

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

August 20, 2020 Meeting Minutes

A. OPENING

Chairperson Ben Hynek called to order the August 20, 2020 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., in the Nebraska Real Property Appraiser Board's meeting room located on the first floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairperson Hynek 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 on the State of Nebraska Public Calendar found at www.nebraska.gov on August 13, 2020. 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, 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 Benjamin Hynek of Lincoln, Nebraska, Christopher Mustoe of Omaha, Nebraska, Thomas Luhrs of Imperial, Nebraska, Wade Walkenhorst of Lincoln, Nebraska, and Bonnie Downing of Dunning, Nebraska, were present. Also present were Director Tyler Kohtz and Business and Licensing Specialist Allison Nespor, who are headquartered in Lincoln, Nebraska. Administrative Specialist Katja Duerig of Lincoln, Nebraska, was present by audio conference.

ADOPTION OF THE AGENDA

Chairperson Hynek 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 Mustoe moved to adopt the agenda as printed. Board Member Luhrs seconded the motion. With no further discussion, the motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

Board Member Mustoe moved that the Board go into executive session for the purpose of reviewing applicants for credentialing; applicants for appraisal management company registration; investigations; pending litigation, or litigation which is imminent as evidenced by communication of a claim or threat of litigation; and employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Luhrs seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

Board Member Luhrs moved to come out of executive session at 9:29 a.m. Board Member Downing seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Hynek greeted the public and said, "As always, less is more." Roger Morrissey was the only member of the public present.

H. BOARD MEETING MINUTES

1. APPROVAL OF JUNE 18, 2020 MEETING MINUTES

Chairperson Hynek asked for any additions or corrections to the June 18, 2020 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the June 18, 2020 meeting minutes as presented. Board Member Downing seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

I. DIRECTOR'S REPORT

1. APPRAISER AND AMC REPORTS

a. Appraiser Count Report

Director Kohtz presented seven charts outlining the number of appraisers as of August 20, 2020. The Director reported that the number of Certified General Real Property Appraisers credentialed through Education, Experience, and Examination are down from previous years, but there are more Certified General Real Property Appraisers credentialed through Reciprocity. The Director added that numbers are steady for both the Licensed and Certified Residential classifications. Director Kohtz reported that the current budget takes into account a drop in the number of Certified General Real Property Appraisers due to an anticipated lower number of reciprocity and renewal applicants. The Director reminded the Board not be alarmed if or when the Appraiser Count Report reflects this trend. The Director asked for questions or comments. There was no discussion.

b. Temporary Credential Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of July 31, 2020. The Director reported that the number of temporary credentials issued over the five-year period is trending downward, and the monthly report is showing that approximately half of the number of temporary credentials are being issued by the Board after the coronavirus pandemic began compared to before. Director Kohtz informed the Board that he expects these numbers to rebound in the future. The Director asked for any questions or comments. There was no discussion.

c. Supervisory Appraiser Count Report

Director Kohtz presented two charts outlining the number of supervisory appraisers as of August 20, 2020. The Director reported that he had no comments, and asked for any questions or comments. There was no discussion.

d. AMC Count Report

Director Kohtz presented two charts outlining the number of AMCs as of August 20, 2020. The Director reported that he had no comments, and asked for any questions or comments. There was no discussion.

2. EXECUTIVE AUTHORITY APPROVAL REPORT

Director Kohtz presented three Executive Authority Approval Reports for the real property appraisers and applicants, appraisal management companies, and education activities and instructors that have been approved under the executive authority granted to waive rules pertaining to examinations and applications as a result of Governor Ricketts's 2020 State of Emergency Proclamation made on March 13, 2020 for the period between June 6, 2020 and August 12, 2020. The Director informed the Board that he had no specific comments, and asked for any questions or comments. There was no further discussion.

