

LEGISLATURE OF NEBRASKA
ONE HUNDRED FIFTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 741

FINAL READING

Introduced by Lindstrom, 18.

Read first time January 03, 2018

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Real Property Appraiser Act; to amend
2 sections 76-2201, 76-2202, 76-2203, 76-2205.02, 76-2207.01,
3 76-2207.02, 76-2207.03, 76-2207.04, 76-2207.05, 76-2207.06,
4 76-2207.07, 76-2207.08, 76-2207.09, 76-2207.10, 76-2207.11,
5 76-2207.12, 76-2207.13, 76-2207.14, 76-2207.15, 76-2207.16, 76-2215,
6 76-2216.02, 76-2218.02, 76-2219.01, 76-2220, 76-2221, 76-2222,
7 76-2227, 76-2233, 76-2233.03, 76-2236, 76-2236.01, 76-2238, 76-2245,
8 76-2246, and 76-2247.01, Revised Statutes Cumulative Supplement,
9 2016; to change intent; to define and redefine terms; to eliminate
10 provisions relating to real property associates; to change
11 provisions relating to the Real Property Appraiser Board,
12 credentials, reciprocity, continuing education, and disciplinary
13 action; to harmonize provisions; to repeal the original sections; to
14 outright repeal sections 76-2216.01 and 76-2227.01, Revised Statutes
15 Cumulative Supplement, 2016; and to declare an emergency.
16 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 76-2201, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 76-2201 Sections 76-2201 to 76-2250 and sections 6 to 21 of this act
4 shall be known and may be cited as the Real Property Appraiser Act.

5 Sec. 2. Section 76-2202, Revised Statutes Cumulative Supplement,
6 2016, is amended to read:

7 76-2202 The Legislature finds that as a result of the enactment of
8 the Dodd-Frank Wall Street Reform and Consumer Protection Act, ~~as the act~~
9 ~~existed on January 1, 2016,~~ and the Financial Institutions Reform,
10 Recovery, and Enforcement Act of 1989, Nebraska's laws providing for
11 regulation of real property appraisers require restructuring and updating
12 in order to comply with such acts. Compliance with the acts is necessary
13 to ensure an adequate number of appraisers in Nebraska to conduct
14 appraisals of real estate involved in federally related transactions as
15 defined in such acts.

16 Sec. 3. Section 76-2203, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 76-2203 For purposes of the Real Property Appraiser Act, the
19 definitions found in sections 76-2203.01 to 76-2219.02 and sections 6 to
20 21 of this act shall be used.

21 Sec. 4. Section 76-2205.02, Revised Statutes Cumulative Supplement,
22 2016, is amended to read:

23 76-2205.02 Appraisal review ~~assignment~~ means (1) as a noun, the act
24 or process of developing and communicating an opinion about the quality
25 of a real property appraiser's work that was performed as part of a
26 valuation assignment, or evaluation assignment, or appraisal review
27 assignment or (2) as an adjective, of or pertaining to an opinion about
28 the quality of another appraiser's work that was performed as part of a
29 valuation assignment, evaluation assignment, or appraisal review
30 assignment.

31 Sec. 5. Section 76-2207.01, Revised Statutes Cumulative Supplement,

1 2016, is amended to read:

2 76-2207.01 Assignment means a (1) an agreement between a real
3 property appraiser or real property associate and a client to perform a
4 valuation service or (2) the valuation service that is performed by an
5 appraiser as a consequence of such an agreement with a client.

6 Sec. 6. Assignment results means the opinions or conclusions
7 developed by a real property appraiser when performing valuation services
8 specific to an assignment not limited to value for an appraisal
9 assignment, and not limited to an opinion about the quality of another
10 appraiser's work for an appraisal review assignment.

11 Sec. 7. Section 76-2207.02, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 ~~76-2207.02~~ Board means the Real Property Appraiser Board.

14 Sec. 8. Section 76-2207.03, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 ~~76-2207.03~~ Certified general real property appraiser means a person
17 who holds a valid credential as a certified general real property
18 appraiser issued under the Real Property Appraiser Act.

19 Sec. 9. Section 76-2207.04, Revised Statutes Cumulative Supplement,
20 2016, is amended to read:

21 ~~76-2207.04~~ Certified real property appraiser means a person who
22 holds a valid credential as a certified general real property appraiser
23 or a valid credential as a certified residential real property appraiser
24 issued under the Real Property Appraiser Act.

25 Sec. 10. Section 76-2207.05, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 ~~76-2207.05~~ Certified residential real property appraiser means a
28 person who holds a valid credential as a certified residential real
29 property appraiser issued under the Real Property Appraiser Act.

30 Sec. 11. Section 76-2207.06, Revised Statutes Cumulative Supplement,
31 2016, is amended to read:

1 ~~76-2207.06~~ Client means the person or persons who engage, by
2 employment or contract, a real property appraiser ~~or real property~~
3 ~~associate~~ in a specific assignment. The client may engage and communicate
4 with the appraiser directly or through an agent.

5 Sec. 12. Section 76-2207.07, Revised Statutes Cumulative Supplement,
6 2016, is amended to read:

7 ~~76-2207.07~~ Completed application means an application for
8 credentialing has been processed, all statutory requirements for a
9 credential to be awarded have been met by the applicant, and all required
10 documentation is submitted to the board for final consideration.

