and a client.

Sec. 8. Section 76-2223, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2223 The board shall administer and enforce the Real Property Appraiser Act and may:

(1) Receive applications for credentialing under the act, process such applications and regulate the issuance of credentials to qualified applicants, and maintain a directory of the names and addresses of persons who receive credentials under the act;

(2) Hold meetings, public hearings, informal conferences, and administrative hearings, prepare or cause to be prepared specifications for all appraiser classifications, solicit bids and enter into contracts with one or more educational testing services or organizations for the preparation of a bank of questions and answers for examinations, and administer or contract for the administration of examinations in such places and at such times as deemed appropriate;

(3) Develop the specifications for credentialing examinations, including timing, location, and security necessary to maintain the integrity

of the examinations;

(4) Review from time to time the procedure for selecting individual questions from the bank of questions for use in connection with each scheduled examination and review from time to time the questions in the bank of questions and the related answers to ascertain that they meet the specifications established by the board;

(5) Collect all fees required or permitted by the act. The board shall remit all such receipts to the State Treasurer for credit to the Real Property Appraiser Fund. In addition, the board may collect and transmit to the appropriate federal authority any fees established under the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as the act existed on January 1, 2006;

(6) Establish appropriate administrative procedures for disciplinary proceedings conducted pursuant to the Real Property Appraiser Act;

(7) Issue subpoenas to compel the attendance of witnesses and the production of books, documents, records, and other papers, administer oaths, and take testimony and require submission of and receive evidence concerning all matters within its jurisdiction. In case of disobedience of a subpoena, the board may make application to the district court of Lancaster County to require the attendance and testimony of witnesses and the production of documentary evidence. If any person fails to obey an order of the court, he or she may be punished by the court as for contempt thereof;

(8) Deny, censure, suspend, or revoke an application or credential if it finds that the applicant or credential holder has committed any of the acts or omissions set forth in section 76-2238 or otherwise violated the act. Any disciplinary matter may be resolved through informal disposition pursuant to section 84-913;

(9) Take appropriate disciplinary action against a credential holder if the board determines that a credential holder has violated any provision of the act or the ~~National~~ Uniform Standards of Professional Appraisal Practice;

(10) Enter into consent decrees and issue cease and desist orders upon a determination that a violation of the act has occurred;

(11) Promote research and conduct studies relating to the profession of real property appraisal, sponsor real property appraisal educational activities, and incur, collect fees for, and pay the necessary expenses in connection with activities which shall be open to all credential holders;

(12) Establish and annually adopt minimum standards for appraisals as required under section 76-2237;

(13) Adopt and promulgate rules and regulations to carry out the act. The rules and regulations may include provisions establishing minimum standards for schools, courses, and instructors. The rules and regulations shall be adopted pursuant to the Administrative Procedure Act; and

(14) Do all other things necessary to carry out the Real Property Appraiser Act.

Sec. 9. Section 76-2226, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2226 There is hereby created the Real Property Appraiser Fund. The board may use the fund for the administration and enforcement of the Real Property Appraiser Act and to meet the necessary expenditures of the board. The fund shall include a sufficient cash fund balance as determined by the board. The expense of administering and enforcing the act shall not exceed the money collected by the board under the act. ~~Any money remaining in the Real Estate Appraiser Fund on July 14, 2006, shall be transferred to the Real Property Appraiser Fund on such date.~~ Any money in the fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

Sec. 10. Section 76-2227, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2227 (1) Applications for credentials, including authorization to take the appropriate examination, and for renewal of credentials shall be made in writing to the board on forms approved by the board. The payment of the appropriate fee fixed by the board pursuant to section 76-2241 shall accompany all applications.

(2) At the time of filing an initial or renewal application for credentials, the applicant shall sign a pledge that he or she has read and will comply with the ~~National~~ Uniform Standards of Professional Appraisal Practice. Each applicant shall also certify that he or she understands the types of misconduct for which disciplinary proceedings may be initiated.

(3) Credentials shall be issued only 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.

(4) No credential shall be issued to a corporation, partnership, limited liability company, firm, or group.

Sec. 11. Section 76-2228, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2228 (1) Prior to January 1, 2008, there shall be four classes of credentials issued to real property appraisers as follows:

(a) Registered real property appraiser, which classification shall consist of those persons who meet the requirements ~~for registration~~ set forth in section 76-2229.01;

(b) Licensed real property appraiser, which classification shall consist of those persons who meet the requirements ~~for licensure~~ set forth in section 76-2230;

(c) Certified residential real property appraiser, which classification shall consist of those persons who meet the requirements ~~for residential certification~~ set forth in section 76-2231.01; and

(d) Certified general real property appraiser, which classification shall consist of those persons who meet the requirements ~~for general certification~~ set forth in section 76-2232.

