

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

**October 15, 2020 Meeting Minutes**

**A. OPENING**

Chairperson Ben Hynek called to order the October 15, 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](http://www.nebraska.gov) on October 5, 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 Nesor, 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 Walkenhorst moved to come out of executive session at 9:54 a.m. Board Member Downing seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

Break from 9:54 a.m. to 10:02 a.m.

## **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 AUGUST 20, 2020 MEETING MINUTES**

Chairperson Hynek asked for any additions or corrections to the August 20, 2020 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Walkenhorst moved to adopt the August 20, 2020 meeting minutes as presented. Board Member Mustoe 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 October 15, 2020. The Director reported that he had no specific comments and 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 September 30, 2020. The Director commented that the number temporary credentials issues are rebounding to a more normal pre-pandemic pattern. Director Kohtz expressed surprise by this development, but also indicated that it is a welcomed development. The Director asked for any questions or comments. There was no further discussion.

#### **c. Supervisory Appraiser Count Report**

Director Kohtz presented two charts outlining the number of supervisory appraisers as of October 15, 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 October 15, 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 August 13, 2020 and October 7, 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 – OCTOBER 2020**

### **1. APPROVAL OF AUGUST RECEIPTS AND EXPENDITURES**

The receipts and expenditures for August were presented to the Board in the Budget Status Report. Director Kohtz brought attention to three Administrative Services assessments paid during the month; a \$1,352.00 expense for Workers Comp Premiums; a \$1,013.00 expense for Accounting and Auditing Services, and a \$174.00 expense for Purchasing Assessment. The Director noted that these are annual expenses. The Director reported that expenditures for the month of August totaled \$24,882.29, which amounts to 13.04 percent of the budgeted expenditures for the fiscal year; 16.99 percent of the fiscal year has passed. Revenues reported for August were \$11,002.49, and total revenues amount to 6.69 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 August. The Director reported that he had no specific comments, and asked for any questions or comments. There was no further discussion.

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

### **2. APPROVAL OF SEPTEMBER RECEIPTS AND EXPENDITURES**

The receipts and expenditures for September were presented to the Board in the Budget Status Report. The Director reported that expenditures for the month of September totaled \$23,316.63, which amounts to 18.69 percent of the budgeted expenditures for the fiscal year; 25.21 percent of the fiscal year has passed. Revenues reported for September were \$31,343.90, and total revenues amount to 14.92 percent of the projected revenues for the fiscal year. Director Kohtz noted that ten to thirteen percent of credential renewal revenues had been received depending on classification, which is a good position to be in at this time of the year. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz then brought attention to the General Ledger for September. The Director reported that he had no specific comments, and 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 September 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 \$268,236.73, the Appraiser Fund is \$289,373.04, and the overall cash balance for both funds is \$557,609.77. Director Kohtz commented that the Appraiser Fund is at a five-year high for the month of September. The Director then asked for any questions related to the graphs. There was no further discussion.

Board Member Walkenhorst moved to accept and file the September 2020 financial reports for audit. Board Member Luhrs 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.

### **K. GENERAL PUBLIC COMMENTS**

Chairperson Hynek asked for any public comments. Roger Morrissey appeared before the Board. Mr. Morrissey inquired about the lettering standards in the Board's credential numbers. He asked, "Are appraisers required to put the CR or CG letters before our license number? Does an R at the end stand for reciprocal?" Director Kohtz answered that the "R" at the end of a Board-issued credential number does stand for "reciprocal." The Director continued by saying the agency's credential numbering system has changed over the years. Until 2012, letters were not necessarily included in the appraiser credential numbers. Now, the letters L, CR, or CG are used at the beginning of the credential number to denote the type of credential, and the number is assigned in the order in which the credential was issued for each classification. BLS Nespor commented that, for credential numbers that were not issued with the letters, it is not necessary to add the L, CR, or CG at the beginning, but that they appear in the Appraiser Listing and the ASC National Registry. Director Kohtz agreed, adding that there is no policy or statutory requirement for the credentialing number structure; only that the appraiser use the number as assigned by the Board. Mr. Morrissey thanked the Board for its time. With no further discussion, Chairperson Hynek moved on to the next item.

