

**ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019**  
**COMMITTEE STATEMENT (CORRECTED)**  
**LB77**

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**Hearing Date:** Tuesday January 22, 2019  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Williams  
**One Liner:** Change provisions of the Real Property Appraiser Act and the Nebraska Appraisal Management Company Registration Act

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**Roll Call Vote - Final Committee Action:**  
Advanced to General File

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**Vote Results:**

**Aye:** 8 Senators Gragert, Howard, Kolterman, La Grone, Lindstrom,  
McCollister, Quick, Williams

**Nay:**

**Absent:**

**Present Not Voting:**

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**Oral Testimony:**

**Proponents:**

Senator Matt Williams  
Tyler Kohtz  
Robert Hallstrom  
Walt Radcliffe  
Nicole Fox

**Representing:**

Introducer  
Nebraska Real Property Appraiser Board  
Nebraska Bankers Association  
Nebraska Realtors Association  
Platte Institute

**Opponents:**

**Representing:**

**Neutral:**

**Representing:**

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

The purpose of LB77 is to update the Nebraska Real Property Appraiser Act (Act) to reduce barriers-to-entry into the real property appraiser profession, implement the Real Property Appraiser Qualifications Criteria (Criteria 2018) adopted by The Appraisal Foundation's Appraiser Qualifications Board on May 1, 2018, and maintain compliance with Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (Title XI). Title XI requires each state to prescribe appropriate standards for the performance of real estate appraisals in connection with federally related transactions. In addition, real estate appraisals are to be performed in accordance with generally accepted uniform appraisal standards, and are to be performed by an individual whose competency has been demonstrated, and whose professional conduct is subject to effective state supervision. If the State of Nebraska is found to not be compliance with Title XI by the Appraisal Subcommittee, the Appraisal Subcommittee may remove all Nebraska credentialed appraisers from the Federal Registry, resulting in no appraisers qualified to appraise real property in connection with federally related transactions. Approximately 80 percent of all mortgage loan activity would be affected. LB77 also includes minor changes to address administration of the Act.

The following language changes are included in LB77:

The definition of "Education provider" is updated to align with the use found in the 2018 Criteria (page 2, lines 3-7).

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The January 1, 2018 date reference for the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 is updated to January 1, 2019 (page 2, lines 10-11).

Neb. Rev. Stat. Sec. 76-2222(1) is modified to remove the language "who also holds a credential as a licensed or certified real property appraiser." Fewer real property appraisers hold both a broker's license and a real property appraiser credential, which has resulted in limited interest in serving this position (page 2, lines 19-20).

Neb. Rev. Stat. Sec. 76-2222(4) is modified to provide that a quorum of the Board must consist of "at least two of whom are real property appraisers." This language ensures that credentialed real property appraisers represent the majority for a quorum (page 2, lines 30-31).

Neb. Rev. Stat. Sec. 76-2228.01 is modified to include the following changes:

"Conducted by education providers" is added in reference to qualifying education courses to better align with the language in the 2018 Criteria (p 3, line 23; p. 6, line 2,15,28).

"Complete" is changed to "completed" for grammatical correctness (p. 3, line, 25).

o The specific requirements for the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course are stricken since qualifying education activity requirements are found in Title 298 of the Nebraska Administrative Code (p. 3, lines 26-31; p. 4, lines 1-5).

o "Each course shall be conducted in a classroom and not online or by correspondence" is stricken to remove the requirement that qualifying education must be completed in the classroom. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 4, lines 4-5).

o "Proctored, closed-book" is added before the word "examination" or "examinations" to align with the language used in the 2018 Criteria (p. 4, line 5; p. 5, line 30; p. 6, lines 12-13, 25-26).