(2) On and after January 1, 2008, there shall be five classes of credentials issued to real property appraisers as follows:

(a) Trainee real property appraiser, which classification shall consist of those persons who meet the requirements ~~for credentialing~~ set forth in section 76-2228.01;

(b) Registered real property appraiser, which classification shall consist of those persons who meet the requirements ~~for registration~~ set forth in section 76-2229.01;

(c) Licensed ~~residential~~ real property appraiser, which classification shall consist of those persons who meet the requirements ~~for licensure~~ set forth in section 76-2230;

(d) Certified residential real property appraiser, which classification shall consist of those persons who meet the requirements ~~for residential certification~~ set forth in section 76-2231.01; and

(e) Certified general real property appraiser, which classification shall consist of those persons who meet the requirements ~~for general certification~~ set forth in section 76-2232.

Sec. 12. Section 76-2228.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2228.01 (1) On and after January 1, 2008, to qualify for a credential as a trainee real property appraiser, an applicant shall:

(a) Be at least nineteen years of age;

(b) Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;

(c) Have successfully completed no fewer than seventy-five class hours in board-approved courses of study which relate to appraisal and which include completion of the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The fifteen-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Each course shall include an examination pertinent to the material presented. The applicant shall have completed the class hours within the five-year period immediately preceding submission of the application and shall have completed the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course within the two-year period immediately preceding submission of the application;

(d) Be subject to direct supervision by a supervising appraiser or appraisers who are certified residential real property appraisers or certified general real property appraisers in good standing. The supervising appraiser shall be responsible for the training and direct supervision of the trainee by accepting responsibility for the appraisal report by signing and certifying the report is in compliance with the ~~National~~ Uniform Standards of Professional Appraisal Practice, reviewing the trainee appraisal reports, and personally inspecting each appraised property with the trainee until the supervising appraiser determines the trainee is competent in accordance with the competency rule of the ~~National~~ Uniform Standards of Professional Appraisal Practice. The trainee shall maintain an appraisal log for each

supervising appraiser in accordance with standards set by rule and regulation of the board; and

(e) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(2) If a trainee real property appraiser remains in the classification in excess of two years, the trainee shall be required in the third and successive years to successfully complete no fewer than fourteen hours of instruction in courses or seminars for each year of the period preceding the renewal and shall have completed the seven-hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent, at a minimum of every two years. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board. Credit may be granted for educational offerings and for participation other than as a student as approved by the board.

(3) The application for a credential as a trainee real property appraiser shall include the applicant's social security number and such other information as the board may require.

Sec. 13. Section 76-2229, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2229 (1) No person other than a registered real property appraiser shall assume or use the title registered real property appraiser or any title, designation, or abbreviation likely to create the impression of ~~registration~~ credentialing as a registered real property appraiser by this state. No person other than a licensed real property appraiser shall assume or use the title licensed real property appraiser or any title, designation, or abbreviation likely to create the impression of ~~licensure~~ credentialing as a licensed real property appraiser by this state. No person other than a certified residential real property appraiser shall assume or use the title certified residential real property appraiser or any title, designation, or abbreviation likely to create the impression of ~~residential certification~~ credentialing as a certified residential real property appraiser by this state. No person other than a certified general real property appraiser shall assume or use the title certified general real property appraiser or any title, designation, or abbreviation likely to create the impression of ~~general certification~~ credentialing as a certified general real property appraiser by this state. A real property appraiser shall state whether he or she is a registered real property appraiser, licensed real property appraiser, certified residential real property appraiser, or certified general real property appraiser whenever he or she identifies himself or herself as a real property appraiser, including on all reports which are signed individually or as cosigner.

(2) The terms registered real property appraiser, licensed real property appraiser, ~~licensed residential real property appraiser~~, certified residential real property appraiser, and certified general real property appraiser may only be used to refer to a person who is credentialed as such under the Real Property Appraiser Act and may not be used following or immediately in connection with the name or signature of a corporation, partnership, limited liability company, firm, or group or in such manner that it might be interpreted as referring to a corporation, partnership, limited liability company, firm, or group or to anyone other than the credential holder. This requirement shall not be construed to prevent a credential holder from signing an appraisal report on behalf of a corporation, partnership, limited liability company, firm, or group if it is clear that only the individual holds the credential and that the corporation, partnership, limited liability company, firm, or group does not.

Sec. 14. Section 76-2229.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2229.01 (1) ~~For registration~~ To qualify for a credential as a registered real property appraiser, an applicant shall:

- (a) Be at least nineteen years of age;
- (b) Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;
- (c) Have successfully completed no fewer than ninety class hours in board-approved courses of study which relate to appraisal and which include a ~~fifteen-hour~~ course in the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen

class hours in length. Each course of study shall include an examination pertinent to the material presented;

(d) Pass an examination administered by the board which demonstrates that the applicant has:

(i) Knowledge of technical terms commonly used in or related to appraisal and the writing of appraisal reports;

(ii) Knowledge of depreciation theories, cost estimating, methods of capitalization, market data analysis, appraisal mathematics, and economic concepts applicable to real estate;

(iii) An understanding of the basic principles of land economics, appraisal processes, and problems encountered in the gathering, interpreting, and processing of data involved in the valuation of real property;

(iv) Knowledge of the appraisal of various types of and interests in real property for various functions and purposes;

(v) An understanding of basic real estate law;

(vi) An understanding of the types of misconduct for which disciplinary proceedings may be initiated;

(vii) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;

(viii) An understanding of the recognized methods and techniques necessary for the development and communication of a credible appraisal; and

(ix) Knowledge of such other principles and procedures as may be appropriate to produce a credible appraisal; and

(e) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(2) The application for registration shall include the applicant's social security number and such other information as the board may require.

