

**ONE HUNDRED SEVENTH LEGISLATURE - FIRST SESSION - 2021**  
**COMMITTEE STATEMENT**  
**LB23**

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**Hearing Date:** Tuesday January 26, 2021  
**Committee On:** Banking, Commerce and Insurance  
**Introducer:** Williams  
**One Liner:** Change provisions of the Real Property Appraiser Act

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

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**Vote Results:**

**Aye:** 8 Senators Aguilar, Bostar, Flood, Lindstrom, McCollister, Pahls, Slama, Williams  
**Nay:**  
**Absent:**  
**Present Not Voting:**

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**Oral Testimony:**

<b>Proponents:</b> Senator Matt Williams Tyler Kohtz	<b>Representing:</b> Introducer Nebraska Real Property Appraiser Board
<b>Opponents:</b>	<b>Representing:</b>
<b>Neutral:</b>	<b>Representing:</b>

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**Submitted Written Testimony:**

<b>Proponents:</b> Bob Hallstrom	<b>Representing:</b> Nebraska Bankers Association
<b>Opponents:</b>	<b>Representing:</b>
<b>Neutral:</b>	<b>Representing:</b>

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

The purpose of LB23 is to update the Nebraska Real Property Appraiser Act ("Act") to implement the Real Property Appraiser Qualifications Criteria ("2020 Criteria") adopted by The Appraisal Foundation's Appraiser Qualifications Board, effective on January 1, 2020 and May 15, 2020; and to 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 not to be compliance with Title XI by the Appraisal Subcommittee, the

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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. Such action would have a substantial negative impact on the mortgage loan activity in Nebraska. Along with the changes required to maintain compliance with Title XI, the bill also includes minor changes to address administration of the Act.

The following changes would be made in the Real Property Appraiser Act:

Section 1 would amend section 76-2207.30 to update the definition of "Financial Institutions Reform, Recovery, and Enforcement Act of 1989" to mean the act as it existed on January 1, 2021 rather than January 1, 2020.

Section 2 would amend section 76-2218.02 to update the definition of "Uniform Standards of Professional Appraisal Practice" to mean the standards adopted and promulgated by The Appraisal Foundation as they existed on January 1, 2021 rather than January 1, 2020.

Section 3 would amend section 76-2221 to clarify that the act does not apply to a "person" rather than a "real property appraiser" who is a salaried employee of certain identified public or private entities "who renders an estimate or opinion of value of real estate or any interest in real estate when such estimate or opinion is rendered in connection with the salaried employee's employment." This change would correct an erroneous of this section because "real property appraiser" is a defined term.

Sections 4, 6, 7, and 8 would amend sections 76-2228.01, 76-2230, 76-2231.01, and 76-2232 to provide for issuance of credentials, including upgraded credentials, to persons who, among other things, hold a degree and not just a bachelor's degree, 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 as required core curriculum or the equivalent as determined by the Appraiser Qualification Board. Section 6 would further amend section 76-2230 to provide that the scope of practice for licensed residential real property appraisers shall be limited to real property appraisal practice concerning noncomplex residential real property or real estate having no more than four units, if any, with a transaction value of less than one million dollars and complex residential real property or real estate having no more than four units, if any, with a transaction value of less than "four" hundred thousand dollars rather than "two" hundred "fifty" thousand dollars.

Section 5 would amend section 76-2228.02 to provide any action taken by the Real Property Appraiser Board or any other appraiser regulatory agency in another jurisdiction, which may or may not limit a real property appraiser's legal eligibility to engage in real property appraisal practice, involving any jurisdiction's isolated administrative responsibilities including late payment of fees related to credentialing, failure to timely renew a credential, or failure to provide notification of a change in contact information, is not disciplinary action for the purpose of supervisory real property appraiser eligibility.

Section 9 would provide for repealers of the amendatory sections.

Section 10 would provide for an emergency clause.

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Matt Williams, Chairperson