11 Sec. 13. Section 76-2207.08, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 ~~76-2207.08~~ Complex residential real property means residential
14 property in which the property to be appraised, the form of ownership, or
15 the market conditions are complicated or atypical.

16 Sec. 14. Section 76-2207.09, Revised Statutes Cumulative Supplement,
17 2016, is amended to read:

18 ~~76-2207.09~~ Credential means a registration, license, or certificate.

19 Sec. 15. Section 76-2207.10, Revised Statutes Cumulative Supplement,
20 2016, is amended to read:

21 ~~76-2207.10~~ Credential holder means (1) any person who holds a valid
22 credential ~~(a) as a real property associate or (b) as a trainee real~~
23 ~~property appraiser, licensed real property appraiser, certified~~
24 ~~residential real property appraiser, or certified general real property~~
25 ~~appraiser and (2) any person who holds a temporary permit to engage in~~
26 ~~real property appraisal activity within this state.~~

27 Sec. 16. Section 76-2207.11, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 ~~76-2207.11~~ Education provider means: Any person; organization;
30 proprietary school; accredited degree-awarding community college,
31 college, or university; or state or federal agency that provides

1 appraiser qualifying or continuing training or education.

2 Sec. 17. Section 76-2207.12, Revised Statutes Cumulative Supplement,
3 2016, is amended to read:

4 ~~76-2207.12~~ Evaluation assignment means an assignment that relates to
5 the nature, quality, or utility of identified real estate or identified
6 real property and typically does not include an opinion of value.
7 Evaluation assignment does not include reports prepared by experts from
8 professional disciplines other than real property appraisal such as: A
9 soil test or soil analysis of identified real estate prepared by a civil
10 engineer; a title opinion or zoning analysis of identified real estate
11 prepared by a lawyer; an architectural analysis of identified improved
12 real estate prepared by an architect; and a property management analysis
13 of identified improved real estate prepared by a property manager or
14 property management consultant.

15 Sec. 18. Section 76-2207.13, Revised Statutes Cumulative Supplement,
16 2016, is amended to read:

17 ~~76-2207.13~~ Fifteen-hour National Uniform Standards of Professional
18 Appraisal Practice Course means the course as approved by the Appraiser
19 Qualifications Board ~~as of January 1, 2016, or the equivalent of the~~
20 ~~course as approved by the Real Property Appraiser Board.~~

21 Sec. 19. Section 76-2207.14, Revised Statutes Cumulative Supplement,
22 2016, is amended to read:

23 ~~76-2207.14~~ Financial Institutions Reform, Recovery, and Enforcement
24 Act of 1989 means the act as it existed on January 1, 2018 ~~2016~~.

25 Sec. 20. Section 76-2207.15, Revised Statutes Cumulative Supplement,
26 2016, is amended to read:

27 ~~76-2207.15~~ Instructor means a person approved by the board that
28 meets or exceeds the instructor requirements specified in the Real
29 Property Appraiser Act and rules and regulations of the board and is
30 responsible for ensuring that the education activity content is
31 communicated to the activity's audience as presented to the board for

1 approval and that the education activity contributes to the quality of
2 real property valuation services provided to the public. A person that
3 communicates assigned materials or a portion of the education activity
4 content under the authorization of the education provider, but is not
5 responsible for the education activity content, is not an instructor.

6 Sec. 21. Section 76-2207.16, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 ~~76-2207.16~~ Jurisdiction means a state of the United States, the
9 District of Columbia, Puerto Rico, the United States Virgin Islands, or
10 any territory or insular possession subject to the jurisdiction of the
11 United States.

12 Sec. 22. Section 76-2215, Revised Statutes Cumulative Supplement,
13 2016, is amended to read:

14 76-2215 Real property appraisal activity means any act or process
15 involved in developing an analysis, opinion, or conclusion relating to
16 the ~~value of~~ specified interests in or aspects of identified real estate
17 or identified real property. Real property appraisal activity includes,
18 but is not limited to, evaluation assignments, valuation assignments, and
19 appraisal review assignments.

20 Sec. 23. Section 76-2216.02, Revised Statutes Cumulative Supplement,
21 2016, is amended to read:

22 76-2216.02 Report means any communication, written, oral, or by
23 electronic means, of an appraisal or appraisal review that is transmitted
24 to the client or a party authorized by the client upon completion of an
25 assignment. Testimony related to an appraisal or appraisal review is
26 deemed to be an oral report.

27 Sec. 24. Section 76-2218.02, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 76-2218.02 Uniform Standards of Professional Appraisal Practice
30 means the standards adopted and promulgated by The the Appraisal
31 Foundation as the standards existed on January 1, 2018 2016.

1 Sec. 25. Section 76-2219.01, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 76-2219.01 Valuation services means all services pertaining to
4 aspects of property value, including services performed by ~~both~~ real
5 property appraisers ~~and real property associates~~.