(3) On and after January 1, 2008, the scope of practice of a registered real property appraiser shall be limited to the appraisal of noncomplex property having one, two, three, or four residential units having a transaction value of less than two hundred fifty thousand dollars.

~~(3)~~ (4) On and after January 1, 2008, an applicant shall receive no more than three successive annual renewals for ~~registration~~ credentialing as a registered real property appraiser. Notwithstanding any other provision of section 76-2228 to the contrary, the board shall not approve any initial application for ~~registration~~ credentialing as a registered real property appraiser on and after January 1, 2012.

Sec. 15. Section 76-2230, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2230 (1) Prior to January 1, 2008, to qualify for a license credential as a licensed real property appraiser, an applicant shall:

(a) Be at least nineteen years of age;

(b) Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;

(c) Have successfully completed no fewer than ninety class hours, which may include the class hours set forth in section 76-2229.01, in board-approved courses of study which relate to appraisal and which include a ~~fifteen-hour course in the~~ fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Each course shall include an examination pertinent to the material presented;

(d) Have no fewer than two years of experience in any combination of the following: Fee and staff appraisal; ad valorem tax appraisal; review appraisal; appraisal analysis; highest-and-best-use analysis; or feasibility analysis or study. The required experience shall not be limited to the listed items but shall be acceptable to the board and subject to review and determination as to conformity with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The experience shall include a total of at least two thousand hours and shall have occurred over at least a twenty-four-month period. If requested, evidence acceptable to the board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda;

(e) Pass an examination administered by the board which demonstrates that the applicant has:

(i) Knowledge of technical terms commonly used in or related to appraisal and the writing of appraisal reports;

(ii) Knowledge of depreciation theories, cost estimating, methods of capitalization, market data analysis, appraisal mathematics, and economic

concepts applicable to real estate;

(iii) An understanding of the principles of land economics, appraisal processes, and problems encountered in the gathering, interpreting, and processing of data involved in the valuation of real property;

(iv) Knowledge of the appraisal of various types of and interests in real property for various functions and purposes;

(v) An understanding of basic real estate law;

(vi) An understanding of the types of misconduct for which disciplinary proceedings may be initiated;

(vii) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;

(viii) An understanding of the recognized methods and techniques necessary for the development and communication of a credible appraisal; and

(ix) Knowledge of such other principles and procedures as may be appropriate to produce a credible appraisal; and

(f) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(2) On and after January 1, 2008, to qualify for a credential as a licensed ~~residential~~ real property appraiser, an applicant shall:

(a) Be at least nineteen years of age;

(b) Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;

(c) Have successfully completed no fewer than one hundred fifty class hours, which may include the class hours set forth in section 76-2229.01, in board-approved courses of study which relate to appraisal and which include completion of the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The fifteen-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Each course shall include a closed-book examination pertinent to the material presented;

(d) Have no fewer than two thousand hours of experience in any combination of the following: Fee and staff appraisal; ad valorem tax appraisal; condemnation appraisal; technical review appraisal; appraisal analysis; real estate consulting; highest-and-best-use analysis; and feasibility analysis or study. The required experience shall not be limited to the listed items but shall be acceptable to the board and subject to review and determination as to conformity with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The experience shall have occurred during a period of no fewer than twelve months. If requested, evidence acceptable to the board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda;

(e) Within the twenty-four months following approval of the applicant by the board, pass a closed-book examination administered by the board which demonstrates that the applicant has:

(i) Knowledge of technical terms commonly used in or related to appraisal and the writing of appraisal reports;

(ii) Knowledge of depreciation theories, cost estimating, methods of capitalization, market data analysis, appraisal mathematics, and economic concepts applicable to real estate;

(iii) An understanding of the principles of land economics, appraisal processes, and problems encountered in the gathering, interpreting, and processing of data involved in the valuation of real property;

(iv) Knowledge of the appraisal of various types of and interests in real property for various functions and purposes;

(v) An understanding of basic real estate law;

(vi) An understanding of the types of misconduct for which disciplinary proceedings may be initiated;

(vii) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;

(viii) An understanding of the recognized methods and techniques necessary for the development and communication of a credible appraisal; and

(ix) Knowledge of such other principles and procedures as may be appropriate to produce a credible appraisal; and

(f) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(3) On and after January 1, 2008, the scope of practice for a licensed ~~residential~~ real property appraiser shall be limited to the appraisal of noncomplex property having one, two, three, or four residential units with a transaction value of less than one million dollars and complex property having one, two, three, or four residential units with a transaction value of less than two hundred fifty thousand dollars.

