

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

June 17, 2021 Meeting Minutes

A. OPENING

Vice-chairperson Thomas Luhrs called to order the June 17, 2021 meeting of the Nebraska Real Property Appraiser Board at 9:00 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

Vice-chairperson Luhrs 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 June 11, 2021. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material (https://appraiser.ne.gov/board_meetings/). A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Thomas Luhrs of Imperial, Nebraska, Wade Walkenhorst of Lincoln, Nebraska, Bonnie Downing of Dunning, Nebraska, and Cody Gerdes of Lincoln, Nebraska were present. Also present were Director Tyler Kohtz, Business and Licensing Specialist Allison Nespor, and Administrative Specialist Katja Duerig, who are all headquartered in Lincoln, Nebraska. Board Member Christopher Mustoe of Omaha, Nebraska, was absent and excused.

ADOPTION OF THE AGENDA

Vice-chairperson Luhrs 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 Downing moved to adopt the agenda as printed. Board Member Walkenhorst seconded the motion. With no further discussion, the motion carried with Luhrs, Walkenhorst, Downing, and Gerdes voting aye.

Board Member Walkenhorst 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 Downing seconded the motion. The time on the meeting clock was 9:04 a.m. The motion carried with Luhrs, Walkenhorst, Downing, and Gerdes voting aye.

Board Member Downing moved to come out of executive session at 9:26 a.m. Board Member Walkenhorst seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, and Gerdes voting aye.

Break from 9:26 a.m. to 9:31 a.m.

Board Member Mustoe arrived at 9:30 a.m.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Mustoe welcomed all, and welcomed Board Member Gerdes to his first in-person meeting.

H. BOARD MEETING MINUTES

1. APPROVAL OF APRIL 15, 2021 MEETING MINUTES

Chairperson Mustoe asked for any additions or corrections to the April 15, 2021 meeting minutes. With no discussion, Chairperson Mustoe called for a motion. Board Member Walkenhorst moved to adopt the April 15, 2021 meeting minutes as presented. Board Member Luhrs seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe 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 June 17, 2021. 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 May 31, 2021. 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 June 17, 2021. 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 June 17, 2021. 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 April 7, 2021 and June 8, 2021. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz ended his report by thanking board members and staff for their time at the 2021 Strategic Planning meeting yesterday. The Director expressed satisfaction with how productive it was and how all matters were given reasonable consideration.

J. FINANCIAL REPORT AND CONSIDERATIONS – JUNE 2021

1. APPROVAL OF APRIL RECEIPTS AND EXPENDITURES

The receipts and expenditures for April were presented to the Board in the Budget Status Report. Director Kohtz brought attention to a \$277.00 credit under SOS Temp Serv-Personnel. The Director explained that this was a rebate for charges by the Department of Administrative Services for utilization of temporary services where the expenditures were not realized. Director Kohtz reported that expenditures for the month of April totaled \$21,039.33, which amounts to 59.04 percent of the budgeted expenditures for the fiscal year; 83.29 percent of the fiscal year has passed. Revenues reported for April were \$17,433.25, and total revenues amount to 101.55 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 April. 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 April 2021 financial reports for audit. Board Member Downing seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