6 Sec. 26. Section 76-2220, Revised Statutes Cumulative Supplement,
7 2016, is amended to read:

8 76-2220 (1) Except as provided in section 76-2221, it shall be
9 unlawful for anyone to act as a real property appraiser ~~or real property~~
10 ~~associate~~ in this state without first obtaining proper credentialing as
11 required under the Real Property Appraiser Act.

12 (2) Except as provided in section 76-2221, any person who, directly
13 or indirectly for another, offers, attempts, or agrees to perform any act
14 described in section 76-2216 shall be deemed a real property appraiser
15 ~~and any person who, directly or indirectly for another, offers, attempts,~~
16 ~~or agrees to perform any act described in section 76-2216.01 shall be~~
17 ~~deemed a real property associate~~, within the meaning of the Real Property
18 Appraiser Act, and such action shall constitute sufficient contact with
19 this state for the exercise of personal jurisdiction over such person in
20 any action arising out of such act. Committing a single act described in
21 such sections by a person required to be credentialed under the Real
22 Property Appraiser Act and not so credentialed shall constitute a
23 violation of the act for which the board may impose sanctions pursuant to
24 this section for the protection of the public health, safety, or welfare.

25 (3) The board may issue a cease and desist order against any person
26 who violates this section by performing any action described in section
27 76-2216 ~~or 76-2216.01~~ without the appropriate credential. Such order
28 shall be final ten days after issuance unless such person requests a
29 hearing pursuant to section 76-2240. The board may, through the Attorney
30 General, obtain an order from the district court for the enforcement of
31 the cease and desist order.

1 Sec. 27. Section 76-2221, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 76-2221 The Real Property Appraiser Act shall not apply to:

4 (1) Any real property appraiser who is a salaried employee of (a)
5 the federal government, (b) any agency of the state government or a
6 political subdivision which appraises real estate, (c) any insurance
7 company authorized to do business in this state, or (d) any bank, savings
8 bank, savings and loan association, building and loan association, credit
9 union, or small loan company licensed by this state or supervised or
10 regulated by or through federal enactments covering financial
11 institutions, except that any employee of the entities listed in
12 subdivisions (a) through (d) of this subdivision who signs a report as a
13 credentialed real property appraiser shall be subject to the act and the
14 Uniform Standards of Professional Appraisal Practice. Any salaried
15 employee of the entities listed in subdivisions (a) through (d) of this
16 subdivision who is a credentialed real property appraiser and who does
17 not sign a report as a credentialed real property appraiser shall include
18 the following disclosure prominently with such report: This opinion of
19 value may not meet the minimum standards contained in the Uniform
20 Standards of Professional Appraisal Practice and is not governed by the
21 Real Property Appraiser Act;

22 (2) A person referred to in subsection (1) of section 81-885.16;

23 (3) Any person who provides assistance (a) in obtaining the data
24 upon which an appraisal is based, (b) in the physical preparation of a
25 report, such as taking photographs, preparing charts, maps, or graphs, or
26 typing or printing the report, or (c) that does not directly involve the
27 exercise of judgment in arriving at the analyses, opinions, or
28 conclusions concerning real estate or real property set forth in the
29 report;

30 (4) Any owner of real estate, employee of the owner, or attorney
31 licensed to practice law in this state representing the owner who renders

1 an estimate or opinion of value of the real estate or any interest in the
2 real estate when such estimate or opinion is for the purpose of real
3 estate taxation, or any other person who renders such an estimate or
4 opinion of value when that estimate or opinion requires a specialized
5 knowledge that a real property appraiser would not have, except that a
6 real property appraiser or a person licensed under the Nebraska Real
7 Estate License Act is not exempt under this subdivision;

8 (5) Any owner of real estate, employee of the owner, or attorney
9 licensed to practice law in this state representing the owner who renders
10 an estimate or opinion of value of real estate or any interest in real
11 estate or damages thereto when such estimate or opinion is offered as
12 testimony in any condemnation proceeding, or any other person who renders
13 such an estimate or opinion when that estimate or opinion requires a
14 specialized knowledge that a real property appraiser would not have,
15 except that a real property appraiser or a person licensed under the
16 Nebraska Real Estate License Act is not exempt under this subdivision;

17 (6) Any owner of real estate, employee of the owner, or attorney
18 licensed to practice law in this state representing the owner who renders
19 an estimate or opinion of value of the real estate or any interest in the
20 real estate when such estimate or opinion is offered in connection with a
21 legal matter involving real property;

22 (7) Any person appointed by a county board of equalization to act as
23 a referee pursuant to section 77-1502.01, except that any person who also
24 practices as an independent real property appraiser ~~or real property~~
25 ~~associate~~ for others shall be subject to the Real Property Appraiser Act
26 and shall be credentialed prior to engaging in such other appraising. Any
27 real property appraiser appointed to act as a referee pursuant to section
28 77-1502.01 and who prepares a report for the county board of equalization
29 shall not sign such report as a credentialed real property appraiser and
30 shall include the following disclosure prominently with such report: This
31 opinion of value may not meet the minimum standards contained in the

1 Uniform Standards of Professional Appraisal Practice and is not governed
2 by the Real Property Appraiser Act;

3 (8) Any person who is appointed to serve as an appraiser pursuant to
4 section 76-706, except that if such person is a credential holder, he or
5 she shall (a) be subject to the scope of practice applicable to his or
6 her classification of credential and (b) comply with the Uniform
7 Standards of Professional Appraisal Practice, excluding standards 1
8 through 10; or

9 (9) Any person, including an independent contractor, retained by a
10 county to assist in the appraisal of real property as performed by the
11 county assessor of such county subject to the standards established by
12 the Tax Commissioner pursuant to section 77-1301.01. A person so retained
13 shall be under the direction and responsibility of the county assessor.

