

AMENDMENTS TO LB 72

Introduced by McCoy

1 1. Strike the original sections and insert the following
2 new sections:

3 Section 1. Section 81-885.21, Revised Statutes Cumulative
4 Supplement, 2012, is amended to read:

5 81-885.21 (1) Each broker other than an inactive broker
6 shall maintain in a bank, savings bank, building and loan
7 association, or savings and loan association a separate, insured
8 checking account in this state in his or her name or the name
9 under which he or she does business which shall be designated a
10 trust account in which all downpayments, earnest money deposits,
11 or other trust funds received by him or her, his or her associate
12 brokers, or his or her salespersons on behalf of his or her
13 principal or any other person shall be deposited and remain until
14 the transaction is closed or otherwise terminated unless all
15 parties having an interest in the funds have agreed otherwise in
16 writing. Until July 1, ~~2014,~~ 2017, such trust account may be either
17 an interest-bearing or a non-interest-bearing account. Any broker
18 using an interest-bearing account and, if interest-bearing, shall
19 comply with subsection (7) of this section. On and after July
20 1, ~~2014,~~ 2017, such trust account shall be a non-interest-bearing
21 account.

22 (2) Each broker shall notify the commission of the
23 name of the bank, savings bank, building and loan association,

1 or savings and loan association in which the trust account is
2 maintained and also the name of the account on forms provided
3 therefor.

4 (3) Each broker shall authorize the commission to examine
5 such trust account by a duly authorized representative of the
6 commission. Such examination shall be made annually or at such time
7 as the commission may direct.

8 (4) A broker may maintain more than one trust account in
9 his or her name or the name under which he or she does business if
10 the commission is advised of such account as required in subsection
11 (2) of this section.

12 (5) In the event a branch office maintains a separate
13 trust account, a separate bookkeeping system shall be maintained in
14 the branch office.

15 (6) A broker shall not be entitled to any part of the
16 earnest money or other money paid to him or her or the entity
17 under which he or she does business in connection with any real
18 estate transaction as part or all of his or her compensation
19 or consideration until the transaction has been consummated or
20 terminated.

21 (7) If the trust account is an interest-bearing account,
22 as authorized under subsection (1) of this section, the interest
23 from the interest-bearing account may only be distributed or
24 otherwise accrue only to nonprofit organizations that promote
25 housing in Nebraska and that are exempt from the payment of
26 federal income taxes. A broker may use an interest-bearing account
27 for a transaction only if the use of such account for purposes

1 of promoting housing in Nebraska has been approved by the party
2 whose money will be deposited into such account. The commission
3 may further define policies and procedures for the processing of
4 and distributions from interest-bearing trust accounts by rule and
5 regulation.

6 Sec. 2. Original section 81-885.21, Revised Statutes
7 Cumulative Supplement, 2012, is repealed.