J. FINANCIAL REPORT AND CONSIDERATIONS – AUGUST 2020

1. APPROVAL OF JUNE RECEIPTS AND EXPENDITURES

Director Kohtz summarized the expenditures and revenues for the 2019-2020 fiscal year, which ended with \$358,737.05 in expenditures and \$351,677.74 in receipts. As of the end of June, expenses amount to 74.16 percent of the budgeted expenditures. Director Kohtz also noted that revenues finished at 107.79 percent of the budgeted revenues for the fiscal year. The Director then broke down expenditures by operations and one-time funded projects to give the Board a sense of its expenditures for the fiscal year. Specifically, Director Kohtz commented on the data processing expenses, and informed the Board that it finished with \$79,800.30 in expenditures, which is 88.62% of the budgeted amount. Director Kohtz commented that these expenditures primarily consist of two major database projects: the Online Appraiser Renewal Application Submission Portal with Electronic Payment System and the Enforcement Interface. The Online Appraiser Renewal Application Submission Portal is slightly below budget, and the Enforcement Interface came in around \$5,000.00 below budget. There is still some work to do on the Online Appraiser Renewal Application Submission Portal with Electronic Payment project, but it should be completed within the data processing expenses funding for the current fiscal year. Director Kohtz moved on to the \$515.00 Conference Registration expense and explained that this was about half of the budgeted amount. This lower amount was due to the cancellation of the Spring 2020 AARO Conference. The Director pointed out the end-of-year Legal Services Expense of \$2,080.00, which amounts to 5.93% of the budgeted expenditures. Director Kohtz cited a drop in the number of grievances that required the services of SAAG Blake as the reason. The low number of grievances during the 2019-20 fiscal year also contributed to a lower year-end expense for Other Contractual Services, as there was less need for the use of Subject Matter Expert services. This, along with a smaller number of applicants requiring USPAP compliance review services, resulted in this expenditure finishing the year at \$19,830.85, or 37.46% of budget. Director Kohtz finished discussion regarding year-end expenditures by informing the Board that travel expenses finished at 74.16% of the budgeted amount due to the cancellation of the Spring AARO Conference and the reduced number of board meetings because of precautions related to the coronavirus pandemic.

Director Kohtz then moved on to revenues for the 2019-20 fiscal year, and informed the Board that the revenues for qualifying education course applications finished at \$1,750.00, or 350% of projected revenues, while continuing education course revenues finished at \$1,500.00, or 150% of projected revenues. The Director surmised that more education providers were submitting resubmissions of continuing education courses rather than renewals due to changes made to the course materials. Next, Director Kohtz brought attention to the \$300.00 revenue for Licensed Residential New Fees. The Director noted that this was only 25% of the budgeted revenue, and it represented only one new Licensed Residential Real Property Appraiser. The Director reported that he anticipated that the reduced post-secondary education requirements, and the “fast-track” option to move from licensed residential to certified residential, would lead to a larger number of applicants, but that has not been the case. Director Kohtz then focused on renewal revenues, and informed the Board that revenues for the certified general classification totaled \$82,775.00, or 98.69% of projected revenues; the revenue total for the licensed classification was \$12,650.00, or 106.98% of projected; and the revenue total for the certified residential classification finished at \$53,900.00, or 104.26% of projected revenues. Finally, Director Kohtz announced that revenues for AMC New Registrations, AMC Application Fees, and Registered AMC Renewals all exceeded projections by a fair amount. This is a good sign for AMC revenues moving forward as the Board is nearing the end of the transition to the implementation of the AMC Final Rule requirements.

The Director asked for any questions or comments concerning the expenditures or revenues for the 2019-20 fiscal year, or for the month of June. There was no further discussion.

Director Kohtz then brought attention to the General Ledger for June. The Director reported that he had no specific comments, and asked for any questions or comments. There was no further discussion.