14 Sec. 28. Section 76-2222, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 76-2222 (1) The Real Property Appraiser Board is hereby created. The
17 board shall consist of five members. One member who is a certified real
18 property appraiser shall be selected from each of the three congressional
19 districts, and two members shall be selected at large. The two members
20 selected at large shall include one representative of financial
21 institutions and one licensed real estate broker who also holds a
22 credential as a licensed or certified real property appraiser. The
23 Governor shall appoint the members of the board. ~~The members shall be~~
24 ~~appointed so that the membership of the board selected from the~~
25 ~~congressional districts includes at least two certified real property~~
26 ~~appraisers.~~

27 (2) The term of each member of the board shall be five years. Upon
28 the expiration of his or her term, a member of the board shall continue
29 to hold office until the appointment and qualification of his or her
30 successor. No person shall serve as a member of the board for consecutive
31 terms. Any vacancy shall be filled in the same manner as the original

1 appointment. The Governor may remove a member for cause.

2 (3) The members of the board shall elect a chairperson during the
3 first meeting of each year from among the members.

4 (4) Three members of the board shall constitute a quorum.

5 (5) Each member of the board shall receive a per diem of one hundred
6 dollars per day (a) for each scheduled meeting of the board or a
7 committee of the board at which the member is present and (b) actually
8 spent in traveling to and from and attending meetings and conferences of
9 the Association of Appraiser Regulatory Officials and its committees and
10 subcommittees or of The ~~the~~ Appraisal Foundation and its committees and
11 subcommittees, board committee meetings, or other business as authorized
12 by the board.

13 (6) Each member of the board shall be reimbursed for actual and
14 necessary expenses incident to the performance of his or her duties under
15 the Real Property Appraiser Act and Nebraska Appraisal Management Company
16 Registration Act as provided in sections 81-1174 to 81-1177.

17 Sec. 29. Section 76-2227, Revised Statutes Cumulative Supplement,
18 2016, is amended to read:

19 76-2227 (1) Applications for initial credentials, upgrade of
20 credentials, credentials through reciprocity, temporary credentials, and
21 renewal of credentials, including authorization to take the appropriate
22 examination, shall be made in writing to the board on forms approved by
23 the board. The payment of the appropriate fee in an amount established by
24 the board pursuant to section 76-2241 shall accompany all applications.

25 (2) Applications for credentials shall include the applicant's
26 social security number and such other information as the board may
27 require.

28 (3) At the time of filing an application for a credential, the
29 applicant shall sign a pledge that he or she has read and will comply
30 with the Uniform Standards of Professional Appraisal Practice. Each
31 applicant shall also certify that he or she understands the types of

1 misconduct for which disciplinary proceedings may be initiated.

2 (4) To qualify for an initial credential, an upgrade of a
3 credential, a credential through reciprocity, a temporary credential, or
4 a renewal of a credential, an applicant shall:

5 (a) Certify that disciplinary proceedings are not pending against
6 him or her in any jurisdiction or state the nature of any pending
7 disciplinary proceedings;

8 (b) Certify that he or she has not surrendered an appraiser
9 credential, or any other registration, license, or certification, issued
10 by any other regulatory agency or held in any other jurisdiction, in lieu
11 of disciplinary action pending or threatened within the five-year period
12 immediately preceding the date of application;

13 (c) Certify that his or her appraiser credential, or any other
14 registration, license, or certification, issued by any other regulatory
15 agency or held in any other jurisdiction, has not been revoked or
16 suspended within the five-year period immediately preceding the date of
17 application;

18 (d) Not have been convicted of, including a conviction based upon a
19 plea of guilty or nolo contendere:

20 (i) Any felony or, if so convicted, has had his or her civil rights
21 restored;

22 (ii) Any crime of fraud, dishonesty, breach of trust, money
23 laundering, misrepresentation, or deceit involving real estate, financial
24 services, or in the making of an appraisal within the five-year period
25 immediately preceding the date of application; or

26 (iii) Any other crime which is related to the qualifications,
27 functions, or duties of a real property appraiser within the five-year
28 period immediately preceding the date of application;

29 (e) Certify that no civil judicial actions, including dismissal with
30 settlement, in connection with real estate, financial services, or in the
31 making of an appraisal have been brought against him or her within the

1 five-year period immediately preceding the date of application;

2 (f) Demonstrate character and general fitness such as to command the
3 confidence and trust of the public; and

4 (g) Not possess a background that would call into question public
5 trust or a credential holder's fitness for credentialing.

6 (5) Credentials shall be issued only to persons who have a good
7 reputation for honesty, trustworthiness, integrity, and competence to
8 perform assignments in such manner as to safeguard the interest of the
9 public and only after satisfactory proof of such qualification has been
10 presented to the board upon request and a completed application has been
11 approved.