(4) If an applicant is applying for renewal of a credential as a licensed ~~residential~~ real property appraiser on and after January 1, 2008, the applicant shall have successfully completed no fewer than fourteen hours of instruction in courses or seminars for each year of the two-year continuing education period during which the application is submitted and shall have completed the seven-hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent as approved by the Appraiser Qualifications Board, at a minimum of every two years. The seven-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. Credit toward a classroom hour requirement may be granted only when the length of the educational offering is at least two hours. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board. Credit may be granted for educational offerings and for participation other than as a student as approved by the board.

(5) If, prior to January 1, 2008, an applicant for a credential as a licensed ~~residential~~ real property appraiser has satisfied the requirements for education, experience, or examination, as the requirements for each component are described in subdivisions (1)(c), (d), and (e) of this section, respectively, the board shall deem the applicant to have met the requirements for that component for purposes of credentialing. If the applicant has not met the requirements for a component prior to January 1, 2008, the applicant shall be required to meet the applicable requirements for that component as described in subdivision (2)(c), (d), or (e) of this section.

(6) The application for the license credential as a licensed real property appraiser shall include the applicant's social security number and such other information as the board may require.

Sec. 16. Section 76-2231.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2231.01 (1) Prior to January 1, 2008, to qualify for a ~~residential certificate~~ credential as a certified residential real property appraiser, an applicant shall:

(a) Be at least nineteen years of age;

(b) Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;

(c) Have successfully completed no fewer than one hundred twenty class hours, which may include the class hours set forth in sections 76-2229.01 and 76-2230, in board-approved courses of study which relate to appraisal and which include a ~~fifteen-hour course in the~~ fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Each course shall include an examination pertinent to the material presented;

(d) Have no fewer than two years of experience in any combination of the following: Fee and staff appraisal; ad valorem tax appraisal; review appraisal; appraisal analysis; highest-and-best-use analysis; or feasibility analysis or study. The required experience shall not be limited to the listed items but shall be acceptable to the board and subject to review and determination as to conformity with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The experience shall include a total of at least two thousand five hundred hours and shall have occurred over no less than a twenty-four-month period. If requested, evidence acceptable to the board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda. Of the two thousand five hundred hours, one thousand five hundred hours shall be in residential appraisal work. For purposes of determining residential appraisal work, residential appraisal work shall be the appraisal of property having one to four residential units;

(e) Pass an examination administered by the board which demonstrates that the applicant has:

(i) Knowledge of technical terms commonly used in or related to

appraisals and the writing of appraisal reports;

(ii) An understanding of the basic principles of land economics, appraisal processes, and problems encountered in gathering, interpreting, and processing of data involved in the valuation of real property;

(iii) An understanding of the recognized methods and techniques necessary for the development and communication of credible appraisals as provided in the Real Property Appraiser Act;

(iv) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;

(v) Knowledge of depreciation theories, cost estimating, methods of capitalization, appraisal mathematics, and economic concepts applicable to real estate;

(vi) Knowledge of such other principles and procedures as may be appropriate for certification;

(vii) An understanding of real estate law; and

(viii) An understanding of the types of misconduct for which disciplinary proceedings may be initiated; and

(f) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(2) On and after January 1, 2008, to qualify for a ~~residential certificate~~ credential as a certified residential real property appraiser, an applicant shall:

(a) Be at least nineteen years of age;

(b)(i) Hold an associate degree, or higher, from an accredited university, college, community college, or junior college; or

(ii) Have successfully completed, as verified by the board, twenty-one semester hours of coursework or its equivalent from an accredited university, college, community college, or junior college that shall have included English composition; principles of macroeconomics or microeconomics; finance; algebra, geometry, or higher mathematics; statistics; introduction to computers, including word processing and spread sheets; and business or real estate law;

(c) Have successfully completed no fewer than two hundred class hours, which may include the class hours set forth in sections 76-2229.01 and 76-2230, in board-approved courses of study which relate to appraisal and which include completion of the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The fifteen-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Credit toward the class hour requirement may be awarded to teachers of appraisal courses. Each course shall include a closed-book examination pertinent to the material presented;

(d) Have no fewer than two thousand five hundred hours of experience in any combination of the following: Fee and staff appraisal; ad valorem tax appraisal; condemnation appraisal; technical review appraisal; appraisal analysis; real estate consulting; highest-and-best-use analysis; and feasibility analysis or study. The required experience shall not be limited to the listed items but shall be acceptable to the board and subject to review and determination as to conformity with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The experience shall have occurred during a period of no fewer than twenty-four months. If requested, evidence acceptable to the board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda;