2. APPROVAL OF MAY RECEIPTS AND EXPENDITURES

The receipts and expenditures for May were presented to the Board in the Budget Status Report. Director Kohtz remarked that the \$515.10 Publication & Print Expense is the quarterly charge for copy services for January through March. Director Kohtz reported that expenditures for the month of May totaled \$23,160.96, which amounts to 64.44 percent of the budgeted expenditures for the fiscal year; 91.78 percent of the fiscal year has passed. Revenues reported for May were \$13,716.38, and total revenues amount to 105.15 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 May. The Director noted that several adjustments made were related to the end of the fiscal year. During the year-end procedures, accounting items that are coded incorrectly are identified and corrected; these lines are marked, “NRPAB JE CORRECT.” Director Kohtz then brought attention to a \$360.00 correction made to the appraiser Federal Registry Liability Account balance. This amount has carried forward for years since the Board cleaned up the account. The \$360.00 amount was missed during the major cleanup of the account. The Director moved on to a payment to Datashield Corporation, indicating that this is the paper shredding service utilized by the State. 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 May 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 \$305,191.41, the Appraiser Fund is \$391,347.27, and the overall cash balance for both funds is \$696,538.68. Director Kohtz announced that the cash balance for the Appraiser Fund is the highest it has been at this time of year since 2012, then asked for any questions related to the graphs. Board Member Gerdes inquired what the agency's cash reserves are typically used for. Director Kohtz responded that these funds have typically been directed towards technology projects, such as the online appraiser renewal application or updates to the NRPAB database. The Director noted that the unused fund allocation carried over from one fiscal year to another in a biennium is one way to fund these types of projects utilizing the cash balance, the other way is to request specific funding with no associated revenues in the Board's biennial budget. Board Member Gerdes asked if there is a limit to the amount that can be held in the cash reserve. Director Kohtz responded that the Board must have a policy in place to establish the minimum cash balance for the Appraiser Fund and the AMC Fund. The Director mentioned that these policies are actually on the agenda for discussion later in the meeting. Board Member Gerdes expressed concern that the State could sweep reserve funds. The Director remarked that it can happen, and that it has happened, but it is rare. Director Kohtz informed the Board that the last time this happened was after the recession. The Director reported that the State was good to work with; the funds were not just forcibly removed. Director Kohtz then informed the Board that he plans to revisit AMC renewal fees once the online AMC application projects are completed, as the current fee may lead to an excessive fund balance. A brief discussion took place regarding the consideration and process that goes into raising or lowering fees. The Director informed the Board that it must look at the long-term picture when considering lowering fees because of future implications, and that raising fees is a very difficult objective to take on. There was no further discussion.

Board Member Luhrs moved to accept and file the May 2021 financial reports for audit. Board Member Walkenhorst seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

3. PER DIEMS

a. Luhrs – April 28, 2021 Applicant Advisory Meeting

Director Kohtz requested a per diem in the amount of \$100.00 on behalf of Board Member Luhrs for representing the Board at an applicant advisory meeting on April 28, 2021. Board Member Downing moved to approve the per diem request for Board Member Luhrs. Board Member Walkenhorst seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

K. GENERAL PUBLIC COMMENTS

Chairperson Mustoe asked for any public comments. No members of the public were present.

L. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS

The Board reviewed two Applications for Continuing Education for the Appraisal Institute activities that were received at the Board office on February 1, 2021. AS Duerig reported that the applications were incomplete. Board Member Luhrs moved to deny the following new continuing education activities as listed:

Appraisal Institute

Two Day Advanced Income Capitalization – A (2211406.02) / 14 Hours

Two Day Advanced Income Capitalization – B (2211407.02) / 14 Hours

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

M. UNFINISHED BUSINESS: No discussion.

N. NEW BUSINESS: No discussion.

O. LEGISLATIVE REPORT AND BUSINESS

1. CURRENT LEGISLATION

Director Kohtz presented the final legislative report of the current session to the Board for review. The Director informed the Board that he will provide a summary of the critical bills, but will not discuss the less critical bills unless a board member requests discussion. Discussion took place for the following bills:

LB83 – Director Kohtz reminded the Board that this bill amends the Open Meetings Act to modernize the way public bodies hold virtual meetings, and reported that it was approved by the Governor on April 21, 2021. There was no further discussion.

LB380 – Director Kohtz informed the Board that this bill appropriates funds for the expenses of Nebraska State Government for the biennium ending June 30, 2023. This bill was approved by the Governor on April 26, 2021. There was no further discussion.