12 ~~(6) Credentials shall be issued only to persons who have~~
13 ~~demonstrated a general knowledge of Nebraska law as it pertains to real~~
14 ~~property appraisal activity.~~

15 ~~(6) (7)~~ No credential shall be issued to a person other than an
16 individual.

17 Sec. 30. Section 76-2233, Revised Statutes Cumulative Supplement,
18 2016, is amended to read:

19 76-2233 (1) A person currently credentialed to appraise real estate
20 and real property under the laws of another jurisdiction may qualify for
21 ~~obtain~~ a credential through reciprocity as a licensed residential real
22 property appraiser, a certified residential real property appraiser, or a
23 certified general real property appraiser by complying with all of the
24 provisions of the Real Property Appraiser Act relating to the appropriate
25 classification of credentialing.

26 (2) An applicant under this section may qualify for a credential if
27 ~~If~~, in the determination of the board:

28 (a) The requirements for credentialing in ~~the~~ applicant's
29 jurisdiction of practice specified in an application for credentialing
30 meet or exceed ~~meets or exceeds~~ the minimum requirements of the Real
31 Property Appraiser Qualification Criteria as adopted and promulgated by

1 the Appraiser Qualifications Board of The Appraisal Foundation; and

2 (b) The regulatory program of the applicant's jurisdiction of
3 practice specified in an application for credentialing this state, and
4 that jurisdiction is determined to be effective in accordance compliance
5 with Title XI of the Financial Institutions Reform, Recovery, and
6 Enforcement Act of 1989 by the Appraisal Subcommittee of the Federal
7 Financial Institutions Examination Council , an applicant of such
8 jurisdiction may, through reciprocity, become credentialed under the Real
9 Property Appraiser Act.

10 (3) The status of an applicant's jurisdiction of practice specified
11 in an application for credentialing through reciprocity shall be verified
12 through the most recent Compliance Review Report issued by the Appraisal
13 Subcommittee of the Federal Financial Institutions Examination Council.
14 In the case that findings pertaining to the adoption or implementation of
15 the Real Property Appraiser Qualification Criteria indicate that one or
16 more credentialing requirements do not meet or exceed the Real Property
17 Appraiser Qualification Criteria as promulgated by the Appraiser
18 Qualifications Board of The Appraisal Foundation, the board may request
19 evidence from the jurisdiction of practice or the Appraisal Subcommittee
20 of the Federal Financial Institutions Examination Council showing that
21 progress has been made to mitigate the findings in the Compliance Review
22 Report.

23 (4) (3) To qualify for a credential through reciprocity, the
24 applicant shall:

25 (a) Submit two copies of legible ink-rolled fingerprint cards or
26 equivalent electronic fingerprint submissions to the board for delivery
27 to the Nebraska State Patrol in a form approved by both the Nebraska
28 State Patrol and the Federal Bureau of Investigation. A fingerprint-based
29 national criminal history record check shall be conducted through the
30 Nebraska State Patrol and the Federal Bureau of Investigation with such
31 record check to be carried out by the board;

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

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

9 (5) ~~(4)~~ The credential status of an applicant under this section,
10 including current standing and any disciplinary action imposed against
11 his or her credentials, shall be verified through the National Registry
12 of the Appraisal Subcommittee of the Federal Financial Institutions
13 Examination Council.

14 Sec. 31. Section 76-2233.03, Revised Statutes Cumulative Supplement,
15 2016, is amended to read:

16 76-2233.03 (1) A credential holder may request that his or her
17 credential be placed on inactive status for a period not to exceed two
18 years. Such requests shall be submitted to the board on an application
19 form prescribed by the board. The payment of the appropriate fee in an
20 amount established by the board pursuant to section 76-2241 shall
21 accompany all applications for requests of inactive status.

22 (2) A credential holder whose credential is placed on inactive
23 status shall not:

24 (a) Assume or use any title, designation, or abbreviation likely to
25 create the impression that such person holds an active credential issued
26 by the board; or

27 (b) Engage in appraisal practice or real property appraisal activity
28 or act as a credentialed real property appraiser ~~or real property~~
29 ~~associate.~~

30 (3) A credential holder whose credential is placed on inactive
31 status may make a request to the board that such credential be reinstated

1 to active status on an application form prescribed by the board. The
2 payment of the appropriate fee in an amount established by the board
3 pursuant to section 76-2241 shall accompany all applications for
4 reinstatement of a credential.

5 (4) A credential holder's application for reinstatement shall
6 include evidence that he or she has met the continuing education
7 requirements as specified in section 76-2236 while the credential was on
8 inactive status.

9 (5) If a credential holder's credential expires during the inactive
10 period, an application for renewal of the credential shall accompany the
11 application for reinstatement. All requirements for renewal specified in
12 section 76-2233.02 shall be met, except for the requirement to pay a late
13 processing fee for applications received after November 30 of the
14 designated year.

15 (6) If a credential holder fails to reinstate his or her credential
16 to active status prior to the completion of the two-year period, his or
17 her credential will return to the status as if the credential was not
18 placed on inactive status. If a credential holder's credential is expired
19 at the completion of the two-year period, the credential holder shall
20 reapply for credentialing and meet the current requirements in place at
21 the time of application.