(e) Within the twenty-four months following approval of the applicant by the board, pass a closed-book examination administered by the board which demonstrates that the applicant has:

(i) Knowledge of technical terms commonly used in or related to appraisal and the writing of appraisal reports;

(ii) Knowledge of depreciation theories, cost estimating, methods of capitalization, market data analysis, appraisal mathematics, and economic concepts applicable to real estate;

(iii) An understanding of the principles of land economics, appraisal processes, and problems encountered in the gathering, interpreting, and processing of data involved in the valuation of real property;

(iv) Knowledge of the appraisal of various types of and interests in real property for various functions and purposes;



- (v) An understanding of basic real estate law;
  - (vi) An understanding of the types of misconduct for which disciplinary proceedings may be initiated;
  - (vii) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;
  - (viii) An understanding of the recognized methods and techniques necessary for the development and communication of a credible appraisal; and
  - (ix) Knowledge of such other principles and procedures as may be appropriate to produce a credible appraisal; and
- (f) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(3) On and after January 1, 2008, the scope of practice of a certified residential real property appraiser shall be limited to the appraisal of property having one, two, three, or four residential units without regard to transaction value or complexity.

(4) If an applicant is applying for renewal of a ~~residential certificate credential~~ credential as a certified residential real property appraiser on and after January 1, 2008, the applicant shall have successfully completed no fewer than fourteen hours of instruction in courses or seminars for each year of the two-year continuing education period during which the application is submitted and shall have completed the seven-hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent as approved by the Appraiser Qualifications Board, at a minimum of every two years. The seven-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. Credit toward a classroom hour requirement may be granted only if the length of the educational offering is at least two hours. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board. Credit may be granted for educational offerings and for participation other than as a student as approved by the board.

(5) If, prior to January 1, 2008, an applicant for a ~~residential certificate credential~~ credential as a certified residential real property appraiser has satisfied the requirements for education, experience, or examination, as the requirements for each component are described in subdivisions (1)(c), (d), and (e) of this section, respectively, the board shall deem the applicant to have met the requirements for that component for purposes of credentialing. If the applicant has not met the requirements for a component prior to January 1, 2008, the applicant shall be required to meet the applicable requirements for that component as described in subdivision (2)(c), (d), or (e) of this section.

(6) The application for a ~~residential certificate credential~~ credential as a certified residential real property appraiser shall include the applicant's social security number and such other information as the board may require.

Sec. 17. Section 76-2232, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2232 (1) Prior to January 1, 2008, to qualify for a ~~general certificate credential~~ credential as a certified general real property appraiser, an applicant shall:

- (a) Be at least nineteen years of age;
- (b) Hold a high school diploma or a certificate of high school equivalency or have education acceptable to the board;
- (c) Have successfully completed no fewer than one hundred eighty class hours, which may include the class hours set forth in sections 76-2229.01, 76-2230, and 76-2231.01, in board-approved courses of study which relate to appraisal and which include a the fifteen-hour course in the National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Each course shall include an examination pertinent to the material presented;
- (d) Have two and one-half years of experience in any combination of the following: Fee and staff appraisal; ad valorem tax appraisal; review appraisal; appraisal analysis; highest-and-best-use analysis; or feasibility analysis or study. The required experience shall not be limited to the listed items but shall be acceptable to the board and conform with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The experience shall

include a total of at least three thousand hours and shall have occurred over at least a thirty-month period. If requested, evidence acceptable to the board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda. Of the three thousand hours, one thousand five hundred hours shall be in nonresidential appraisal work. For purposes of determining nonresidential appraisal work, residential appraisal work shall be the appraisal of property having one to four residential units;

(e) Pass an examination administered by the board which demonstrates that the applicant has:

(i) Knowledge of technical terms commonly used in or related to appraisals and the writing of appraisal reports;

(ii) An understanding of the principles of land economics, appraisal processes, and problems encountered in gathering, interpreting, and processing of data involved in the valuation of real property;

(iii) An understanding of the recognized methods and techniques necessary for the development and communication of credible appraisals as provided in the Real Property Appraiser Act;

(iv) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;

(v) Knowledge of depreciation theories, cost estimating, methods of capitalization, appraisal mathematics, and economic concepts applicable to real estate;

(vi) Knowledge of such other principles and procedures as may be appropriate for general certification;

(vii) An understanding of real estate law; and

(viii) An understanding of the types of misconduct for which disciplinary proceedings may be initiated; and

(f) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(2) On and after January 1, 2008, to qualify for a ~~general certificate~~ credential as a certified general real property appraiser, an applicant shall:

(a) Be at least nineteen years of age;

(b)(i) Hold a bachelor's degree, or higher, from an accredited university or college; or

(ii) Have successfully completed, as verified by the board, thirty semester hours of coursework or its equivalent from an accredited university or college that shall have included English composition; macroeconomics; microeconomics; finance; algebra, geometry, or higher mathematics; statistics; introduction to computers, including word processing and spread sheets; business or real estate law; and two elective courses in accounting, geography, agricultural economics, business management, or real estate;