o "Or the equivalent as determined by the Appraiser Qualifications Board" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board. In its February 8, 2018 letter to the Board, the Appraiser Qualifications Board stated that it determined that if an individual obtained a Bachelor's Degree from an accredited college/university and took the courses in a degree program approved by the Appraiser Qualifications Board, the student could receive credit toward the requirements in the Real Property Appraiser Qualification Criteria. This change removes a barrier-to-entry into the real property appraiser profession (p. 4, lines 15-17).

o Seven-hour is stricken to remove the requirement that the supervisory appraiser and trainee course must be seven hours long for approval. This change removes a barrier-to-entry into the real property appraiser profession (p. 4, line 25).

o The postsecondary education requirements are removed from the licensed residential real property appraiser upgrade requirements. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 5, 28-29).

o "Equivalent" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board in the upgrade requirements. This change removes a barrier-to-entry into the real property appraiser profession (p. 6, line 4,17,30).

o The scope of practice for trainee real property appraiser is modified to include "the types of real property or real estate" to reference defined terms in the Act (p. 7, lines 4-5).

Neb. Rev. Stat. Sec. 76-2228.02 is modified to remove "seven-hour" from the requirement that the supervisory appraiser and trainee course must be seven hours long for approval to maintain consistency with the requirement for the trainee real property appraiser found in Neb. Rev. Stat. Sec. 76-2228.01 (p. 7, line 27). In addition, the requirement that the supervisory appraiser and trainee course must be completed within two years of submitting an application to be a supervisory appraiser is removed. The supervisory appraiser and trainee course may be completed at any time prior to submitting an application as a supervisory appraiser, and only needs to be completed one time (p.7, line 28).

Neb. Rev. Stat. Sec. 76-2230 is modified to include the following changes:

- o The postsecondary education requirements for the licensed residential real property appraiser credential is reduced to holding a high school diploma, or a certificate of high school equivalency, or having education acceptable to the Board. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 9, 12-31; p. 10, lines 1-2).

- o "Conducted by education providers" is added in reference to qualifying education courses to better align with the language in the 2018 Criteria (p. 10, line 5; p. 12, lines 24-25; p 13, lines 6-7).

- o "Complete" is changed to "Completed" for grammatical correctness (p. 10, line, 7).

- o The specific requirements for the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course are stricken since qualifying education activity requirements are found in Title 298 of the Nebraska Administrative Code (p. 10, lines 8-18).

- o "Each course shall be conducted in a classroom and not online or by correspondence" is stricken to remove the requirement that qualifying education must be completed in the classroom. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 10, lines 17-18).

- o "Proctored, closed-book" is added before the word examination to align with language used in the 2018 Criteria (p. 10, line 18; p. 12, line 22; p. 13, lines 4-5).

- o "Or the equivalent as determined by the Appraiser Qualifications Board" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board. In its February 8, 2018 letter to the Board, the Appraiser Qualifications Board stated that it determined that if an individual obtained a Bachelor's Degree from an accredited college/university and took the courses in a degree program approved by the Appraiser Qualifications Board, the student could receive credit toward the requirements in the Real Property Appraiser Qualification Criteria. This change removes a barrier-to-entry into the real property appraiser profession (p. 10, lines 23-24).

- o The experience hour requirement is reduced from two thousand hours to one thousand hours to remove a barrier-to-entry into the real property appraiser profession and align with the 2018 Criteria (p. 10, line 30).

- o The experience hour length requirement is reduced from twelve months to six months to remove a barrier-to-entry into the real property appraiser profession and align with the 2018 Criteria (p. 11, lines 4-5).

- o The language, "If requested, evidence acceptable to the Real Property Appraiser Board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda" is stricken since the specific experience requirements are found in Title 298 of the Nebraska Administrative Code (p. 11, lines 5-7).