LB489 – Director Kohtz informed the Board that the original language in this bill requires a financial stability and service capability analysis for certain state contracts. The Director reported that the original provisions of LB489 were struck in AM1217, and replaced with language prohibiting state employees from testifying at a public hearing before the Legislature on any issue in any capacity other than neutral, unless the employee is on vacation or unpaid leave from state employment for the duration of the public hearing. Director Kohtz noted that nothing became of this during the session, but it could come up next year. Doubt was expressed that this bill would be considered constitutional or legal for the Legislature to prohibit such action. There was no further discussion.

Director Kohtz asked for any questions or comments concerning the legislative report. Chairperson Mustoe inquired about the issue of whether the county assessors in Nebraska would be changed from elected to appointed positions. The Director responded that the last update he provided for LB179 was in February, and it apparently hasn't gone anywhere since. Chairperson Mustoe then asked about the bill which would require all home inspectors in Nebraska to register with the State. Director Kohtz reported that this bill, LB423, was approved by the Governor on May 5, 2021. The Director noted that the Secretary of State's office was chosen as the agency with which home inspectors must register. Chairperson Mustoe expressed surprise that the NRPAB was not approached about home inspector registration, and the Director agreed. Director Kohtz asked for any other questions or comments. There was no further discussion.

2. TITLE 298 UPDATE

Director Kohtz presented the Title 298 Update documents and reported that very little has changed since they were presented at the last meeting. The Director informed the Board that the only changes made to the Title 298 draft were in response to comments from the Appraisal Subcommittee, AAG Nigro, and the Governor's Policy and Research Office.

a. Summary of Proposed Changes to Title 298 March 25, 2021 Draft

Director Kohtz presented the Summary of Proposed Changes to Title 298 March 25, 2021 Draft document to the Board for review. The Director noted that this document details all of the changes made to Title 298 in the March 25, 2021 draft.

b. Title 298 Draft March 25, 2021

Director Kohtz presented the Title 298 Draft March 25, 2021 to the Board for review. The Director brought attention to the following amended sections:

- On page O.17, language in Chapter 1 § 013.01 is changed from "may" to "will" as the Board has no discretion on whether it will complete a review; it will complete a criminal history review for every applicant per AAG Nigro.
- On page O.18, the fee for the Application for Preliminary Criminal History Review was revised to \$50.00 at the request of the GPRO.
- AAG Nigro asked that language, such as "any application not considered to be incomplete will be processed" be removed, as it is unnecessary. These changes take place on Page O.34, O.37, O.38, O.39, O.43, O.51, O.56, O.64, and O.68.
- On Page O.70, "that" is stricken from Chapter 7 § 001.03 at AAG Nigro's request.

Director Kohtz asked for any questions or comments concerning the Title 298 draft. There was no further discussion.

c. ASC, AAG, and GPRO Preliminary Review of Proposed Changes to Title 298

Director Kohtz presented comments from the Appraisal Subcommittee, AAG Nigro, and the Governor's Policy and Research Office on the proposed changes to Title 298. The Director informed the Board that he would provide a summary of their comments.

First, Director Kohtz brought attention to the comments from Jenny Tidwell, the ASC Policy Manager assigned to Nebraska. Ms. Tidwell made no substantive comments, but suggested changes in the education section to mirror the AQB's Real Property Appraiser Qualification Criteria. Director Kohtz reported that he did not make this change because the Criteria will be overhauled soon, so Chapter 6 will require a lot of work. Ms. Tidwell also commented on language in the draft concerning the Board's ability to approve an applicant that the Director did not approve, citing a concern for abuse. Ms. Tidwell recommended that Title 298 also include a requirement for documenting such progression and the Board's reason for approval. The Director reported that he is comfortable with the current language and did not change it, because there is no language in Title 298 referring to how the Board will record information; documentation of the file is important, but is more of an internal procedure matter. Director Kohtz indicated that the Board does a great job documenting files.