(c) Have successfully completed no fewer than three hundred class hours, which may include the class hours set forth in sections 76-2229.01, 76-2230, and 76-2231.01, in board-approved courses of study which relate to appraisal and which include completion of the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course, or its equivalent as approved by the Appraiser Qualifications Board. The fifteen-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board and shall be, at a minimum, fifteen class hours in length. Credit toward the class hour requirement may be awarded to teachers of appraisal courses. Each course shall include a closed-book examination pertinent to the material presented;

(d) Have no fewer than three thousand hours of experience in any combination of the following: Fee and staff appraisal; ad valorem tax appraisal; condemnation appraisal; technical review appraisal; appraisal analysis; real estate consulting; highest-and-best-use analysis; and feasibility analysis or study. The required experience shall not be limited to the listed items but shall be acceptable to the board and subject to review and determination as to conformity with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The experience shall have occurred during a period of no fewer than thirty months. If requested, evidence acceptable to the board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda;

(e) Within the twenty-four months following approval of the applicant by the board, pass a closed-book examination administered by the board which demonstrates that the applicant has:

- (i) Knowledge of technical terms commonly used in or related to appraisal and the writing of appraisal reports;
  - (ii) Knowledge of depreciation theories, cost estimating, methods of capitalization, market data analysis, appraisal mathematics, and economic concepts applicable to real estate;
  - (iii) An understanding of the principles of land economics, appraisal processes, and problems encountered in the gathering, interpreting, and processing of data involved in the valuation of real property;
  - (iv) Knowledge of the appraisal of various types of and interests in real property for various functions and purposes;
  - (v) An understanding of basic real estate law;
  - (vi) An understanding of the types of misconduct for which disciplinary proceedings may be initiated;
  - (vii) An understanding of the ~~National~~ Uniform Standards of Professional Appraisal Practice;
  - (viii) An understanding of the recognized methods and techniques necessary for the development and communication of a credible appraisal; and
  - (ix) Knowledge of such other principles and procedures as may be appropriate to produce a credible appraisal; and
- (f) Not have been convicted of any felony or, if so convicted, have had his or her civil rights restored.

(3) If an applicant is applying for renewal of a general certificate credential as a certified general real property appraiser on and after January 1, 2008, the applicant shall have successfully completed no fewer than fourteen hours of instruction in courses or seminars for each year of the two-year continuing education period during which the application is submitted and shall have completed the seven-hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent as approved by the Appraiser Qualifications Board, at a minimum of every two years. The seven-hour course shall be taught by a ~~National~~ Uniform Standards of Professional Appraisal Practice Instructor who is certified by the Appraiser Qualifications Board and who is a state-certified appraiser in good standing. Credit toward a classroom hour requirement may be granted only if the length of the educational offering is at least two hours. The courses of study shall be conducted by an accredited university, college, community college, or junior college, an appraisal society, institute, or association, a state or federal agency or commission, a proprietary school, or such other educational provider as may be approved by the board. Credit may be granted for educational offerings and for participation other than as a student as approved by the board.

(4) If, prior to January 1, 2008, an applicant for a general certificate credential as a certified general real property appraiser has satisfied the requirements for education, experience, or examination, as the requirements for each component are described in subdivisions (1)(c), (d), and (e) of this section, respectively, the board shall deem the applicant to have met the requirements for that component for purposes of credentialing. If the applicant has not met the requirements for a component prior to January 1, 2008, the applicant shall be required to meet the applicable requirements for that component as described in subdivision (2)(c), (d), or (e) of this section.

(5) The application for a general certificate credential as a certified general real property appraiser shall include the applicant's social security number and such other information as the board may require.

Sec. 18. Section 76-2233, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2233 (1) A nonresident of this state may obtain a credential as a licensed real property appraiser, ~~or a licensed residential real property appraiser or obtain a certificate as a certified residential real property appraiser,~~ or as a certified general real property appraiser by (a) complying with all of the provisions of the Real Property Appraiser Act relating to the appropriate classification of credentialing, (b) submitting an application on a form approved by the board, and (c) submitting an irrevocable consent that service of process upon him or her may be made by delivery of the process to the director of the board if the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant in an action against the applicant in a court of this state arising out of the applicant's activities in this state.

(2) If, in the determination of the board, another state or territory or the District of Columbia has substantially equivalent requirements to the requirements of this state, an applicant who is a resident of that state, territory, or district and is currently credentialed to appraise real estate and real property under the laws of that state,

territory, or district may through reciprocity become credentialed under the act. To qualify for reciprocal credentialing, the applicant shall:

(a) Submit evidence that he or she is currently a resident of the state, territory, or District of Columbia in which he or she is credentialed to appraise real estate and real property and that such credential is in good standing, along with his or her social security number and such other information as the board may require;

(b) Certify that disciplinary proceedings are not pending against him or her or state the nature of any pending disciplinary proceedings;

(c) Submit an irrevocable consent that service of process upon him or her may be made by delivery of the process to the director of the board if the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant in an action against the applicant in a court of this state arising out of the applicant's activities as a real property appraiser in this state;

(d) Pay fees as established in section 76-2241; and

(e) Comply with such other terms and conditions as may be determined by the board.