- o An option to upgrade from the licensed residential to the certified residential credential by holding a credential for a minimum of five years, and not having been subject to disciplinary action by the Board or any other jurisdiction, is added. This addition removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 12, lines 14-21).

o "Equivalent" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board in the upgrade requirements. This change removes a barrier-to-entry into the real property appraiser profession (p. 12, line 27; p. 13, line 9).

o The scope of practice for licensed real property appraiser is modified to include the defined term "real estate," and the language "if any" to specify that the scope includes property with no structure in which the highest and best use of the property would be within the scope of practice for the licensed real property appraiser (p. 13, lines 16-25).

Neb. Rev. Stat. Sec. 76-2231.01 is modified to include the following changes:

o The postsecondary education requirements for the certified residential real property appraiser credential are amended to add the following options in lieu of a Bachelor's Degree:

Hold an associate's degree from an accredited degree-awarding community college, college, or university in the study of business administration, accounting, finance, economics, or real estate; or

Successfully complete thirty semester hours of college-level education from an accredited degree-awarding community college, college, or university that includes:

Three semester hours in each of the following: English composition; microeconomics; macroeconomics; finance; algebra, geometry, or higher mathematics; statistics; computer science; business law or real estate law; and

Three semester hours each in two elective courses in any of the topics listed above, or in accounting, geography, agricultural economics, business management, or real estate; or

Successfully complete thirty semester hours of College Level Examination Program (CLEP) from an accredited degree-awarding community college, college, or university that includes three semester hours in each of the following subject matter areas: college algebra; college composition; college composition modular; college mathematics; principles of macroeconomics; principles of microeconomics; introductory business law; information systems; or

Successfully complete any combination of semester hours of college-level education or CLEP that ensures coverage of all topics and hours identified in the college-level education requirements.

The additional postsecondary education options remove a barrier-to-entry into the real property appraiser profession and align with the 2018 Criteria (p. 14, lines 2-24).

o The language "The American Association of College Registrars and Admissions Officers" is stricken to align with the 2018 Criteria (p. 14, lines 28-29).

o "Conducted by education providers" is added in reference to qualifying education courses to better align with the language in the 2018 Criteria (p. 15, line 7; p. 17, lines 16-17).

o The specific requirements for the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course are stricken since qualifying education activity requirements are found in Title 298 of the Nebraska Administrative Code (p. 15, lines 10-20).

o "Each course shall be conducted in a classroom and not online or by correspondence" is stricken to remove the requirement that qualifying education must be completed in the classroom. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 15, lines 19-20).

o "Proctored, closed-book" is added before the word "examination" or "examinations" to align with language used in the 2018 Criteria (p. 15, line 20; p. 17, lines 14-15).

o "Or the equivalent as determined by the Appraiser Qualifications Board" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board. In its February 8, 2018 letter to the Board, the Appraiser Qualifications Board stated that it determined that if an individual obtained a Bachelor's Degree from an accredited college/university and took the courses in a degree program approved by the Appraiser Qualifications Board, the student could receive credit toward the requirements in the Real Property Appraiser Qualification Criteria. This change removes a barrier-to-entry into the real property appraiser profession (p. 15, lines 25-26).

o The experience hour requirement is reduced from two thousand five hundred hours to one thousand five hundred hours to remove a barrier-to-entry into the real property appraiser profession and align with the 2018 Criteria (p. 15, line 31).

o The experience hour length requirement is reduced from twenty four months to twelve months to remove a barrier-to-entry into the real property appraiser profession and align with the 2018 Criteria (p. 16, line 6).

o The language, "If requested, evidence acceptable to the Real Property Appraiser Board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda" is stricken since the specific experience requirements are found in Title 298 of the Nebraska Administrative Code (p. 16, lines 6-8).

o "Equivalent" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board in the upgrade requirements. This change removes a barrier-to-entry into the real property appraiser profession (p. 17, line 19).

o The scope of practice for certified residential real property appraiser is modified to include the defined terms "real property" and "real estate," and the language "if any" to specify that the scope includes property with no structure in which the highest and best use of the property would be within the scope of practice for the certified residential real property appraiser (p. 13, lines 16-25).