Board Member Luhrs moved to accept and file the June 2020 financial reports for audit. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

2. APPROVAL OF JULY RECEIPTS AND EXPENDITURES

The receipts and expenditures for July were presented to the Board in the Budget Status Report. Director Kohtz reported that there was an extra pay period in July, so the Personnel Services Limits expenses were higher than normal, but these expenses will even out over the course of the fiscal year. The Director brought attention to the Data Processing Expense of \$2,268.19, and informed the Board that the Online Appraiser Renewal Application Submission Portal with Electronic Payment project was moving again. Director Kohtz moved on to a \$67.00 Household and Institution Expense, and indicated that he purchased a logo fleece. Finally, a \$233.00 credit was applied to SOS Temp Service-Personnel due to an overestimate of projected expenditures from DAS. The Director reported that expenditures for the month of July totaled \$28,891.42, which amounts to 7.01 percent of the budgeted expenditures for the fiscal year; 8.49 percent of the fiscal year has passed. Revenues reported for July were \$14,466.41, and total revenues amount to 3.80 percent of the projected revenues for the fiscal year. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz then brought attention to the General Ledger for July, and pointed out the entry “ART FX SCREENPRINTING & EMBROID” on page J.14. This expenditure was for his logo fleece. The Director then directed attention to the “NRPAB PENALTY TFR TO EDUCATION” entry on page J.15, and indicated that this was a \$1,500.00 transfer to the Department of Education related to a civil penalty assessed by the Board in a consent agreement. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented three graphs showing expenses, revenues, and cash balance. The Director once again announced the expenditures and revenues for the month of July for the Real Property Appraiser Program, which includes both the appraiser fund and the AMC Fund. The Director then remarked that the cash balance for the AMC fund is \$277,895.11, the Appraiser Fund is \$283,338.05, and the overall cash balance for both funds is \$561,233.16. Director Kohtz asked for any questions related to the graphs. There was no further discussion.

Board Member Luhrs moved to accept and file the July 2020 financial reports for audit. Board Member Downing seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

3. PER DIEMS

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

4. FY 2020-21 BUDGET AMENDMENT

Director Kohtz presented a technical amendment to the FY20-21 budget for the Board’s consideration. The Director explained that the USPAP books expense is only relevant every other year, but the base amount of Office Supplies Expenses in the Board’s budget allocation includes \$3,000.00 for each fiscal year. When figuring the projected expenditures for the current fiscal year, it came out to be \$2,000.00 as there will be no USPAP book purchase this fiscal year. Because the FY20-21 budget is used as the base budget for the 2021-23 biennial budget request, an issue with explanation would have had to be included in the budget request to describe the differences between the two years. The Director informed the Board that it was easier to amend the current budget back to the base allocation for this biennium to establish the base for the 2021-23 biennial budget request. To accomplish this, \$1,000.00 was added back to Office Supplies Expenses, and \$1,000.00 was removed from Other Operating Expenses. This change is intended to match the previous biennial budget requests. Director Kohtz asked for any questions or comments. Board Member Luhrs moved to approve the amendment to the FY 2020-21 Budget as presented by Director Kohtz. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

5. 2021-2023 BIENNIAL BUDGET

Director Kohtz presented the 2021-2023 Biennial Budget Request, along with a document named, “2021-2023 Biennial Budget Request Highlights” to the Board for consideration. The Director informed the Board that he was not going to go through each document individually, but wanted to bring attention to the specifics in the request. The 2021-2023 Biennial Budget Request includes the following:

- Detailed narratives that explain the Board’s statutory authority, mission, vision, goals, objectives, Covid-19 response, management processes, services delivery, and budget issues.
- The base appropriation for the Budget Request Issues is \$402,427.00. All changes below are in relation to the base appropriation.
- 2021-2023 Teammate Salary Increase - An estimation of the cost of employee salary increases equivalent to 2% each for FY22 and FY23 as specified by the Department of Administrative Services (FY22: \$3,676.00, FY23: \$7,425.00).
- 2021-2023 Teammate Health Insurance - An estimate of the cost to the agency for employee health insurance with an increase equivalent to 4% for FY22 and FY23 as specified by the Department of Administrative Services (FY22: \$1,266.00, FY23: \$2,582.00).
- Administrative Services Assessment Changes - The Department of Administrative Services charges an assessment based on usage. The Board's request includes the necessary adjustments based on the changes to assessments for the 2021-23 biennial budget cycle (FY22: -\$2,282.00, FY23: -\$2,282.00).