### **L. CONSIDERATION OF EDUCATION-INSTRUCTOR REQUESTS: No discussion.**

### **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 completed and ready to go. Unfortunately, the timing is not ideal for the agency to debut a new technology while so many renewal applications are coming in. The Director informed the Board that staff plans for a soft roll-out in December or January to ensure an effective implementation. Director Kohtz added that the driving factor for implementation is completion of the major renewal application push. The Director indicated that this item will remain on the agenda as staff plans and implements the roll-out. There was no further discussion.

## **2. NRPAB COVID-19 RESPONSE**

### **a. ASC Additional Guidance for Education Delivery**

Director Kohtz presented a September 25, 2020 letter from the Appraisal Subcommittee to State Appraiser Regulatory Officials with the subject, “COVID-19 Relief – Additional Guidance for Continuing Education (CE) and Qualifying Education (QE) delivery” to the Board for review. Director Kohtz reported that the ASC has expanded the temporary waiver to allow qualifying education offerings originally designed to be presented in a traditional classroom setting to be offered remotely via distance education, without the delivery mechanism approval set forth in the Criteria, through December 31, 2021. The Director noted that the Board discussed the ASC temporary waiver issued in relation to continuing education activities and the Supervisory Appraiser and Trainee Course in June, but only allowed the ASC temporary waiver for the Supervisory Appraiser and Trainee Course, as a sufficient number of online continuing education activities are already available.

Director Kohtz informed the Board that he had discussions with Board Members Luhrs and Downing regarding the difficulty that rural appraisers are having getting to education activities as the COVID-19 pandemic reaches their areas of the state. The Director then asked Board Member Luhrs to address the Board regarding continuing and qualifying education availability in rural areas. Board Member Luhrs indicated that it is especially important for rural appraisers who would normally attend in-person classes offered by the American Society of Farm Managers and Rural Appraisers to have the option to attend these activities remotely. Chairperson Hynek expressed concern that attendees of livestream courses may not pay as much attention to the presentation as they would in a classroom, but agreed that this is a necessary step for the Board to take. BLS Nespor noted that the ASC temporary waiver requires that education providers take attendance periodically during the class. There was no further discussion.

Board Member Luhrs moved to allow continuing and qualifying education activities approved as in-class activities to be presented remotely via distance education under the September 25, 2020 Appraisal Subcommittee temporary waiver. Board Member Downing seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

Public member Roger Morrissey requested permission to speak. Chairperson Hynek granted Mr. Morrissey permission to address the Board. Mr. Morrissey asked how he would apply for approval of a livestream activity. Director Kohtz answered that he would submit an application for an in-class education activity, and once it is approved as an in-class activity, the activity could be offered via livestream under the ASC temporary waiver until December 31, 2021. Mr. Morrissey also requested information on how to submit such an activity for education credit. Director Kohtz informed Mr. Morrissey that there would be no changes to the education submission process for obtaining continuing education credit. Mr. Morrissey thanked the Board and its Director for their time.

## **N. NEW BUSINESS**

### **1. OPEN 1ST CONGRESSIONAL DISTRICT CERTIFIED REAL PROPERTY APPRAISER REPRESENTATIVE POSITION**

Director Kohtz reported that no applications have been received at the Governor's office for the open 1st Congressional District Certified Real Property Appraiser Representative position to date.