22 Sec. 32. Section 76-2236, Revised Statutes Cumulative Supplement,
23 2016, is amended to read:

24 76-2236 (1) Every credential holder shall furnish evidence to the
25 board that he or she has satisfactorily completed no fewer than twenty-
26 eight hours of approved continuing education activities in each two-year
27 continuing education period. The continuing education period begins on
28 January 1 of the next year for any credential holder who first obtained
29 his or her credential at the current level on or after July 1. Hours of
30 satisfactorily completed approved continuing education activities cannot
31 be carried over from one two-year continuing education period to another.

1 Evidence of successful completion of such continuing education activities
2 for the two-year continuing education period, including passing
3 examination if applicable, shall be submitted to the board in the manner
4 prescribed by the board. No continuing education activity shall be less
5 than two hours in duration. A person who holds a temporary credential
6 does not have to meet any continuing education requirements in the Real
7 Property Appraiser Act.

8 ~~(2) No more than fourteen hours of approved continuing education~~
9 ~~activities in each two-year continuing education period shall be taken~~
10 ~~online or by correspondence. All online courses shall conform to the~~
11 ~~Appraiser Qualifications Board's criteria.~~

12 (2) ~~(3)~~ As prescribed by rules and regulations of the Real Property
13 Appraiser Board and at least once every two years, the seven-hour
14 National Uniform Standards of Professional Appraisal Practice Update
15 Course as approved by the Appraiser Qualifications Board as of January 1,
16 2016, or the equivalent of the course as approved by the Real Property
17 Appraiser Board, shall be included in the continuing education
18 requirement of each credential holder. The seven-hour National Uniform
19 Standards of Professional Appraisal Practice Update Course or an
20 equivalent of the course as approved by the board shall:

21 ~~(a) Be taken in a classroom and not online or by correspondence;~~

22 (a) ~~(b)~~ Be approved by the board as a continuing education activity
23 for the duration the course is approved by the Appraiser Qualifications
24 Board as of January 1, 2016; and

25 (b) ~~(c)~~ Be taught by an instructor certified by the Appraiser
26 Qualifications Board to teach the Uniform Standards of Professional
27 Appraisal Practice and who is a state-certified appraiser in good
28 standing.

29 ~~(4) As prescribed by rules and regulations of the Real Property~~
30 ~~Appraiser Board and at least once every four years, but not more than~~
31 ~~every two years, a report writing update course of at least seven hours,~~

1 ~~as approved by the board, shall be included in the continuing education~~
2 ~~requirement of each credential holder. The report writing update course~~
3 ~~shall be taken in a classroom and not online or by correspondence.~~

4 (3) ~~(5)~~ A continuing education activity conducted in another
5 jurisdiction in which the activity is approved to meet the continuing
6 education requirements for renewal of a credential in such other
7 jurisdiction shall be accepted by the board if that jurisdiction has
8 adopted and enforces standards for such continuing education activity
9 that meet or exceed the standards established by the Real Property
10 Appraiser Act and the rules and regulations of the board.

11 (4) ~~(6)~~ The board may adopt a program of continuing education for
12 individual credentials as long as the program is compliant with the
13 Appraiser Qualifications Board's criteria specific to continuing
14 education.

15 (5) ~~(7)~~ No more than fourteen hours may be approved by the Real
16 Property Appraiser Board as continuing education in each two-year
17 continuing education period for participation, other than as a student,
18 in appraisal educational processes and programs, which includes teaching,
19 program development, authorship of textbooks, or similar activities that
20 are determined by the board to be equivalent to obtaining continuing
21 education. Evidence of participation shall be submitted to the board upon
22 completion of the appraisal educational process or program. No
23 preapproval will be granted for participation in appraisal educational
24 processes or programs.

25 (6) ~~(8)~~ Qualifying education, as approved by the board, successfully
26 completed by a credential holder to fulfill the class-hour requirement to
27 upgrade to a higher classification than his or her current
28 classification, shall be approved by the board as continuing education.

29 (7) ~~(9)~~ Qualifying education, as approved by the board, taken by a
30 credential holder not to fulfill the class-hour requirement to upgrade to
31 a higher classification, shall be approved by the board as continuing

1 education if the credential holder completes the examination.

2 (8) ~~(10)~~ A board-approved seven-hour supervisory appraiser and
3 trainee course successfully completed by a certified real property
4 appraiser for approval as a supervisory appraiser shall be approved by
5 the board as continuing education no more than once during each two-year
6 continuing education period.

7 (9) ~~(11)~~ The Real Property Appraiser Board shall approve continuing
8 education activities and instructors which it determines would protect
9 the public by improving the competency of credential holders.

10 Sec. 33. Section 76-2236.01, Revised Statutes Cumulative Supplement,
11 2016, is amended to read:

12 76-2236.01 ~~(1)(a) No person other than a real property associate~~
13 ~~shall assume or use the title real property associate or any title,~~
14 ~~designation, or abbreviation likely to create the impression of~~
15 ~~credentialing as a real property associate by this state.~~

16 (1)(a) ~~(b)~~ No person other than a licensed residential real property
17 appraiser shall assume or use the title licensed residential real
18 property appraiser or any title, designation, or abbreviation likely to
19 create the impression of credentialing as a licensed residential real
20 property appraiser by this state.

