

FISCAL NOTE
LEGISLATIVE FISCAL ANALYST ESTIMATE

| ESTIMATE OF FISCAL IMPACT – STATE AGENCIES (See narrative for political subdivision estimates) | | | | |
|---|---------------------|------------------|---------------------|------------------|
| | FY 2024-25 | | FY 2025-26 | |
| | EXPENDITURES | REVENUE | EXPENDITURES | REVENUE |
| GENERAL FUNDS | | | | |
| CASH FUNDS | (\$453) | (\$3,380) | (\$453) | (\$2,505) |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | (\$453) | (\$3,380) | (\$453) | (\$2,505) |

Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.

LB 992 changes provisions related to the Real Property Appraisers Board by removing the requirement of a high school diploma for applicants for licenses; removing the requirement of a criminal history check for renewal; ending random criminal history checks by the board; extending the time allowed for those approved for testing from 12 months to 24 months; changing the fee maximums for applications; and changing the class hour requirements after 12/31/2025.

Fee maximums are changed as follows:

- Credential application fee from \$150 to \$200
- Initial and renewal credentialing fee from \$300 to \$350
- Temporary credential application fees for a licensed residential real property appraiser, certified residential real property appraiser and certified general real property appraiser from \$100 to \$150
- Temporary credentialing fees for a licensed residential real property appraiser, certified residential real property appraiser and certified general real property appraiser from \$50 to \$100

It makes the following changes to the class-hour requirement qualifications after 12/31/2025:

- To qualify for a “trainee” credential the requirement is increased from 75 hours to 83.
- For trainees to qualify for a “certified general” credential the requirement is reduced from 125 hours to 117.
- For trainees to qualify for a “certified residential” credential the requirement is reduced from 225 hours to 217.
- For non-trainees to qualify for a “certified general” credential the requirement is increased from 150 hours to 158.
- For certified general real property appraisers to qualify for a certified residential credential the additional class hour requirement is decreased from 50 to 42.
- It adds a valuation bias and fair housing law course to the continuing education requirements for renewal.

The board currently charges a fee on all renewal applications to pay for the random criminal history checks. They estimate \$3380 of lost revenue by removing this fee as a result of this bill. The board currently completes 10 random background checks annually for a total cost of \$453, and the board estimates a reduction in expenditures of this amount.

The board estimates \$875 in revenue in FY 26 in application fees from institutions wanting to be credentialed to teach the new curriculum. The board will be required to review these applications which will take some staff time. However, it will not require additional appropriation.

Please complete ALL (5) blanks in the first three lines.

2024

LB⁽¹⁾ 992

FISCAL NOTE

State Agency OR Political Subdivision Name: ⁽²⁾ Nebraska Real Property Appraiser Board

Prepared by: ⁽³⁾ Tyler Kohtz Date Prepared: ⁽⁴⁾ January 19, 2024 Phone: ⁽⁵⁾ 402-471-9025

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

| | FY 2024-25 | | FY 2025-26 | |
|---------------|---------------------|--------------------|---------------------|--------------------|
| | <u>EXPENDITURES</u> | <u>REVENUE</u> | <u>EXPENDITURES</u> | <u>REVENUE</u> |
| GENERAL FUNDS | | | | |
| CASH FUNDS | -452.50 | -\$3,380.00 | \$4,547.50 | -\$2,505.00 |
| FEDERAL FUNDS | | | | |
| OTHER FUNDS | | | | |
| TOTAL FUNDS | <u>-452.50</u> | <u>-\$3,380.00</u> | <u>\$4,547.50</u> | <u>-\$2,505.00</u> |

Explanation of Estimate:

The trainee, licensed residential, certified residential, and certified general classification class hour requirements are amended to implement the valuation bias and fair housing laws education for applications received after December 31, 2025 as required in the 2026 Criteria. Class hour requirements are also updated for the same purpose for a trainee real property appraiser upgrading to the licensed residential real property appraiser credential, certified residential real property appraiser credential, and to the certified general real property appraiser credential; and for the licensed residential real property appraiser upgrading to the certified residential real property appraiser credential and the certified general real property appraiser credential. It is anticipated that after July 1, 2025, approximately 10 applications will be received from education providers for approval of valuation bias and fair housing laws qualifying education (10 x \$50.00 per application = \$500.00 in revenues; Approximately \$20.00 per hour for staff time to process and approve qualifying education applications x 10 applications x 10 hours per application = \$2,000.00 expenditures).