## **O. LEGISLATIVE REPORT AND BUSINESS**

### **1. NEBRASKA REAL PROPERTY APPRAISER ACT UPDATE**

Director Kohtz presented the October 15, 2020 draft of the Nebraska Real Property Appraiser Act with the Real Property Appraiser Qualifications Criteria changes incorporated to the Board for consideration. Director Kohtz summarized the changes as the Board reviewed the draft. Specifically, Director Kohtz brought attention to the following changes:

- “2020” is changed to “2021” in N.R.S. § 76-2207.30.
- “Real property appraiser” is stricken and “person” is added to correct incorrect language in Neb. Rev. Stat. § 76-2221(1). In addition, “who renders an estimate or opinion of value of the real estate or any interest in the real estate when such estimate or opinion is rendered in connection with the salaried employee's employment for an entity listed in subdivisions (a) through (d)” is added to clarify the acts under which such person is exempt from the act.
- “Bachelor's” is stricken and “associate's” is added in N.R.S. §§ 76-2228.01, 76-2230, 76-2231.01, and 76-2232 to allow an associate's degree in real estate from an accredited awarding college or university that has had all or part of its curriculum approved by the AQB as required core curriculum or the equivalent as determined by the Appraiser Qualifications Board.
- Language is added to N.R.S. § 76-2228.02 to implement the Real Property Appraiser Criteria change regarding a real property appraiser's legal eligibility to engage in real property appraisal practice involving any jurisdiction's isolated administrative responsibilities.
- The maximum transaction value was raised from \$250,000 to \$400,000 in the scope of practice for the licensed real property appraiser classification found in N.R.S. § 76-2230(6).

Director Kohtz asked for any questions or comments. The board members expressed support for the changes included in the draft. Director Kohtz indicated that the next step is working with Bill Marienau, Legal Counsel for the Banking, Commerce, and Insurance Committee, to put together a requisition draft in a bill format. Once the language issues are worked out, the requisition bill will come back to the Board for another review.

Board Member Luhrs moved to approve the Nebraska Real Property Appraiser Act update draft as presented, and authorize Director Kohtz to work with the Committee legal counsel to prepare a requisition draft. Board Member Walkenhorst seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

**2. LR355 – BANKING, COMMERCE AND INSURANCE COMMITTEE OBRA REVIEW OF THE NRPAB**

Director Kohtz reported that the Occupational Board Reform Act requires the Banking, Commerce, and Insurance Committee to review twenty percent of agency regulations under its jurisdiction each year, and the NRPAB was chosen for audit this year. The Director reported that he had sent all of the requested materials to the Committee’s legal counsel, and that he would have a meeting next week to discuss the results of the audit. The Director asked for any questions or comments. There was no further discussion.

**3. OTHER LEGISLATIVE MATTERS:** No discussion.

**P. ADMINISTRATIVE BUSINESS**

**1. GUIDANCE DOCUMENTS**

**a. 20-01: Consideration of Disciplinary Action Imposed Against a Real Property Appraiser by Another Appraiser Regulator Agency**

Director Kohtz presented proposed Guidance Document 20-01 titled, “Consideration of Disciplinary Action Imposed Against a Real Property Appraiser by Another Appraiser Regulator Agency” to the Board for consideration. The Director explained that this proposed guidance document allows the Board to no longer recognize any action taken by any appraiser regulatory agency, with or without suspension or revocation, as disciplinary action, if such action has been verified by the Director to involve an appraiser regulatory agency’s isolated administrative responsibilities including, but not limited to, late payment of fees related to credentialing, failure to timely renew a credential, or failure to notify a regulatory office of a change in contact information. To qualify under this guidance document, the administrative action cannot be related to the applicant’s ethical behavior or competency as a real property appraiser. The Director will have discretion to review such actions and approve an application without Board review if the action meets the criteria in the guidance document, no matter if the applicant answers a disciplinary-related question “yes” or “no” on the application. Board Member Downing moved to adopt Guidance Document 20-01 as presented. Board Member Luhrs seconded the motion. The motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

**2. INTERNAL PROCEDURAL DOCUMENTS:** No discussion.

**3. FORMS AND PROCEDURES:** No discussion.

## **Q. OTHER BUSINESS**

### **1. BOARD MEETINGS**

#### **a. November-December Meetings**

Director Kohtz asked for discussion regarding the next board meeting date. Chairperson Hynek expressed satisfaction with the current frequency of board meetings, and his intent is to continue holding meetings every other month. The Board agreed with the Chairperson's assessment. Director Kohtz asked that the Board take a vote. Board Member Luhrs moved to set the next regular board meeting for December 17, 2020 at 9:00 a.m. Board Member Walkenhorst seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