Director Kohtz moved on to AAG Laura Nigro's comments. The Director reported that he made many of the changes suggested by AAG Nigro as laid out in the Title 298_Draft March 25, 2021 document. The Director provided an explanation to AAG Nigro for the changes not made, and AAG Nigro approved the Director's explanation.

Finally, Director Kohtz presented comments from Lauren Kintner at the Governor's Policy and Research Office. Ms. Kintner noted that the reciprocity and educational qualifications flexibilities are good, but the fee for the preliminary criminal history review is too high at \$100.00. Ms. Kintner suggested a fee reduction to \$50.00, and the Director agreed to make this change.

Director Kohtz asked for any questions or comments. With no further discussion, the Director proposed a hearing time of August 19, 2021, at 11:00 a.m. Chairperson Mustoe agreed to the proposition and called for a vote. Board Member Walkenhorst moved to accept Title 298_Draft March 25, 2021 as presented and hold a hearing on August 19, 2021 at 11:00 a.m. Board Member Luhrs seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

3. OTHER LEGISLATIVE MATTERS

a. LR100

Director Kohtz presented Legislative Resolution 100 concerning a potential study to determine if the Nebraska Real Property Appraiser Act should be updated to the Board for review. The Director reported that this is the standard resolution that gives Bill Marienau the authority to work with the Board on bill drafting. The Director asked for any questions or comments. There was no discussion.

b. LR191

Director Kohtz presented Legislative Resolution 191 to the Board for review. The Director explained that this resolution allows for a study of occupational licensing and its effect on populations frequently negatively impacted by occupational licensing in Nebraska. According to the Director, there are a few legislators who do not support occupational licensing requirements, and this could be an attempt to further water down or remove occupational licensing requirements. Director Kohtz noted that the Board's programs may or may not be affected by this study. The Director asked for any questions or comments. There was no discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS: No discussion.

2. INTERNAL PROCEDURAL DOCUMENTS

a. 201704: AMC Fund Cash Balance

Director Kohtz presented the amended Internal Procedure 201704 to the Board for consideration. The Director reported that the procedure is the same, but the numbers have been updated based on the FY2021-22 budget, effective July 1, 2021. Director Kohtz stated that the minimum fund balance for the AMC fund shall be \$211,210.05. The Director asked for any questions or comments. There was no further discussion.

b. 201705: Real Property Appraiser Fund Cash Balance

Director Kohtz presented the amended Internal Procedure 201705 to the Board for consideration. The Director reported that the procedure is the same, but the numbers have been updated based on the FY2021-22 budget, effective July 1, 2021. Director Kohtz stated that the minimum fund balance for the real property appraiser fund shall be \$341,532.95. The Director asked for any questions or comments. There was no further discussion.

c. 202101: Appraisal Review Services Contractor Program Management

Director Kohtz presented the new Internal Procedure 202101 to the Board for consideration. The Director commented that Internal Procedure 202101 concerns the implementation of the State of Nebraska Vendor Performance Program for appraisal review services contractors. Director Kohtz reminded the Board that this internal procedure is the result of the Board's April discussion concerning the Board's appraisal review services contractor program. The Director asked for any questions or comments. There was no further discussion.

Board Member Downing moved to approve Internal Procedure 201704, Internal Procedure 201705, and Internal Procedure 202101 as presented. Board Member Luhrs seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

3. FORMS, APPLICATIONS, AND PROCEDURES

Director Kohtz presented the following revised appraiser forms and applications and to the Board for consideration:

a. Revised Appraiser Forms and Applications

- i. 2022-23 Application for Renewal of Real Property Appraiser Credential**
- ii. 2022-23 Application for Two-Year Renewal of Nebraska Real Property Appraiser Trainee Credential**
- iii. Application for Inactive Status of Nebraska Real Property Appraiser Credential**
- iv. Application for Nebraska Real Property Appraiser Credential Through Reciprocity**
- v. Application for Nebraska Certified General Real Property Appraiser Credential**