The language for the random fingerprint audit program for real property appraiser renewal applicants, along with the requirement for a real property appraiser renewal applicant to pay a criminal history record check fee for maintenance of the random fingerprint audit program is removed from the real property appraiser renewal requirements. All active real property appraisers have completed a criminal history record check; therefore, this update reduces an unnecessary barrier for real property appraiser renewal applicants. All current real property appraisers must continue to answer criminal history questions on the renewal application and certify that the statements made are true and correct. A CHRC is still required for all new real property appraiser applicants. (236 CHRC Program fees for 1 yr renewal x 5.00 = 1,180.00 + 220 CHRC Program fees for 2 yr renewal x 10.00 = 2,200 = \$3,380 in revenues removed; Appraiser Renewal CHRC for FY 23-24 - 10 x 45.25 = 452.50 expenditures removed).

The valuation bias and fair housing laws course is added to the continuing education requirements for real property appraisers, beginning on January 1, 2026, as required in the 2026 Criteria. It is anticipated that after July 1, 2025, approximately 15 applications will be received from education providers for approval of valuation bias and fair housing laws continuing education (15 x \$25.00 per application = \$375.00 in revenues; Approximately \$20.00 per hour for staff time to process and approve qualifying education applications x 15 applications x 10 hours per application = \$3,000.00 expenditures).

“One” is stricken and “two” is added before “hundred” and “fifty” is stricken before “dollars” to amend the credential application fee limit upward in Neb. Rev. Stat. § 76-2241(1)(a); “Fifty” is added before “dollars” to amend the initial and renewal credentialing fee limit upward in Neb. Rev. Stat. § 76-2241(1)(c); “Fifty” is added before “dollars” to amend the temporary credential application fee limit upward in Neb. Rev. Stat. § 76-2241(1)(e); and “Fifty” is stricken and “one hundred” is added before “dollars” to amend the temporary credentialing fee limit upward in Neb. Rev. Stat. § 76-2241(1)(f). These statutes set the limit that the Board could charge for the respective fees; the Board does not anticipate making fee changes during FY 24-25 or FY 25-26. This fee change will take place at the point where the expenditures exceed revenues in a way that draws the Board’s fund balance down below the level identified in the Board’s fund balance policy.

BREAKDOWN BY MAJOR OBJECTS OF EXPENDITURE

Personal Services:

| <u>POSITION TITLE</u> | <u>NUMBER OF POSITIONS</u> | | <u>2024-25</u> | <u>2025-26</u> |
|---------------------------|----------------------------|--------------|---------------------|---------------------|
| | <u>24-25</u> | <u>25-26</u> | <u>EXPENDITURES</u> | <u>EXPENDITURES</u> |
| Benefits..... | | | 0 | 0 |
| Operating..... | | | -452.50 | 4,547.50 |
| Travel..... | | | 0 | 0 |
| Capital outlay..... | | | 0 | 0 |
| Aid..... | | | 0 | 0 |
| Capital improvements..... | | | 0 | 0 |
| TOTAL..... | | | -452.50 | 4,547.50 |

6. Removes the requirement to pay for a criminal history record check to maintain random fingerprint audit to renew a valid credential;
7. Removes provision for random fingerprint submittal;
8. Removes the hour requirement for the instructor recertification and makes the exam permissive not mandatory;
9. Requires each credential holder to take a board-approved valuation bias and fair housing laws course once every two years starting January 1, 2026, which is an entirely new requirement;
10. Increases the maximum credential application from no more than \$50 to no more than \$200 and a temporary application for licensed residential real property appraiser, or a certified general real property appraiser from no more than \$100 to no more than \$150 and temporary application fee for a licensed residential real property appraiser, certified 26 residential real property appraiser, or certified general real property appraiser from no more than \$50 to no more than \$100; and
11. Adds effective and expiration dates to the directory of credential holders.

The bill contains an emergency clause and becomes law upon enactment.

It is estimated that LB 992 will have no impact on General Fund revenues.

It is estimated that there will be no cost to the Department of Revenue to implement this bill.