

**NEBRASKA REAL PROPERTY APPRAISER BOARD
NRPAB OFFICE MEETING ROOM, FIRST FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

March 17, 2016 Meeting Minutes

A. OPENING

Chairman Marc Woodle called to order the March 17, 2016 meeting of the Nebraska Real Property Appraiser Board at 9:02 a.m., in the Nebraska Real Property Appraiser Board meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairman Woodle announced the notice of the meeting was duly given, posted, published, and tendered in compliance with the Open Meetings Act, and all board members received notice simultaneously by email. Publication of official notice of the meeting appeared in the March 14, 2016 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this state, as required by the Open Meetings Act. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. Materials generally used by the Board for this meeting were available in the public folder for inspection by the public, and in accordance with the Open Meetings Act. A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Marc Woodle, Christopher Langemeier, Sandra Gutwein, and Benjamin Hynek were present. Also present were Director, Tyler Kohtz, Compliance and Education Specialist, Grant Krieger, and Business and Licensing Specialist, John Brady.

ADOPTION OF THE AGENDA

Chairman Woodle reminded those present for the meeting that the agenda cannot be altered 24 hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Langemeier moved to adopt the agenda as printed. Board Member Hynek seconded the motion. With no further discussion, the motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

The Nebraska Real Property Appraiser Board will meet in executive session for review of applicants and enforcement matters.

Board Member Langemeier moved that the Board go into executive session for the purpose of reviewing applicants for credentialing, applicants for appraisal management company registration, investigations, and other sensitive matters. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. The time on the meeting clock was 9:05 a.m. Board Member Gutwein seconded the motion. The motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

Break from 9:55 a.m. to 10:15 a.m.

Break from 10:38 a.m. to 11:01 a.m.

Board Member Langemeier moved to come out of executive session at 11:01 a.m. Board Member Hynek seconded the motion. The motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

G. WELCOME AND CHAIR'S REMARKS

Chairman Woodle welcomed all, and wished everyone a safe and happy St. Patrick's Day. The Chairman then brought attention to the new Business and Education Specialist, John Brady, and welcomed him to the team. Diane Moore was the only member of the Public in attendance.

H. BOARD MEETING MINUTES

1. APPROVAL OF FEBRUARY 18, 2016 MEETING MINUTES

Chairman Woodle asked for any additions or corrections to the February 18, 2016 minutes. The Chairman then asked that "Dearly" be changed to "Duly" in Section K on page H.3. Director Kohtz informed the Board that this change will be made. With no further discussion, the Chairman called for a vote. Board Member Langemeier moved to adopt the February 18, 2016 meeting minutes as amended. Board Member Gutwein seconded the motion. The motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

2. AMENDMENT OF JANUARY 21, 2016 MEETING MINUTES

Director Kohtz brought attention to an omission in the January 21, 2016 minutes. The summary for LB876 was not included in Section P beginning on Page H.15. Board Member Langemeier moved to amend the January 21, 2016 meeting minutes as presented. Board Member Gutwein seconded the motion. The motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

I. DIRECTOR'S REPORT

Director Kohtz presented twelve charts outlining the number of appraisers and AMCs as of March 17, 2016. The Director summarized each chart and reported the number of appraisers as follows: 62 total Licensed, 58 credentialed through education, experience, and examination, and 4 through reciprocity; 216 total Certified Residential, 179 credentialed through education, experience, and examination, and 37 through reciprocity; 380 total Certified General, 242 through education, experience, and examination, and 138 through reciprocity. In addition, there are 0 Registered and 61 Trainees currently credentialed.

As of March 17, 2016, a total of 658 appraisers, not including the Trainee classification, were reported by the Director, down 1 from February, and down 4 from March 2015. A total of 719 appraisers, including the Trainee classification, were also reported by the Director, the same as February, and up 1 from March 2015. A total of 479 appraisers credentialed through education, experience, and examination, not including the Trainee classification, was reported, which is down 7 from March 2015, and a total of 179 appraisers credentialed through reciprocity was reported, which is up 3 from March 2015.

Chairman Woodle declared that although resident credentialed appraisers are declining slowly, it appears to him that the niche, especially in Western Nebraska and Grand Island, is being filled by appraisers from Kansas City. The Chairman finished by saying that he sees the good and bad in the numbers, but it is good that Nebraska is not facing the same problems in rural areas that many other states are experiencing.

The Director then addressed the number of temporary permits issued. There were 15 permits issued in February compared to 17 permits issued in January. As of February 29, 2016, 32 temporary permits have been issued for the calendar year. Finally, the Director reported 103 AMCs registered, which is down 8 from March 2015.

The Director ended his report by welcoming the new Business and Licensing Specialist, John Brady, to the team.