21 (b) ~~(c)~~ No person other than a certified residential real property
22 appraiser shall assume or use the title certified residential real
23 property appraiser or any title, designation, or abbreviation likely to
24 create the impression of credentialing as a certified residential real
25 property appraiser by this state.

26 (c) ~~(d)~~ No person other than a certified general real property
27 appraiser shall assume or use the title certified general real property
28 appraiser or any title, designation, or abbreviation likely to create the
29 impression of credentialing as a certified general real property
30 appraiser by this state.

31 (d) ~~(e)~~ No person other than a trainee real property appraiser shall

1 assume or use the title trainee real property appraiser or any title,
2 designation, or abbreviation likely to create the impression of
3 credentialing as a trainee real property appraiser by this state.

4 (2) A real property appraiser shall state whether he or she is a
5 licensed residential real property appraiser, certified residential real
6 property appraiser, certified general real property appraiser, or trainee
7 real property appraiser and include his or her board-issued credential
8 number whenever he or she identifies himself or herself as a real
9 property appraiser, including on all reports which are signed
10 individually or as cosigner.

11 (3) The terms ~~real property associate~~, licensed residential real
12 property appraiser, certified residential real property appraiser,
13 certified general real property appraiser, and trainee real property
14 appraiser may only be used to refer to a person who is credentialed as
15 such under the Real Property Appraiser Act and may not be used following
16 or immediately in connection with the name or signature of a corporation,
17 partnership, limited partnership, limited liability company, firm, or
18 group or in such manner that it might be interpreted as referring to a
19 corporation, partnership, limited partnership, limited liability company,
20 firm, or group or to anyone other than the credential holder. This
21 subsection shall not be construed to prevent a credential holder from
22 signing a report on behalf of a corporation, partnership, limited
23 partnership, limited liability company, firm, or group if it is clear
24 that only the person holds the credential and that the corporation,
25 partnership, limited partnership, limited liability company, firm, or
26 group does not.

27 Sec. 34. Section 76-2238, Revised Statutes Cumulative Supplement,
28 2016, is amended to read:

29 76-2238 The following acts and omissions shall be considered grounds
30 for disciplinary action or denial of an application by the board:

31 (1) Failure to meet the minimum qualifications for credentialing

1 established by or pursuant to the Real Property Appraiser Act;

2 (2) Procuring or attempting to procure a credential under the act by
3 knowingly making a false statement, submitting false information, or
4 making a material misrepresentation in an application filed with the
5 board or procuring or attempting to procure a credential through fraud or
6 misrepresentation;

7 (3) Paying money or other valuable consideration other than the fees
8 provided for by the act to any member or employee of the board to procure
9 a credential;

10 (4) An act or omission involving real estate or appraisal practice
11 which constitutes dishonesty, fraud, or misrepresentation with or without
12 the intent to substantially benefit the credential holder or another
13 person or with the intent to substantially injure another person;

14 (5) Failure to demonstrate character and general fitness such as to
15 command the confidence and trust of the public;

16 (6) Conviction, including a conviction based upon a plea of guilty
17 or nolo contendere, of any felony unless his or her civil rights have
18 been restored;

19 (7) Entry of a final civil or criminal judgment against a credential
20 holder, including dismissal with settlement, on grounds of fraud,
21 dishonesty, breach of trust, money laundering, misrepresentation, or
22 deceit involving real estate, financial services, or in the making of an
23 appraisal;

24 (8) Conviction, including a conviction based upon a plea of guilty
25 or nolo contendere, of a crime which is related to the qualifications,
26 functions, or duties of a real property appraiser;

27 (9) Performing services as a credentialed real property appraiser ~~or~~
28 ~~a credentialed real property associate~~ under an assumed or fictitious
29 name;

30 (10) Paying a finder's fee or a referral fee to any person in
31 connection with the appraisal of real estate or real property or an

1 appraisal review, except that an intracompany payment for business
2 development shall not be considered to be unethical or a violation of
3 this subdivision;

4 (11) Making a false or misleading statement in that portion of a
5 written report that deals with professional qualifications or in any
6 testimony concerning professional qualifications;

7 (12) Any violation of the act or any rules and regulations adopted
8 and promulgated pursuant to the act;

9 (13) Violation of the confidential nature of any information to
10 which a credential holder gained access through employment for evaluation
11 assignments or valuation assignments;

12 (14) Acceptance of a fee for performing a real property appraisal
13 valuation assignment, ~~or~~ evaluation assignment, or appraisal review
14 assignment when the fee is or was contingent upon (a) the real property
15 appraiser reporting a predetermined analysis, opinion, or conclusion, (b)
16 the analysis, opinion, conclusion, or valuation reached, or (c) the
17 consequences resulting from an the appraisal or appraisal review;

18 (15) Failure or refusal to exercise reasonable diligence in
19 developing an appraisal or appraisal review, preparing a report, or
20 communicating a report or assignment results an appraisal;