The board may waive the residence requirement of this subsection under special residency circumstances.

Sec. 19. Section 76-2233.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2233.01 A nonresident may obtain a temporary credential as a licensed real property appraiser, ~~or as a licensed residential real property appraiser or obtain a temporary certificate as a certified residential real property appraiser,~~ or as a certified general real property appraiser to perform a contract relating to the appraisal of real estate or real property in this state. To qualify for the issuance of a temporary ~~license or certificate,~~ credential, an applicant shall:

(1) Submit an application on a form approved by the board;

(2) Submit an irrevocable consent that service of process upon him or her may be made by delivery of the process to the director of the board if the plaintiff cannot, in the exercise of due diligence, effect personal service upon the applicant in an action against the applicant in a court of this state arising out of the applicant's activities in this state;

(3) Submit evidence that he or she is credentialed as a licensed or certified appraiser of real estate and real property and is currently in good standing in the jurisdiction of residency, along with his or her social security number and such other information as the board may require;

(4) Certify that disciplinary proceedings are not pending against the applicant in the applicant's state of domicile or in any other jurisdiction or state the nature of any pending disciplinary proceedings; and

(5) Pay an application fee in an amount established by the board.

A temporary ~~license or certificate~~ credential issued under this section shall be expressly limited to a grant of authority to perform the appraisal work required by the contract for appraisal services in this state. Each temporary ~~license or certificate~~ credential shall expire upon the completion of the appraisal work required by the contract for appraisal services or upon the expiration of a period of six months from the date of issuance, whichever occurs first. A temporary ~~license or certificate~~ credential may be renewed for one additional six-month period.

Sec. 20. Section 76-2236, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2236 Every credential holder shall furnish evidence to the board that he or she has satisfactorily completed no fewer than twenty-eight hours of approved continuing education activities in each two-year continuing education period. Hours of satisfactorily completed approved continuing education activities cannot be carried over from one two-year continuing education period to another. The board may extend or waive the continuing education requirements by rule or regulation. As prescribed by rule or regulation of the board and at least once every two years, ~~an update seminar of no less than seven hours, covering the seven-hour National Uniform Standards of Professional Appraisal Practice Update Course, or its equivalent as approved by the Appraiser Qualifications Board,~~ shall be included in the continuing education requirement of each credential holder. The board shall approve continuing education activities which it determines would protect the public by improving the competency of credential holders. Evidence of completion of such continuing education activities for the two-year continuing education period may be submitted to the board as each activity is completed. A person who holds a temporary credential shall not have to meet any continuing education requirements in this state.

Sec. 21. Section 76-2237, Revised Statutes Cumulative Supplement,

2006, is amended to read:

76-2237 Each credential holder shall comply with the ~~National~~ Uniform Standards of Professional Appraisal Practice. The board shall adopt and promulgate rules and regulations which conform to the ~~National~~ Uniform Standards of Professional Appraisal Practice. The board shall review such rules and regulations annually. A copy of each such rule or regulation shall be mailed to the business address of each credential holder.

Sec. 22. Section 76-2241, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2241 The board shall charge and collect appropriate fees for its services under the Real Property Appraiser Act as follows:

- (1) An application fee of one hundred fifty dollars;
- (2) An examination fee of no more than three hundred dollars. The board may direct applicants to pay the fee directly to a third party who has contracted to administer the examination;
- (3) An initial and renewal credentialing fee, other than temporary credentialing, of no more than three hundred dollars;
- (4) A late renewal fee of twenty-five dollars for each month or portion of a month the fee is late; and
- (5) A temporary ~~license~~ credential fee for a licensed real property appraiser ~~or a licensed residential real property appraiser~~ of no more than one hundred fifty dollars and a temporary ~~certificate~~ credential fee for a certified residential real property appraiser or a certified general real property appraiser of no more than two hundred dollars.

All fees for credentialing through reciprocity shall be the same as those paid by others pursuant to this section.

In addition to the fees set forth in this section, the board may collect and transmit to the appropriate federal authority any fees established under the provisions of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as the act existed on January 1, 2006. The board may establish such fees as it deems appropriate for special examinations and other services provided by the board. All fees and other revenue collected pursuant to the Real Property Appraiser Act shall be remitted by the board to the State Treasurer for credit to the Real Property Appraiser Fund.

Sec. 23. Section 76-2242, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2242 (1) The board shall provide to each credential holder proof that such person has been credentialed under the Real Property Appraiser Act for the classification requirements set forth in the act. The board shall also issue a pocket card in such size and form as it may approve.

