

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
FIRST SESSION

LEGISLATIVE BILL

Introduced by

Read first time

Committee:

1 A BILL FOR AN ACT relating to the Nebraska Appraisal Management Company
2 Registration Act; to amend sections 76-3207 and 76-3216, Revised
3 Statutes Cumulative Supplement, 2024; to change provisions relating
4 to restrictions on ownership of appraisal management companies and
5 violations by appraisal management companies; and to repeal the
6 original sections.

7 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 76-3207, Revised Statutes Cumulative Supplement,
2 2024, is amended to read:

3 76-3207 (1) An appraisal management company ~~A person applying for~~
4 ~~issuance of a registration or renewal of a registration~~ shall not:

5 (a) In whole or in part, directly or indirectly, be owned by any
6 person who has had a real property appraiser credential or equivalent
7 refused, denied, canceled, or revoked or who has surrendered a real
8 property appraiser credential or equivalent in lieu of revocation in any
9 jurisdiction for a substantive cause as determined by the board; and

10 (b) Be more than ten percent owned by a person who is not of good
11 moral character, which for purposes of this section shall require that
12 such person has not been convicted of, or entered a plea of nolo
13 contendere to, a felony relating to the real property appraisal practice
14 or any crime involving fraud, misrepresentation, or moral turpitude or
15 failed to submit to a criminal history record check through the Nebraska
16 State Patrol and the Federal Bureau of Investigation.

17 (2) For purposes of subdivision (1)(b) of this section, each
18 individual owner of more than ten percent of an appraisal management
19 company shall:

20 (a) At the time an application for issuance of a registration is
21 made, submit two copies of legible ink-rolled fingerprint cards or
22 equivalent electronic fingerprint submissions to the board for delivery
23 to the Nebraska State Patrol in a form approved by both the Nebraska
24 State Patrol and the Federal Bureau of Investigation;

25 (b) At the time an application for renewal of a registration is
26 made, submit two copies of legible ink-rolled fingerprint cards or
27 equivalent electronic fingerprint submissions to the board for delivery
28 to the Nebraska State Patrol in a form approved by both the Nebraska
29 State Patrol and the Federal Bureau of Investigation if a fingerprint-
30 based national criminal history records check has not been completed
31 pursuant to subdivision (2)(a) of this section; and

1 (c) At the time an individual owner of more than ten percent of an
2 appraisal management company is identified by the board, submit two
3 copies of legible ink-rolled fingerprint cards or equivalent electronic
4 fingerprint submissions to the board for delivery to the Nebraska State
5 Patrol in a form approved by both the Nebraska State Patrol and the
6 Federal Bureau of Investigation if a fingerprint-based national criminal
7 history records check has not been completed pursuant to subdivision (2)
8 (a) or (2)(b) of this section.

9 (3) The board shall pay the Nebraska State Patrol the costs
10 associated with conducting a fingerprint-based national criminal history
11 record check through the Nebraska State Patrol and the Federal Bureau of
12 Investigation with such record check to be carried out by the board.

13 (4) For the purpose of subdivision (1)(a) of this section, a person
14 is not barred from issuance of a registration if the real property
15 appraiser credential or equivalent of the person with an ownership
16 interest was not refused, denied, canceled, revoked, or surrendered in
17 lieu of revocation for a substantive cause as determined by the board and
18 has been reinstated by the jurisdiction in which the action was taken.

19 **Sec. 2.** Section 76-3216, Revised Statutes Cumulative Supplement,
20 2024, is amended to read:

21 76-3216 (1) It is unlawful for a person to directly or indirectly
22 engage in or attempt to engage in business as an appraisal management
23 company or to advertise or hold itself out as engaging in or conducting
24 business as an appraisal management company in this state without first
25 obtaining a registration or by meeting the requirements as a federally
26 regulated appraisal management company.

27 (2) Except as provided in section 76-3204, any person who, directly
28 or indirectly for another, offers, attempts, or agrees to perform all
29 actions described in subdivision (6) of section 76-3202 or any action
30 described in subdivision (7) of such section, shall be deemed an
31 appraisal management company within the meaning of the Nebraska Appraisal

1 Management Company Registration Act, and such action shall constitute
2 sufficient contact with this state for the exercise of personal
3 jurisdiction over such person in any action arising out of the act.

4 (3) The board may issue a cease and desist order against any person
5 who violates this section by performing any action described in
6 subdivision (6) or (7) of section 76-3202 without the appropriate
7 registration. Such order shall be final ten days after issuance unless
8 such person requests a hearing pursuant to section 76-3217. The board
9 may, through the Attorney General, obtain an order from the district
10 court for the enforcement of the cease and desist order.

11 (4) To the extent permitted by any applicable federal legislation or
12 regulation, the board may censure an appraisal management company,
13 conditionally or unconditionally suspend or revoke its registration, ~~or~~
14 levy fines or impose civil penalties not to exceed five thousand dollars
15 for a first offense and not to exceed ten thousand dollars for a second
16 or subsequent offense, or, at the board's discretion, enter into a
17 contingent dismissal agreement with remedial measures with an appraisal
18 management company if the board determines that an appraisal management
19 company is attempting to perform, has performed, or has attempted to
20 perform any of the following:

21 (a) A material violation of the act;

22 (b) A violation of any rule or regulation adopted and promulgated by
23 the board; or

24 (c) Procurement of a registration for itself or any other person by
25 fraud, misrepresentation, or deceit.

26 (5) In order to promote voluntary compliance, encourage appraisal
27 management companies to correct errors promptly, and ensure a fair and
28 consistent approach to enforcement, the board shall endeavor to impose
29 fines or civil penalties that are reasonable in light of the nature,
30 extent, and severity of the violation. The board shall also take action
31 against an appraisal management company's registration only after less

1 severe sanctions have proven insufficient to ensure behavior consistent
2 with the Nebraska Appraisal Management Company Registration Act. When
3 deciding whether to impose a sanction permitted by subsection (4) of this
4 section, determining the sanction that is most appropriate in a specific
5 instance, or making any other discretionary decision regarding the
6 enforcement of the act, the board shall consider whether an appraisal
7 management company:

8 (a) Has an effective program reasonably designed to ensure
9 compliance with the act;

10 (b) Has taken prompt and appropriate steps to correct and prevent
11 the recurrence of any detected violations; and

12 (c) Has independently reported to the board any significant
13 violations or potential violations of the act prior to an imminent threat
14 of disclosure or investigation and within a reasonably prompt time after
15 becoming aware of the occurrence of such violations.

16 (6) Any violation of appraisal-related laws or rules and
17 regulations, and disciplinary action taken against an appraisal
18 management company, shall be reported to the Appraisal Subcommittee as
19 required by Title XI of the Financial Institutions Reform, Recovery, and
20 Enforcement Act of 1989, the AMC rule, and any policy or rule established
21 by the Appraisal Subcommittee. A successfully completed contingent
22 dismissal agreement is not disciplinary action.

23 **Sec. 3.** Original sections 76-3207 and 76-3216, Revised Statutes
24 Cumulative Supplement, 2024, are repealed.