21 (16) Negligence or incompetence in developing an appraisal or
22 appraisal review, preparing a report, or communicating a report or
23 assignment results an appraisal, including failure to follow the
24 standards and ethical rules adopted by the board;

25 (17) Failure to maintain, or to make available for inspection and
26 copying, records required by the board;

27 (18) Demonstrating negligence, incompetence, or unworthiness to act
28 as a real property appraiser ~~or real property associate~~, whether of the
29 same or of a different character as otherwise specified in this section;

30 (19) Suspension or revocation of an appraisal credential or a
31 license in another regulated occupation, trade, or profession in this or

1 any other jurisdiction or disciplinary action taken by another
2 jurisdiction that limits the real property appraiser's ability to engage
3 in real property appraisal activity;

4 (20) Failure to renew or surrendering an appraisal credential or any
5 other registration, license, or certification issued by any other
6 regulatory agency or held in any other jurisdiction in lieu of
7 disciplinary action pending or threatened;

8 (21) Failure to report disciplinary action taken against an
9 appraisal credential or any other registration, license, or certification
10 issued by any other regulatory agency or held in any other jurisdiction
11 within sixty days of receiving notice of such disciplinary action;

12 (22) Failure to comply with terms of a consent agreement or
13 settlement agreement;

14 (23) Failure to submit or produce books, records, documents,
15 workfiles, reports, or other materials requested by the board concerning
16 any matter under investigation;

17 (24) Failure of an education provider to produce records, documents,
18 reports, or other materials, including, but not limited to, required
19 student attendance reports, to the board;

20 (25) Knowingly offering or attempting to offer a qualifying or
21 continuing education course or activity as being approved by the board to
22 an appraiser credentialed under the Real Property Appraiser Act, or an
23 applicant, without first obtaining approval of the activity from the
24 board, except for courses required by an accredited degree-awarding
25 college or university for completion of a degree in real estate, if the
26 college or university had its curriculum approved by the Appraiser
27 Qualifications Board as qualifying education;

28 (26) Presentation to the Real Property Appraiser Board of any check
29 which is returned to the State Treasurer unpaid, whether payment of fee
30 is for an initial or renewal credential or for examination; and

31 (27) Failure to pass the examination.

1 Sec. 35. Section 76-2245, Revised Statutes Cumulative Supplement,
2 2016, is amended to read:

3 76-2245 No person engaged in real property appraisal activities in
4 this state or acting in the capacity of a real property appraiser ~~or real~~
5 ~~property associate~~ in this state may bring or maintain any action in any
6 court of this state to collect compensation for the performance of
7 valuation services for which credentialing is required by the Real
8 Property Appraiser Act without alleging and proving that he or she was
9 duly credentialed under the act in this state at all times during the
10 performance of such services.

11 Sec. 36. Section 76-2246, Revised Statutes Cumulative Supplement,
12 2016, is amended to read:

13 76-2246 Any person required to be credentialed by the Real Property
14 Appraiser Act who engages in real property appraisal activity or who
15 advertises or holds himself or herself out to the general public as a
16 real property appraiser ~~or real property associate~~ in this state without
17 obtaining proper credentialing under the act shall be guilty of a Class
18 III misdemeanor and shall be ineligible to apply for credentialing under
19 the act for a period of one year from the date of his or her conviction
20 of such offense. The board may, in its discretion, credential such person
21 within such one-year period upon application and after an administrative
22 hearing.

23 Sec. 37. Section 76-2247.01, Revised Statutes Cumulative Supplement,
24 2016, is amended to read:

25 76-2247.01 (1) A person may retain or employ a real property
26 appraiser ~~or real property associate~~ credentialed under the Real Property
27 Appraiser Act to perform valuation services. In each case, the valuation
28 services, including any appraisal, appraisal review, and report, shall
29 comply with the Real Property Appraiser Act and the Uniform Standards of
30 Professional Appraisal Practice.

31 (2) In a valuation assignment, the real property appraiser shall

1 remain an impartial, disinterested third party. When providing an
2 evaluation assignment, the real property appraiser may respond to a
3 client's stated objective but shall also remain an impartial,
4 disinterested third party.

5 Sec. 38. Original sections 76-2201, 76-2202, 76-2203, 76-2205.02,
6 76-2207.01, 76-2207.02, 76-2207.03, 76-2207.04, 76-2207.05, 76-2207.06,
7 76-2207.07, 76-2207.08, 76-2207.09, 76-2207.10, 76-2207.11, 76-2207.12,
8 76-2207.13, 76-2207.14, 76-2207.15, 76-2207.16, 76-2215, 76-2216.02,
9 76-2218.02, 76-2219.01, 76-2220, 76-2221, 76-2222, 76-2227, 76-2233,
10 76-2233.03, 76-2236, 76-2236.01, 76-2238, 76-2245, 76-2246, and
11 76-2247.01, Revised Statutes Cumulative Supplement, 2016, are repealed.

12 Sec. 39. The following sections are outright repealed: Sections
13 76-2216.01 and 76-2227.01, Revised Statutes Cumulative Supplement, 2016.

14 Sec. 40. Since an emergency exists, this act takes effect when
15 passed and approved according to law.