J. FINANCIAL REPORT AND CONSIDERATIONS – MARCH 2016

1. APPROVAL OF FEBRUARY RECEIPTS AND EXPENDITURES

The receipts and expenditures for February were reviewed by the Director by line item with the Board. Director Kohtz provided details related to some February expenses. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$30,763.02 in expenditures and \$19,901.87 in revenues were reported. As of the end of February, expenses amount to 50.66 percent of the budgeted expenditures for the fiscal year; 66.85 percent of the fiscal year has passed. Director Kohtz finished by presenting three charts outlining the Agency twenty-five month expenses and revenues, historic cash balance, and twenty-five month cash balance.

Director Kohtz informed the Board that the revenues are right in line with the projections for this fiscal year. Board Member Langemeier asked if the bulk of the remaining revenues would be from appraiser renewals. Director Kohtz responded that some of the remaining revenues would come from renewals, but the majority will come from a variety of areas, such as AMC renewals, application fees, credentialing fees, education, and miscellaneous service fees collected.

Board Member Langemeier moved to accept and file the February 2016 budget reports for audit. Board Member Hynek seconded the motion. The motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

2. PER DIEMS

Director Kohtz informed the Board that he has no per diem requests for this meeting. Chairman Woodle asked if any board members had a request for the Board to consider. There was no further discussion.

K. GENERAL PUBLIC COMMENTS

Chairman Woodle asked for any public comments. With no comments, the Chairman proceeded to Education.

L. EDUCATION

Board Member Langemeier moved to take the following actions on education activities and instructors as listed:

NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS

The American Society of Farm Managers and Rural Appraisers

AgWare Back to Basics (C21606)/7 Hours – *Deny*

Deborah Martin - *Deny*

PlanIt Omaha

2016 Commercial Real Estate Summit (C21607)/8 Hours – *Approve*

Jerry Slusky - *Approve*

NEW QUALIFYING EDUCATION ACTIVITIES AND INSTRUCTORS

Appraisal Institute

Advanced Income Capitalization (QE21604)/33 Hours (30 Hour Course, 3 Hour Exam) – *Approve*

David Lennhoff - *Approve*

Seconded by Gutwein. Chairman Woodle called for the vote. The motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

OTHER ACTIVITIES

A certified residential real property appraiser residing in California made a request to the Board for consideration of a course as meeting the requirements for the seven hour report writing update course for his continuing education program. The Board agreed that the course meets the Board's expectations and would be accepted as meeting the seven hour report writing update course requirement if submitted for that purpose. Board Member Hynek moved to approve California approved course, "Residential Report Writing for FNMA and General Purpose Reports, Clauses and Concepts" for this purpose. The motion was seconded by Langemeier, and carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

M. UNFINISHED BUSINESS

- 1. OPEN AT-LARGE REPRESENTATIVE OF FINANCIAL INSTITUTIONS POSITION:**
Director Kohtz informed the Board that there is still only one applicant, and asked if the Board has any feedback. There was no further discussion.
- 2. BOARD MEMBER RECOGNITION:** Director Kohtz informed the Board that Cornhusker Industries is putting a proof together for the Board to review. There was no further discussion.
- 3. APPRAISAL MANAGEMENT COMPANY CUSTOMARY AND REASONABLE FEES:**
During the February meeting, the Board requested that Director Kohtz research procurement requirements for completion of an appraisal fee study. Director Kohtz reported that the threshold for any procurement requirements is \$50,000.00; any contract that the Board would enter into for such purpose would be far below this amount. The Director continued by informing the Board that it will have to determine how it would like to proceed. A formal or informal request for proposal could be utilized, or the Board could choose to work with one entity to provide the service. The Board asked Director Kohtz to reach out to the universities that have already completed an appraisal fee study to gauge interest in completing such of a study in Nebraska, and to research what information would be needed to provide an estimate for an appraisal fee study. The Director indicated that he will report this information back at the April meeting.

N. NEW BUSINESS: None

O. LEGISLATIVE REPORT AND BUSINESS

- 1. LEGISLATIVE UPDATE:** Director Kohtz provided an update to the Board regarding legislation carried over from the previous session and introduced during the current session that the Board may have interest in. The following bills were addressed:

LB606 – No update.

LB646 – No update.

LB699 – Passed on Final Reading 46-0-3 on February 18, 2016 and signed by the Governor on February 24, 2016.

LB717 – No update.

LB729 – Passed on Final Reading with Emergency Clause 48-0-1, and approved by Governor on March 9, 2016.

LB731 – Director Kohtz spoke with Senator Johnson’s office about requesting that LB731 be a Speaker’s Priority Bill. Senator Johnson’s office indicated that the bill will be placed on the final Consent Agenda.

LB825 – No update.

LB830 – This bill was placed on Final Reading with amendments AM2082, AM2314, AM2290.

LB867 – Placed on Select File on March 15, 2016 with AM1976.