Neb. Rev. Stat. Sec. 76-2231.01 is modified to include the following changes:

o The language "The American Association of College Registrars and Admissions Officers" is stricken to align with the 2018 Criteria (p. 18, lines 16-17).

o "Conducted by education providers" is added in reference to qualifying education courses to better align with the language in the 2018 Criteria (p. 18, line 26).

o The specific requirements for the fifteen-hour National Uniform Standards of Professional Appraisal Practice Course are stricken since qualifying education activity requirements are found in Title 298 of the Nebraska Administrative Code (p. 18, lines 29-31; p. 19, lines 1-8).

o "Each course shall be conducted in a classroom and not online or by correspondence" is stricken to remove the requirement that qualifying education must be completed in the classroom. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 19, lines 7-8).

o "Proctored, closed-book" is added before the word "examination" or "examinations" to align with language used in the 2018 Criteria (p. 19, line 8).

o "Or the equivalent as determined by the Appraiser Qualifications Board" is added in reference to a bachelor's degree or higher in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board. In its February 8, 2018 letter to the Board, the Appraiser Qualifications Board stated that it determined that if an individual obtained a Bachelor's Degree from an accredited college/university and took the courses in a degree program approved by the Appraiser Qualifications Board, the student could receive credit toward the requirements in the Real Property Appraiser Qualification Criteria. This change removes a

barrier-to-entry into the real property appraiser profession (p. 19, lines 13-14).

o The experience hour length requirement is reduced from thirty months to eighteen months. This change removes a barrier-to-entry into the real property appraiser profession and aligns with the 2018 Criteria (p. 19, line 26).

o The language, "If requested, evidence acceptable to the Real Property Appraiser Board concerning the experience shall be presented by the applicant in the form of written reports or file memoranda" is stricken since the specific experience requirements are found in Title 298 of the Nebraska Administrative Code (p. 19, lines 26-28).

o The scope of practice for certified general real property appraiser is modified to include the defined term "real estate" (p. 20, line 21).

Neb. Rev. Stat. Sec. 76-2236(2) is modified to allow for an instructor certified by the Appraiser Qualifications Board to satisfy the requirement for the seven-hour USPAP Update Course by successfully completing a seven-hour instructor recertification course and exam as approved by the Appraiser Qualifications Board (page 21, lines 15-18).

Neb. Rev. Stat. Sec. 76-2236(8) is modified to remove "seven-hour" from the supervisory appraiser and trainee course to maintain consistency with the modification found in Neb. Rev. Stat. Sec. 76-2228.02. In addition, the language "for approval as a supervisory appraiser" is removed to ensure that any certified appraiser that completes the supervisory appraiser and trainee course will receive continuing education credit once during any two-year continuing education period in which the course was completed. (p.22, line 26-28).

Neb. Rev. Stat. Sec. 76-2236(2) is modified allow for an instructor certified by the Appraiser Qualifications Board to satisfy the requirement for the seven-hour USPAP Update Course by successfully completing a seven-hour instructor recertification course and exam as approved by the Appraiser Qualifications Board (page 21, lines 15-18).

The specific requirements for the seven-hour National Uniform Standards of Professional Appraisal Practice Course are stricken since continuing education activity requirements are found in Title 298 of the Nebraska Administrative Code (p. 21, lines 18-27).

"Seven-hour" is stricken to remove the requirement that the supervisory appraiser and trainee course must be seven hours long for approval as continuing education for a certified real property appraiser. This change is consistent with the change made in Neb. Rev. Stat. Sec. 76-2228.01 (p. 22, line 26)

Neb. Rev. Stat. Sec. 76-2238(7) is amended to strike the language "against a credential holder" as the entire section pertains to acts and omissions that shall be considered grounds for disciplinary action or denial of an application by the Board. The stricken language is unnecessary (p. 23; lines 26-27).

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Matt Williams, Chairperson