- vi. Application for Nebraska Certified Residential Real Property Appraiser Credential**
- vii. Application for Nebraska Licensed Residential Real Property Appraiser Credential**
- viii. Application for Nebraska Real Property Appraiser Temporary Credential**
- ix. Application for Renewal of Nebraska Real Property Appraiser Temporary Credential**

Director Kohtz presented the following revised appraiser procedures to the Board for consideration:

b. Revised Appraiser Procedures

- i. Real Property Appraiser Credential Renewal Application Procedures**
- ii. Random CHRC for Real Property Appraiser Credential Renewal Selection Procedures Update**

Director Kohtz reported that a majority of the updates to the form and application documents are related to LB23, LB808, and Title 298 changes. The Director noted that the contact information sections were also updated to conform to the contact information in Appraiser Login. Director Kohtz mentioned that appraisers can now change their contact information in Appraiser Login at any time. Board Member Gerdes recognized this as an improvement from the Board's previous contact information system. The Director declared that most of the issues with the new Appraiser Login through Centurion have been addressed, but a few kinks remain, such as the need for appraisers who have access to other State applications through Centurion to change their password to access Appraiser Login. BLS Nespor commented that another issue is that the Centurion email is changed in a different place than where the Board contact information is changed, so if an appraiser changes their email address in one place, they will need to be made aware that they must change it in another.

The Director then turned attention to the Board's June 16, 2021 strategic planning meeting discussion concerning limiting disciplinary action reporting on applications to a specific number of years. Director Kohtz indicated that the Board, at this time, could choose to amend the applications to change the reporting requirements for previous disciplinary action. Chairperson Mustoe expressed support for making this change now. Board members discussed appropriate reporting lengths for each application. BLS Nespor recommended a two-year period as acceptable for the licensed and certified credential renewal application, as the application period is never more than two years apart. BLS Nespor added that it is possible for a trainee real property appraiser to have more than a two-year gap from initial credential to first renewal. The Board agreed that the licensed and certified credential renewal disciplinary action reporting period should be two years, and the trainee credential renewal disciplinary action reporting period should be three years. For initial appraiser applications, the Board agreed that the disciplinary action reporting period should be five years.

Director Kohtz brought attention to the Revised Appraiser Procedures documents, and reported that the Real Property Appraiser Credential Renewal Application Procedures were updated to include the online renewal application and electronic funds payment processing. BLS Nespor commented that the Real Property Appraiser Credential Renewal Application Procedures document is what is provided to the renewal season temporary employees during training on the real property appraiser renewal process. According to the Director, the changes to this document were so numerous that the redline draft was obscured, so this is the draft with all changes and no markup. Director Kohtz moved on to the Random CHRC for Real Property Appraiser Credential Renewal Selection Procedures document. The Director stated that the dates in these procedures needed to change because the new online renewal application opens automatically on July 1. Director Kohtz noted that completing the random CHRC selection earlier in the year will reduce the number of newly credentialed real property appraisers who are chosen to submit fingerprints soon after doing so for their initial credentials.

Board Member Luhrs moved to approve the following Forms, Applications, and Procedures:

- 2022-23 Application for Renewal of Real Property Appraiser Credential as amended to limit the reporting requirement length for question 8 to two years in question designed by staff;
- 2022-23 Application for Two-Year Renewal of Nebraska Real Property Appraiser Trainee Credential as amended to limit the reporting requirement length for question 8 to three years in question designed by staff;
- Application for Inactive Status of Nebraska Real Property Appraiser Credential as presented;
- Application for Nebraska Real Property Appraiser Credential Through Reciprocity as amended to limit the reporting requirement length for question 5 to five years in question designed by staff;
- Application for Nebraska Certified General Real Property Appraiser Credential as amended to limit the reporting requirement length for question 5 to five years in question designed by staff;
- Application for Nebraska Certified Residential Real Property Appraiser Credential as amended to limit the reporting requirement length for question 5 to five years in question designed by staff;
- Application for Nebraska Licensed Residential Real Property Appraiser Credential as amended to limit the reporting requirement length for question 5 to five years in question designed by staff;
- Application for Nebraska Real Property Appraiser Temporary Credential as amended to limit the reporting requirement length for question 8 to five years in question designed by staff;
- Application for Renewal of Nebraska Real Property Appraiser Temporary Credential as presented;
- Real Property Appraiser Credential Renewal Application Procedures as presented; and
- Random CHRC for Real Property Appraiser Credential Renewal Selection Procedures Update as presented

