

ONE HUNDRED FIFTH LEGISLATURE - FIRST SESSION - 2017
COMMITTEE STATEMENT
LB16

Hearing Date: Tuesday January 17, 2017
Committee On: Banking, Commerce and Insurance
Introducer: Craighead
One Liner: Change provisions relating to licensing, trust accounts, and unfair trade practices under the Nebraska Real Estate License Act

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

Vote Results:

Aye: 8 Senators Baker, Brewer, Craighead, Kolterman, Lindstrom, McCollister, Schumacher, Williams

Nay:

Absent:

Present Not Voting:

Verbal Testimony:

Proponents:

Senator Joni Craighead
Gregg Lemon

Representing:

Introducer
NE Real Estate Commission

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

OVERVIEW

This bill would amend sections 81-885.13, 81-885.17, 81-885.19, 81-885.21, and 81-885.24 of the Nebraska Real Estate License Act to amend provisions regarding applications for licenses; verification of licensure in other jurisdictions; form, custody, and display of licenses; verification of license status; trust account requirements; and earnest money restrictions.

SUMMARY

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

Section 1 would amend section 81-885.13 to provide that an applicant for an original broker's or salesperson's license can furnish fingerprints to a processing service selected by the State Real Estate Commission as an alternative to furnishing them to the Nebraska State Patrol.

Section 2 would amend section 81-885.17 to provide that prior to issuance of any license to a nonresident, the applicant can provide verification of licensure by his or her resident regulatory jurisdiction as an alternative to filing with the State Real Estate Commission a duly certified copy of the license issued by his or her regulatory jurisdiction. This section would further amend section 81-885.17 to provide that an applicant for an original nonresident broker's or salesperson's license can furnish fingerprints to a processing service selected by the State Real Estate Commission as an alternative to furnishing them to the Nebraska State Patrol.

Section 3 would amend section 81-885.19 to provide that the State Real Estate Commission shall prescribe the forms of broker's and salespersons' licenses and to repeal specific provisions regarding delivery, mailing, custody, and display of licenses. This section would further amend section 81-885.19 to provide that the commission shall provide for verification of the current status of licenses electronically or by other means readily available to the public.

Section 4 would amend section 81-885.21 to repeal provisions regarding earnest money which are reconstituted in section 5. This section would further amend section 81-885.21 to provide the State Real Estate Commission with rule and regulation authority to exempt active brokers who have no trust account activity from the trust account requirements of this section.

Section 5 would amend section 81-885.24 to provide that it is an unfair trade practice to charge or collect, as part of or all of a licensee's compensation or consideration, any part of the earnest money paid in connection with a real estate transaction until the transaction has been consummated or terminated, except that a payment for goods or services rendered by a third party on behalf of the client shall not be considered compensation or consideration if such payment does not include any profit, compensation, or payment for services rendered by the broker and the broker retains a record of the payment to the third party for such goods or services.

Section 6 provides for the repealers of the amendatory sections.

Brett Lindstrom, Chairperson