(2) Each credential issued under the act shall designate the principal place of business of the credential holder.

(3) ~~Registrations, licenses, residential or general certificates,~~ the proof Proof of credentialing, and pocket cards issued by the board shall remain the property of the state, and upon surrender, cancellation, suspension, or revocation, any person holding the documents shall immediately return such documents to the board.

Sec. 24. Section 76-2247.01, Revised Statutes Cumulative Supplement, 2006, is amended to read:

76-2247.01 A person may retain or employ a real property appraiser credentialed under the Real Property Appraiser Act to provide appraisal services, including, but not limited to, valuation assignments and consulting services. In each case, the appraisal and the appraisal report shall comply with the Real Property Appraiser Act and the ~~National~~ Uniform Standards of Professional Appraisal Practice.

In a valuation assignment, the real property appraiser shall remain an impartial, disinterested third party. When providing a consulting service, the real property appraiser may complete the evaluation assignment in a manner that responds to a client's stated objective but shall also remain an impartial, disinterested third party. Compensation of a real property appraiser for either a valuation assignment or consulting service shall not be contingent upon the real property appraiser reporting a predetermined analysis, opinion, or conclusion reached or upon the results achieved.

Sec. 25. Section 77-5004, Revised Statutes Cumulative Supplement, 2006, is amended to read:

77-5004 (1) Each commissioner shall be a qualified voter and resident of the state and, for each commissioner representing a congressional district, a domiciliary of the district he or she represents.

(2) Each commissioner shall devote his or her full time and efforts to the discharge of his or her duties and shall not hold any other office under the laws of this state, any city or county in this state, or the United States Government while serving on the commission. Each commissioner shall

possess:

(a) Appropriate knowledge of terms commonly used in or related to real property appraisal and of the writing of appraisal reports;

(b) Adequate knowledge of depreciation theories, cost estimating, methods of capitalization, and real property appraisal mathematics;

(c) An understanding of the principles of land economics, appraisal processes, and problems encountered in the gathering, interpreting, and evaluating of data involved in the valuation of real property, including complex industrial properties and mass appraisal techniques;

(d) Knowledge of the law relating to taxation, civil and administrative procedure, due process, and evidence in Nebraska;

(e) At least thirty hours of successfully completed class hours in courses of study, approved by the Real Property Appraiser Board, which relate to appraisal and which include the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course. If a commissioner has not received such training prior to his or her appointment, such training shall be completed within one year after appointment; and

(f) Such other qualifications and skills as reasonably may be requisite for the effective and reliable performance of the commission's duties.

(3) One commissioner shall possess any certification or training required to become a licensed real property appraiser ~~or a licensed residential real property appraiser~~ as set forth in section 76-2230.

(4) Prior to January 1, 2002, the chairperson, and on and after January 1, 2002, at least two commissioners, shall have been engaged in the practice of law in the State of Nebraska for at least five years, which may include prior service as a judge, and shall be currently admitted to practice before the Nebraska Supreme Court.

(5) No commissioner or employee of the commission shall hold any position of profit or engage in any occupation or business interfering with or inconsistent with his or her duties as a commissioner or employee. A person is not eligible for appointment and may not hold the office of commissioner or be appointed by the commission to or hold any office or position under the commission if he or she holds any official office or position.

(6)(a) Each commissioner who meets the requirements of subsection (4) of this section on or after January 1, 2002, shall annually attend a seminar or class of at least two days' duration that is:

(i) Sponsored by a recognized assessment or appraisal organization, in each of these areas: Utility and railroad appraisal; appraisal of complex industrial properties; appraisal of other hard to assess properties; and mass appraisal, residential or agricultural appraisal, or assessment administration; or

(ii) Pertaining to management, law, civil or administrative procedure, or other knowledge or skill necessary for performing the duties of the office.

(b) Each commissioner who does not meet the requirements of subsection (4) of this section on or after January 1, 2002, shall within two years after his or her appointment attend at least thirty hours of instruction that constitutes training for judges or administrative law judges.

(7) The commissioners shall be considered employees of the state for purposes of sections 81-1301 to 81-1391 and 84-1601 to 84-1615.

(8) The commissioners shall be reimbursed as prescribed in sections 81-1174 to 81-1177 for their actual and necessary expenses in the performance of their official duties pursuant to the Tax Equalization and Review Commission Act.

Sec. 26. Original sections 76-2210, 76-2210.01, 76-2210.02, 76-2213, 76-2213.01, 76-2217.01, 76-2219, 76-2223, 76-2226, 76-2227, 76-2228, 76-2228.01, 76-2229, 76-2229.01, 76-2230, 76-2231.01, 76-2232, 76-2233, 76-2233.01, 76-2236, 76-2237, 76-2241, 76-2242, 76-2247.01, and 77-5004, Revised Statutes Cumulative Supplement, 2006, are repealed.