The Director then summarized FY22, and informed the Board that the budget request for FY22 totals \$405,086.00; an increase of \$2,659.00 over the base. The projected expenditures for FY22 are \$337,711.00, and the projected revenues for FY22 are \$349,661.00. The Appraiser Fund balance is expected to be \$333,595.00 at the end of FY22, and the AMC Fund balance is expected to be \$291,756.00 at the end of FY22. Finally, Director Kohtz summarized FY23, and declared to the Board that the budget request for FY23 totals \$410,151.00; an increase of \$7,724.00 over the base. The projected expenditures for FY23 are \$342,150.00, and the projected revenues for FY23 are \$394,156.00. The Appraiser Fund balance is expected to be \$376,748.00 at the end of FY23, and the AMC Fund balance is expected to be \$300,832.00 at the end of FY23.

Director Kohtz asked the Board for any questions or comments. Board Member Walkenhorst brought attention to the FTE figures on page J.45, and asked why the number is six for each fiscal year instead of three. Director Kohtz agreed that they did not make sense, and explained that the software automatically created those numbers based on the budget issues entered into the system. The Director informed the Board that none of the Board’s budget issues include an increase to the number full time employees. Director Kohtz indicated that he would contact the Legislative Fiscal Office to discuss the error. With no further discussion, Board Member Walkenhorst moved to approve the 2021-2023 Biennial Budget Request with acknowledgement of the typo on page J.45. Board Member Luhrs seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

K. GENERAL PUBLIC COMMENTS

Chairperson Hynek asked for any public comments. With no comments, the Chairperson moved on to education.

L. CONSIDERATION OF EDUCATION-INSTRUCTOR REQUESTS

Board Member Walkenhorst moved to approve the following education activity and instructor as listed:

NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS

Calypso

Cost Approach and Land Valuation (2202432.10) / 7 Hours – Francis Finigan

Seconded by Board Member Luhrs. Chairperson Hynek called for the vote. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

M. UNFINISHED BUSINESS

1. ONLINE APPRAISER RENEWAL APPLICATION SUBMISSION PORTAL WITH ELECTRONIC PAYMENT

Director Kohtz reported that work on the Online Appraiser Renewal Application Submission Portal with Electronic Payment is near complete. Director Kohtz said, “We’re at the finish line, but we’re not sure exactly when we’ll cross it.” The Director announced that some tickets from the testing phase remain open, but most of them had been worked on to some degree. The Director commented that he had asked Juli Jurgens of the OCIO for an update on how much work is left, but has not received a response to date. Director Kohtz noted that the agency must move forward with appraiser credential renewal processes and procedures as it has done in the past without the online application. The “go live” date for the online appraiser renewal application will depend on when the staff and the online functions are ready for the rollout. Director Kohtz stated, “At this point, a soft rollout of the system would be ideal.” BLS Nespor gave a presentation of the updated Appraiser Login, the Online Appraiser Renewal Application, the Appraiser Applications and Reviews Interface, and the EFW Interface. Chairperson Hynek asked how much the project costed over the years. Director Kohtz estimated \$85,000, noting that a large part of the cost was the EFW program and interface, which was developed to be plugged into future online applications. BLS Nespor and Director Kohtz described the denial process for the online appraiser renewal applications that are received incomplete, and how the application must be “Accepted” before the payment goes through. They reported that paper applications received by the office will be entered to the database by staff on the Appraiser Admin side. Chairperson Hynek asked that the Board be notified before the Online appraiser credential renewal application goes live. Director Kohtz confirmed that the application will not go live until the Board is notified that it is ready. Board Member Downing asked if credit card payment capabilities will ever be added. Chairperson Hynek commented that the credit card option was much more expensive, and required more security. Director Kohtz confirmed that the data security requirements for credit card are extensive. Board Member Downing acknowledged this and suggested keeping the option on the table, for credit card payments are simpler for most real property appraisers who work for large companies. BLS Nespor reported that an additional module for credit cards could conceivably be added to the program in the future. Chairperson Hynek expressed excitement for the completion of the project.