### **2. CONFERENCES/EDUCATION**

#### **a. Fall Virtual ARRO Conference**

Director Kohtz announced that the Fall Virtual AARO Conference would take place on October 19-21, 2020. The Director indicated that he would listen to it in the background as he works, but would not take detailed notes or provide a full report to the Board. The Director noted that the links are available to anyone, if any board members would like to watch or listen to the conference. There was no further discussion.

### **3. MEMOS FROM THE BOARD: No discussion.**

### **4. QUARTERLY NEWSLETTER**

#### **a. Fall 2020 Edition of The Nebraska Appraiser**

Director Kohtz presented the Fall 2020 edition of The Nebraska Appraiser to the Board for consideration. The Director requested that the Board consider an amendment to the Quick Hits section of the newsletter concerning the ASC temporary waiver for education activities. Currently, the newsletter indicates that the Board has only approved the ASC temporary waiver concerning education activities originally designed to be presented in a traditional classroom setting to be offered remotely via distance education for the Supervisory Appraiser and Trainee Course; qualifying and continuing education will need to be added to this section. Director Kohtz asked for any questions or comments. With no further discussion, Board Member Mustoe moved to approve the Fall 2020 Edition of The Nebraska Appraiser as amended to include continuing and qualifying education in the Quick Hits section pertaining to ASC temporary waiver for education activities. Board Member Luhrs seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

### **5. APPRAISAL SUBCOMMITTEE: No discussion.**



## **6. THE APPRAISAL FOUNDATION**

### **a. Second Exposure Draft of Practical Applications of Real Estate Appraisal (PAREA)**

Director Kohtz presented The Appraisal Foundation's Second Exposure Draft of Practical Applications of Real Estate Appraisal (PAREA) to the Board for review. The Director reminded the Board that the AQB went back to the drawing board after the concepts in the first exposure draft were determined to be too expensive to implement. The second exposure draft includes significant changes to the program structure. Director Kohtz finished by informing the Board that he is unsure of any approval or implementation dates. There was no discussion.

### **b. Third Exposure Draft of Proposed Changes for the 2022-23 Edition of the USPAP**

Director Kohtz presented the Third Exposure Draft of Proposed Changes for the 2022-23 Edition of the USPAP to the Board for review. The Director indicated that he had no specific comments, and asked for any questions or comments. There was no discussion.

### **c. TAF September Newsletter**

Director Kohtz presented The Appraisal Foundation's September newsletter to the Board for review. There was no discussion.

## **7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: 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 applicant as listed:

**CG20003 / Education and experience accepted. Approve to sit for exam, and authorize Director to issue a credential as a Certified General Real Property Appraiser upon successful completion of exam. Send advisory letter.**

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 action for the compliance matter:

**20-05 / Dismiss without prejudice.**

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

## **F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS**

### **1. 2020.03**

The Board reviewed a matter in which an organization may be providing services as an appraisal management company without first obtaining a registration issued by the Board, or is operating under a trade name for a Nebraska registered appraisal management company that has not included such trade name in the application for issuance of a registration, or renewal of a registration, as approved by the Board. Board Member Mustoe moved to send a letter to the registered appraisal management company and the organization providing appraisal management services and request a response. Board Member Luhrs seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye.

## **R. ADJOURNMENT**

Board Member Mustoe moved to adjourn the meeting. Board Member Downing seconded the motion. Motion carried with Mustoe, Luhrs, Walkenhorst, Downing, and Hynek voting aye. At 10:42 a.m., Chairperson Hynek adjourned the October 15, 2020 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on October 22, 2020, in compliance with Nebraska Revised Statute § 84-1413 (5).