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

BLS Nespor remarked that the online renewal application is the same for all classifications; therefore, the question for reporting disciplinary action would need to read the same for everyone online. Chairperson Mustoe clarified that question 8 of the 2022-23 Application for Renewal of Real Property Appraiser Credential and of the 2022-23 Application for Two-Year Renewal of Nebraska Real Property Appraiser Trainee Credential will be the same online, even though the decided reporting periods are different. Board Member Luhrs acknowledged this and suggested changing the reporting period for the licensed and certified credentials to three years for the sake of consistency and simplicity. All board members agreed. Chairperson Mustoe asked for a motion to amend the previous motion. Board Member Luhrs moved to amend the previous motion to change the reporting requirement length for question 8 in the 2022-23 Application for Renewal of Real Property Appraiser Credential from two years to three years. Board Member Downing seconded the motion to amend the previous motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

Q. OTHER BUSINESS

1. BOARD MEETINGS: No discussion.

2. CONFERENCES/EDUCATION: No discussion.

3. MEMOS FROM THE BOARD

a. The Nebraska Real Property Appraiser Board Proposed Changes to Title 298 of the Nebraska Administrative Code

Director Kohtz presented the Memo From the Board titled, “The Nebraska Real Property Appraiser Board Proposed Changes to Title 298 of the Nebraska Administrative Code” to the Board for consideration. The Director reported that the memo was drafted to bring public attention to the Title 298 administrative hearing date, and offer the public and stakeholders the opportunity to provide written comments to the Board for consideration at the hearing. Director Kohtz also informed the Board that the memo will not be sent through the Appraiser Listserv until the public notice for the hearing is published and indicated that this would be in a few weeks. There was no further discussion. Board Member Luhrs moved to approve the Memo From the Board titled, “The Nebraska Real Property Appraiser Board Proposed Changes to Title 298 of the Nebraska Administrative Code” as presented. Board Member Walkenhorst seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

4. QUARTERLY NEWSLETTER

a. Spring 2021 Edition of The Nebraska Appraiser

Director Kohtz presented the Spring 2021 Edition of The Nebraska Appraiser to the Board for consideration. The Director requested that the Board amend “last week” to “this week” on the first page in the Director’s comments, as he plans to release the newsletter before the end of this week. Board Member Luhrs moved to approve the Spring 2021 Edition of The Nebraska Appraiser as amended to read “this week” rather than “last week” as specified by the Director. Board Member Downing seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

5. APPRAISAL SUBCOMMITTEE

a. ASC Meeting; September 15, 2021 – Zoom

Director Kohtz reported that the next ASC meeting will be held via Zoom on September 15, 2021. The Director asked for any questions or comments. There was no discussion.

b. ASC March 10, 2021 Meeting Minutes

Director Kohtz presented the ASC March 10, 2021 Meeting Minutes to the Board for review. The Director noted that ASC staff has been meeting with a committee to discuss the shortage of appraisers in some states and how to address those issues at the state level, but he has not seen any public information about this. Director Kohtz then informed the Board that the ASC is working on the redesign of the ASC website and an electronic compliance review collection system for states. The Director added that this would be a positive for information submission related to ASC compliance reviews. Director Kohtz finished by declaring that the ASC has signed a contract with the Council on Licensure, Enforcement, and Regulation, Inc. (CLEAR) to provide technical assistance and investigator training. All of the ASC, TAF, and AARO training will be through CLEAR. The Director asked for any questions or comments. There was no further discussion.