2. NRPAB COVID-19 RESPONSE

a. ASC Additional Guidance for Education Delivery

Director Kohtz presented a document titled, “ASC Additional Guidance for Education Delivery” to the Board for review. The Director informed the Board that the document indicates that the classroom delivery education waiver was extended through December 31, 2020. The Director reported that this information was received before the letters were sent to the education providers regarding the Board’s approval to hold the Supervisory Appraiser and Trainee Courses approved for classroom offering, online; therefore, the December 31, 2020 date was included in that letter. Director Kohtz asked for any questions or comments. There was no further discussion.

N. NEW BUSINESS

1. RENEWAL SEASON TEMPORARY EMPLOYEES

Director Kohtz reported that he had extensive discussions with Chairperson Hynek, BLS Nespor, and AS Duerig, regarding renewal season office procedures and how to incorporate a temporary employee into the office. Director Kohtz thanked Chairperson Hynek for working through this with him. The Director continued by informing the Board that, because of the workload during appraiser renewal season, more than one staff member will need to be in the office at a time, and a temporary employee is necessary. Also, because of the uncertainty surrounding students’ return to college, it would be safer to request an employee from the State’s temporary pool instead of hiring interns this year. Director Kohtz then provided an overview of the new office procedures implemented titled “Voluntary Staffing/Essential Business,” and informed the Board that this procedure allows for more than one employee to be in the office at a time. If more than one employee is in the same workspace, then masks are recommended. If an employee is working behind a closed door, then a mask will not be recommended. Director Kohtz finished by saying that the breakroom will be used as office space for the BLS or AS as needed, and the conference room will be set up as an office for the temporary employee. The requisition for the temporary employee has been made to DAS State Personnel, and the anticipated start date is late September, the Director reported. There was no further discussion.

O. LEGISLATIVE REPORT AND BUSINESS

1. CURRENT LEGISLATION

Director Kohtz presented the third legislative report of the current session to the Board for review. The Director informed the Board that he would provide a summary of the critical bills, but would not discuss the less critical bills unless a board member requested discussion.

Discussion took place for the following bills:

LB808 – The Director reported that LB808 was passed by the Legislature on August 11, 2020. LB808 is the bill to which LB775 was added to as part of the “train” of bills.

LB889– This bill was approved by the Governor on August 6, 2020. LB889 clarifies on whom a summons shall be served concerning an appeal to district court of an action under the Administrative Procedure Act. LB889 also redefines the district court’s role related to an appeal made.

LB909– This bill was approved by the Governor on July 24, 2020. LB909 updates the Nebraska Department of Banking and Finance laws for federal compliance, and to address general administration. This bill contains no language related to real property appraisal practice.

Director Kohtz asked for any questions or comments concerning the legislative report. There was no further discussion.

2. TITLE 298

Director Kohtz asked the Board if it had any thoughts as to when or whether the Board should reschedule the cancelled March hearing for Title 298 changes. The Director informed the Board that there is no real time limit, but that he does want to get through this round of changes before moving with a new draft for LB808. BLS Nespor commented that the Board can't approve online supervisory appraiser and trainee courses until this draft is adopted. Director Kohtz confirmed BLS Nespor's comment, and added that the public comment period is only 30 days, so the Board could hold a hearing before November. Chairperson Hynek expressed support for holding an October hearing, and all board members agreed. The Chairperson recommended 10:45 a.m. as a good time for the hearing. There was no objection. Board Member Luhrs moved to schedule the Title 298 hearing for October 15, 2020, at 10:45 a.m. Board Member Mustoe seconded the motion. Chairperson Hynek called for the vote. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

3. OTHER LEGISLATIVE MATTERS

a. LR354

Director Kohtz presented Legislative Resolution 354 to the Board for review concerning a potential study to determine if the Nebraska Real Property Appraiser Act should be updated. The Director informed the Board that the Legislative Resolution was introduced with the Director's approval and allows Bill Marineau to work with the agency on bill drafting.