LB876 – Passed on Final Reading 46-0-3 on February 18, 2016, and approved by the Governor on February 24, 2016.

LB993 – No update.

LB1024 – No update.

LB1084 – No update.

LB1092 – Placed on Select File on March 15, 2016.

LB1099 – No update.

2. **TITLE 298 UPDATE:** Director Kohtz informed the Board that the Attorney General’s Office approved the Title 298 changes on March 17, 2016, and the Title 298 changes will be sent to the Governor’s Policy and Research Office for review.

P. BOARD POLICIES AND PROCEDURES

1. BOARD POLICIES

- a. **Current Board Policies:** No discussion.

Q. OTHER BUSINESS

1. **BOARD MEETINGS:** No discussion.

2. **CONFERENCES/EDUCATION:** No discussion.

3. MEMOS FROM THE BOARD

- a. **What is the Nebraska Real Property Appraiser Board Working On?:** At the February meeting, the Board asked Director Kohtz to prepare a Memo From the Board summarizing what the Board is working on. The Director asked that the Board discuss this request at the March meeting to establish what information the Board would like included in these memos. At the March meeting, the Director provided a list of topics that include current and future projects of the Board to the Board for review, which included legislation, rules rewrite, investigative procedures, streamlined applicant processing, database upgrades, AMC fee study, Standard 3 reviewer survey, and AMC law update. Board Member Langemeier stated that the Board focused procedural items should be removed; focus should be placed on things that the appraisers would find interesting or that would benefit them. The list was adjusted to accommodate this request. Board Member Langemeier also added that the list should be broken up into a series of memos; the first should be legislation and rules update. Chairman Woodle agreed with Board Member Langemeier’s assessment, and added that less is more; the memos should be limited to one page a piece. The list was divided into four separate memos.

(Continued on page 6)

(Continued from page 5)

Board Member Langemeier moved to approve a series of Memos From the Board as discussed. The motion was seconded by Hynek, and carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

4. APPRAISAL SUBCOMMITTEE: No discussion.

5. APPRAISAL FOUNDATION

a. The Appraisal Practices Board January 29, 2016 Meeting Summary: No discussion.

6. IN THE NEWS

a. The Appraisal Buzz Article: The Appraiser Shortage: What Can Be Done: No discussion.

C. CONSIDERATION OF APPLICANTS AS NEBRASKA REAL PROPERTY APPRAISER:

Board Member Langemeier moved to take the following actions for the applicants as listed:

CR16001R/ Requirements for credentialing as a Certified Residential Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.

CR16002R/ Requirements for credentialing as a Certified Residential Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.

CR15009/ Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam.

CG15015/ Request additional report and send for Standard 3 Review, and request an updated experience log beginning after October 2, 2015.

CG15016/ Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam.

Board Member Gutwein seconded the motion. Motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY:

Board Member Langemeier moved to take the following actions for AMC applicants as listed:

Item 1/ Approve renewal of registration as an appraisal management Company; send advisory letter.

Board Member Hynek seconded the motion. Motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

E. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS:

Board Member Langemeier moved to take the following enforcement actions:

16-01 / Dismiss without prejudice; send advisory letter.

14-22 / Monitor Consent Agreement.

14-23 / Monitor Consent Agreement.

14-24 / Monitor Consent Agreement.

14-26 / Monitor Consent Agreement.

14-27 / Monitor Consent Agreement.

15-03 / Ongoing
15-05 / Hold
15-09 / Hold
15-14 / Ongoing
15-15 / Ongoing
15-16 / Ongoing
15-18 / Ongoing
15-19 / Ongoing

Board Member Gutwein seconded the motion. Motion carried with Hynek, Langemeier, Gutwein, and Woodle voting aye.

Board Member Langemeier moved to take the following enforcement actions:

15-22 / Ongoing
15-23 / Ongoing
15-24 / Ongoing

Board Member Hynek seconded the motion. Motion carried with Hynek, Langemeier, and Woodle voting aye. Gutwein recused herself.

Board Member Langemeier moved to take the following enforcement actions:

14-32 / Hold
14-33 / Hold
14-35 / Ongoing

Board Member Hynek seconded the motion. Motion carried with Hynek, Gutwein, and Langemeier voting aye. Woodle abstained.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS:

Board Member Langemeier moved to take the following actions for other executive session items:

I14-32 / Hold
I14-33 / Hold

Board Member Gutwein seconded the motion. Motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

R. ADJOURNMENT

Board Member Langemeier moved to adjourn the meeting. Board Member Hynek seconded the motion. Motion carried with Hynek, Gutwein, Langemeier, and Woodle voting aye.

At 12:34 p.m. Chairman Woodle adjourned the March 17, 2016 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on March 31, 2016, in compliance with Nebraska Revised Statute §84-1413 (5).