c. ASC May 14, 2021 Meeting Minutes

Director Kohtz presented the ASC May 14, 2021 Meeting Minutes to the Board for review. The Director informed the Board that there is a bill in Congress that includes a provision to expand FHA appraiser eligibility to include licensed real property appraisers, allow the ASC to reduce annual registry fees for AMCs, include trainee real property appraisers on the Federal Registry, and clarify that non-profits and institutions of higher education can obtain an ASC grant. Director Kohtz noted this as a positive for licensed residential real property appraisers in Nebraska. Director Kohtz moved on to another bill that would establish a central portal for real estate appraisers and AMCs to apply for and renew certain licenses, certifications, and registrations. The Director expressed doubt about how such a portal would function with the various state background checks and applicable rules. Director Kohtz reported that the bill did not move during the last session, but that the ASC expects that it will be reintroduced. The Director informed the Board that he will keep an eye on this legislation.

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(Continued from page 12)

Director Kohtz brought attention to a section in the minutes about diversity in the appraiser profession. According to the statistics, 96.5% of appraisers are white and 70% are male. The Director Kohtz expressed surprise at these statistics. Director Kohtz then informed the Board that the ASC has a contract with CLEAR for a review of USPAP and the Real Property Appraiser Qualifications Criteria to ensure that they do not encourage or systematize bias. The Director added that the ASC has the authority to track adjudication of appraisal bias complaints filed with state agencies, so the Board should be mindful if it ever receives such a grievance. Director Kohtz asked for any questions or comments. There was no further discussion.

d. ASC 2020 Annual Report (Board Member Portal Home)

Director Kohtz announced that the ASC 2020 Annual Report is available in the Board Member Portal for review. There was no discussion.

6. THE APPRAISAL FOUNDATION

a. TAF May Newsletter

Director Kohtz presented The Appraisal Foundation's May newsletter to the Board for review. The Director asked for any questions or comments. There was no discussion.

b. TAF June Newsletter

Director Kohtz presented The Appraisal Foundation's June newsletter to the Board for review. The Director asked for any questions or comments. There was no discussion.

c. Appraiser Qualifications Board

i. Second Exposure Draft of a Proposed Change to the Real Property Appraiser Qualification Criteria

Director Kohtz presented the Second Exposure Draft of a Proposed Change to the Real Property Appraiser Qualification Criteria to the Board for review. The Director reported that not much has changed since the last exposure draft. First, he noted that the Criteria do not currently recognize a difference between synchronous and asynchronous distance education, but the AQB is looking to define these terms to allow hybrid education activities to become a permanent option. Another education related change in the Criteria is the acceptance of remote exam proctoring for qualifying education activities. Lastly, in education, the topic, "Valuation bias, fair housing, and/or equal opportunity," has been added as an acceptable topic for appraiser continuing education activities. Director Kohtz closed his summary of the exposure draft by bringing attention to the proposition to allow up to 100% of appraiser experience hours to be obtained without a traditional client. The Director asked for any questions or comments. There was no further discussion.

ii. Q&As

1. Required Core Curriculum Education

Director Kohtz presented a Q&A regarding qualifying education required for approval for entry into a PAREA program. According to the AQB, an aspiring appraiser completing all qualifying education required for the certified general classification satisfies the education requirements for the licensed residential and certified residential classifications. The Director asked for any questions or comments. There was no further discussion.

2. Photo ID Requirement

Director Kohtz presented a Q&A concerning an education provider who is offering synchronous distance education and the requirement to check photo identification of students. The Director reported that this Q&A does not apply to the Board's programs. The Director asked for any questions or comments. There was no further discussion.