b. LR355

Director Kohtz presented Legislative Resolution 355 to the Board for review concerning a review of the credentialing requirements in Nebraska Real Property Appraiser Act for the purpose of the Occupational Board Reform Act. Director Kohtz reported that the audit will be performed by the Banking, Commerce, and Insurance Committee, and that he did not know when the audit would begin or the details of what it would entail. The Director did indicate that he agreed to the audit in advance. The Director asked for any questions or comments. There was no further discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS: No discussion.

2. INTERNAL PROCEDURAL DOCUMENTS: No discussion.

3. FORMS AND PROCEDURES

a. Real Property Appraiser Renewal Forms and Applications

Director Kohtz presented the Real Property Appraiser Credential Renewal Application Procedures, the 2021-22 Application for Renewal of Real Property Appraiser Credential, and the 2021-22 Application for Two-Year of Nebraska Real Property Appraiser Trainee Credential with changes shown to the Board for consideration. The Director explained that there were no substantive changes made to the procedures since last year, and the only substantive change made to the renewal applications was to sync the pdf application with the updated Appraiser Login contact information tab, and with the language in the online renewal application. Board Member Walkenhorst moved to approve the Real Property Appraiser Credential Renewal Application Procedures, the 2021-22 Application for Renewal of Real Property Appraiser Credential, and the 2021-22 Application for Two-Year of Nebraska Real Property Appraiser Trainee Credential as presented. Board Member Downing seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

b. Real Property Appraiser and AMC Grievance Forms and Applications

Director Kohtz presented the Nebraska Real Property Appraiser Board Grievance Against Appraiser Form and the Nebraska Real Property Appraiser Board Grievance Against an AMC Form to the Board for consideration. The Director reported that general updates were made to each form, including simplifying contact information reporting, including the nrpab.compliance@nebraska.gov email address as a submission option, updating the Board's website URL, updating the Board's address, and minor formatting changes. Board Member Walkenhorst moved to approve the Nebraska Real Property Appraiser Board Grievance Against Appraiser Form and the Nebraska Real Property Appraiser Board Grievance Against an AMC Form as presented. Board Member Downing seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

c. Education Forms and Applications

Director Kohtz presented the Application for Instructor Approval with changes shown to the Board for consideration. The Director reported that education providers are no longer required to submit all activity materials during the resubmission process, so the instructor application would only be resubmitted for a change related to the instructor. This edited application removed all resubmission options not related to the instructor, and made a couple non-substantive updates, according to the Director. Board Member Luhrs moved to approve the Application for Instructor Approval as presented. Board Member Walkenhorst seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

d. Criminal History Record Check Forms and Procedures

Director Kohtz presented the Criminal History Record Check Procedures with changes shown to the Board for consideration. BLS Nespor reported that there were a few significant changes. First, the State Patrol now has specific classifications for how the agency sends fingerprint cards for the record check. Before, the stated reason was "Appraiser Applicant." Now, the agency reports the type of applicant: Trainee, Certified General new, Certified General renewal, etc. Director Kohtz explained that this was a change that the State Patrol made after their audit by the FBI last year. BLS Nespor reported that the second change concerns the retention period for CHRC results. Since the Auditor of Public Accounts wanted to see the CHRC results for their audit, the retention schedule entry for CHRC results was changed from 90 days to two years. Director Kohtz asked for any questions or comments. There was no further discussion. Board Member Luhrs moved to approve the Criminal History Record Check Procedures as presented. Board Member Downing seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

Q. OTHER BUSINESS

1. BOARD MEETINGS

a. September-October Meetings

Director Kohtz asked for discussion regarding the next board meeting date. Chairperson Hynek expressed satisfaction with the current frequency of board meetings, and recommended that the Board hold its next meeting in October. Director Kohtz asked that the Board take a vote. Member Mustoe moved to set the next regular board meeting for October 15, 2020 at 9:00 a.m. Board Member Luhrs seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

2. CONFERENCES/EDUCATION: No discussion.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER

a. Summer 2020 Edition of The Nebraska Appraiser

Director Kohtz presented the Summer 2020 edition of The Nebraska Appraiser to the Board for consideration. The Director requested that the Board consider an amendment to the "Director's Comments" to recognize that LB808 has been passed by the Nebraska Legislature, and an amendment to "Upcoming NRPAB Meetings" to remove the September 17, 2020 date and add the December date. The Board agreed to these amendments. Director Kohtz asked for any other amendments or questions. Board Member Luhrs moved to approve the Summer 2020 Edition of The Nebraska Appraiser as amended to recognize that LB808 has been passed by the Nebraska Legislature, and to remove the September 17, 2020 meeting date. Board Member Mustoe seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

5. APPRAISAL SUBCOMMITTEE

a. ASC Meeting; November 4, 2020 – Washington, D.C.

Director Kohtz announced that the next ASC meeting is on November 4, 2020, in Washington, D.C. There was no discussion.

b. North Dakota Temporary Waiver Extension Request

Director Kohtz informed the Board that the Federal Financial Institutions Examination Council met on August 7, 2020, and voted to extend the North Dakota temporary waiver of appraiser credentialing requirements for appraisals of FRTs under \$1,000,000.00 for commercial real estate transactions throughout the State of North Dakota for an additional one-year period. There was no discussion.

6. THE APPRAISAL FOUNDATION

a. TAF 2019 Annual Report

Director Kohtz presented The Appraisal Foundation 2019 Annual Report to the Board for review, and informed the Board that he did not have any specific comments. There was no discussion.

b. Appraiser Standards Board

i. ASB Q&A: July 2020

Director Kohtz presented the July 30, 2020 ASB USPAP Q&As 2020-08 and 2020-09 to the Board for review. The Director informed the Board that the question in 2020-08 asks if an appraiser unintentionally makes a typographical error or other minor mistake that does not affect the development of the appraisal or credibility of the report, is the report misleading. The answer provided by The Appraisal Foundation is “no.” The 2020-09 question asks if a structural engineer’s certification utilized in a report must be disclosed as assistance. The Appraisal Foundation’s answer is “no,” only significant appraisal assistance is required to be reported according to USPAP. There was no further discussion.

ii. Virtual ASB Public Meeting; November 6, 2020

Director Kohtz reported that the ASB will hold a Virtual Public Meeting on November 6, 2020. There was no discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

a. Resignation of Managing Director

Director Kohtz informed the Board that the AARO Managing Director, Brent Jayes is retiring, and that he will be missed by all who attend the conferences or are involved with AARO. There was no discussion.

8. IN THE NEWS: No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

Board Member Mustoe moved to take the following action for the applicants as listed:

- CR20001 / Education and experience accepted. Approve to sit for exam, and authorize Director to issue a credential as a Certified Residential Real Property Appraiser upon successful completion of exam.**
- CG20003 / Hold.**
- CG19019 / Approve extension of exam deadline to 90 days from the date on which Governor Ricketts' 2020 State of Emergency Proclamation is rescinded or October 17, 2020, whichever date is later.**
- 1657 / Approve.**

Board Member Luhrs seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY: No discussion.

E. CONSIDERATION OF COMPLIANCE MATTERS

Board Member Mustoe moved to take the following actions for compliance matters:

- 20-03 / Dismiss without prejudice.**
- 20-04 / Dismiss without prejudice.**
- 18-01 / Close.**

Board Member Downing seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

1. 2020.02

The Board reviewed documentation pertaining to 2020.02. Board Member Mustoe moved to close the matter. Board Member Luhrs seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

R. ADJOURNMENT

Board Member Downing moved to adjourn the meeting. Board Member Mustoe seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye. At 10:52 a.m., Chairperson Hynek adjourned the August 20, 2020 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on August 27, 2020, in compliance with Nebraska Revised Statute § 84-1413 (5).