3. QE Synchronous Exam

Director Kohtz presented a Q&A concerning exam administration for an education provider who is offering the 15-Hour USPAP Course synchronously. The Director reported that this Q&A does not apply to the Board's programs. The Director asked for any questions or comments. There was no further discussion.

4. Synchronous and Classroom Courses

Director Kohtz presented a Q&A asking if any approved classroom or synchronous course offering, either continuing or qualifying education, is allowed to be taught both in classroom and synchronously, including new offerings. The Director indicated that the ASC Temporary Waiver allows classroom education activities to be offered synchronously through December 31, 2021. The Director asked for any questions or comments. There was no further discussion.

5. Definition of College-Level Courses

Director Kohtz presented a Q&A regarding the use of non-college-level courses to meet the certified residential in-lieu-of-degree credentialing path requirements. The AQB does not allow this. The Director asked for any questions or comments. There was no further discussion.

6. Degree Requirements

Director Kohtz presented a Q&A about whether a graduate degree satisfies the "Bachelor's Degree (or higher)" requirement for the certified general college-level education requirements. The Director reported that a postgraduate degree from an accredited college or university satisfies the requirement as students need to hold a Bachelor's Degree prior to enrolling in a postgraduate program. The Director asked for any questions or comments. There was no further discussion.

d. Appraiser Standards Board

i. Discussion Draft – Potential Areas of Change for the 2023 USPAP

Director Kohtz presented the Discussion Draft – Potential Areas of Change for the 2023 USPAP to the Board for review. The Director reported that the ASB is exploring change related to the requirements for disclosing a personal inspection, the Ethics Rule – Conduct requirements related to demographic characteristics, and the definitions of “significant appraisal assistance” and “misleading.” The Director remarked that he had no more specific comments, and asked for any questions or comments. There was no further discussion.

ii. USPAP Extension and 7-Hour Course Update

Director Kohtz presented an email from Mark Lewis, AQB Chair, to the Board for review. The Director reported that the newest 7-Hour National USPAP Update Course will be effective for two years, from October 1, 2021, to December 31, 2023. The Director asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

a. AARO Quarterly Update – 5.1.2021

Director Kohtz presented the AARO Quarterly Update – 5.1.2021 to the Board for review. The Director informed the Board that he had no specific comments, and asked for any questions or comments. There was no discussion.

8. IN THE NEWS: No discussion.

Break from 11:05 a.m. to 11:12 a.m.

Board Member Luhrs moved that the Board go into executive session for the purpose of employee performance evaluation. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. Board Member Walkenhorst seconded the motion. The time on the meeting clock was 11:12 a.m. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

Board Member Walkenhorst moved to come out of executive session at 11:38 a.m. Board Member Downing seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicants for credentialing as a Nebraska real property appraiser. No actions were taken by the Board.

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY

The Board reviewed an applicant for registration as an appraisal management company, and an applicant for renewal of registration as an appraisal management company. Board Member Luhrs moved to take the following action for AMC applicant as listed:

NE2021002 / Approve for registration as an Appraisal Management Company.

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

E. CONSIDERATION OF COMPLIANCE MATTERS

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

21-02 / Dismiss without prejudice.

20-11 / Ongoing.

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

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

1. 2021.08

The Board reviewed documentation sent anonymously that implied that a business was engaged in real property appraisal practice without first obtaining a credential issued by the Board. The Board concluded that there was no credibility to the claim. No action was taken by the Board.

2. PERSONNEL MATTERS

The Board discussed personnel matters. Board Member Luhrs moved to increase the Director's salary by 2%, effective July 1, 2021. Board Member Downing seconded the motion. Motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

R. ADJOURNMENT

Board Member Luhrs moved to adjourn the meeting. Board Member Downing seconded the motion. Motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye. At 11:42 a.m., Chairperson Mustoe adjourned the June 17, 2021 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on June 25, 2021, in compliance with Nebraska Revised Statute § 84-1413 (5).