

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

October 21, 2021 Meeting Minutes

A. OPENING

Chairperson Christopher Mustoe called to order the October 21, 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

Chairperson Mustoe 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 October 12, 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 Christopher Mustoe of Omaha, Nebraska, 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 Program Manager Allison Nespor, and Business and Education Program Manager Katja Duerig, who are all headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

Chairperson Mustoe 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, Gerdes, and Mustoe voting aye.

Director Kohtz requested permission to speak. Chairperson Mustoe gave the Director the floor. Director Kohtz introduced Ferial Hasan, who is a temporary employee hired to assist with processing renewal applications, and to assist BLPM Nespor and BEPM Duerig with daily tasks during the appraiser credential renewal season. The Director noted that Ms. Hasan is a legal studies major at Metro Community College, and she is using her experience with the Board as an internship for her studies. The Director added that Ms. Hasan expressed interest in the board meeting processes and procedures, so she will be present to observe the meeting. Chairperson Mustoe welcomed Ms. Hasan and thanked her for her work thus far. Ferial Hasan, who is headquartered in Lincoln, Nebraska, was present for the duration of the meeting.

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

G. WELCOME AND CHAIR'S REMARKS

Chairperson Mustoe welcomed all, and said, "Hope all are doing well. Let's move to the minutes." There were no members of the public present.

H. BOARD MEETING MINUTES

1. APPROVAL OF SEPTEMBER 16, 2021 MEETING MINUTES

Chairperson Mustoe asked for any additions or corrections to the September 16, 2021 meeting minutes. With no discussion, Chairperson Mustoe called for a motion. Board Member Luhrs moved to adopt the September 16, 2021 meeting minutes as presented. Board Member Walkenhorst seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

I. DIRECTOR'S REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented seven charts outlining the number of real property appraisers as of October 21, 2021 to the Board for review. The Director reported that he had no specific comments and asked for questions or comments. There was no discussion.

b. Temporary Real Property Appraiser Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of September 30, 2021 to the Board for review. The Director asked for any questions or comments. There was no further discussion.

c. Supervisory Real Property Appraiser Report

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of October 21, 2021 to the Board for review. The Director reported that he had no comments and asked for any questions or comments. There was no discussion.

d. AMC Report

Director Kohtz presented two charts outlining the number of AMCs as of October 21, 2021 to the Board for review. The Director reported that he had no comments and asked for any questions or comments. There was no discussion.

2. DIRECTOR APPROVAL OF APPLICANTS

a. Real Property Appraiser Report

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director, and the real property appraiser applicants approved to sit for exam by the Director, for the period between September 8, 2021 and October 5, 2021. The Director asked for any questions or comments. There was no further discussion.

b. Education Activity and Instructors Report

Director Kohtz presented the Education Activities and Instructors Report showing education activities and instructors approved by the Director for the period between September 8, 2021 and October 5, 2021. The Director asked for any questions or comments. There was no further discussion.

3. 2021-22 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS

Director Kohtz presented the 2021-22 NRPAB Goals and Objectives and SWOT Analysis to the Board for review and provided a status update. The Director guided the Board to Laws, Rules, and Guidance Documents, and reported that REQ03236 has been prepared for review at this meeting under Legislative Report and Business. In addition, Director Kohtz reported that the Board-adopted draft of changes to Title 298 had been approved by the Attorney General's Office on September 27, 2021, and was sent to the Governor's Policy and Research Office for review on September 29, 2021. The Director moved on to goals related to Administration. According to the Director, the Meeting Owl Pro has been received, and the mount and cable have been ordered. Director Kohtz informed the Board that the Department of Administrative Services Buildings Division will install the device on the ceiling of the Board's meeting room and proceeded to describe the placement of the Meeting Owl Pro in the room. Director Kohtz asked for any questions or comments. With no further discussion, Chairperson Mustoe invited the Director to proceed to Financial Report and Considerations.

J. FINANCIAL REPORT AND CONSIDERATIONS – OCTOBER 2021

1. APPROVAL OF SEPTEMBER RECEIPTS AND EXPENDITURES

The receipts and expenditures for September were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to a Data Processing Expense of \$3,790.77. The Director noted that this is higher than typical due to bug fixes in the NRPAB Database and minor enhancements made to the online renewal application. Director Kohtz added that some sections of the online renewal application will need to be updated annually to keep it current. The Director also informed the Board that it was overbilled for Data Processing Expenses during this month, so part of this total will be credited back to the agency. The Director indicated that expenditures for the month of September totaled \$27,132.06, which amounts to 19.48 percent of the budgeted expenditures for the fiscal year; 25.21 percent of the fiscal year has passed. The Director then turned the Board's attention to revenues and declared that it was another good month. Revenues reported for September were \$16,354.61, and total revenues amount to 17.77 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 MTD General Ledger for September. The Director remarked 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 pointed out 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 \$315,491.88, the Appraiser Fund is \$365,440.51, and the overall cash balance for both funds is \$680,932.39. There was no further discussion.

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

2. 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.

3. FY 2021-22 BUDGET AMENDMENT

Director Kohtz presented an amendment to the FY 2021-22 Budget to the Board for consideration. The Director stated that, last month, the Board approved an allocation in the amount of \$1,500.00 for the purchase of the Meeting Owl Pro and accessories. Director Kohtz reported that the amended budget specifies the object codes to which funds were added, and from which funds were removed. The Director guided the Board's attention to page J.15 and informed the Board that \$1,500.00 is added to Video Equip, \$300.00 is removed from Non-Capitalized Equip PU, \$300.00 is removed from Other Operating Expenses, \$200.00 is removed from Lodging, \$100.00 is removed from Meals – Travel Status, and \$600.00 is removed from Personal Vehicle Mileage. Director Kohtz indicated that one in-person board meeting was changed to a virtual meeting resulting in a savings of \$900.00 to travel costs. The Director also remarked that the estimate for DAS Buildings Division to install the camera is \$204.00 to \$270.00. These funds are already available in Rep & Maint – Office Equip. Director Kohtz asked for any questions or comments. With no further discussion, Director Kohtz requested a motion to approve the amendment to the FY 2021-22 Budget. Board Member Luhrs moved to approve the FY 2021-22 Budget Amendment. Board Member Downing seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

4. 2022 MID-BIENNIUM BUDGET REQUEST

Director Kohtz presented the 2022 Mid-Biennium Budget Request to the Board for consideration. The Director indicated that this request, which includes a total increase to the budget of \$2,614.00 for FY 2021-22 and \$3,010.00 for FY 2022-23, covers the salary, retirement benefits, and FICA taxes related to the reclassification of the Office Specialist position to Administrative Specialist. Director Kohtz asked for any questions or comments. With no further discussion, Board Member Luhrs moved to approve the 2022 Mid-Biennium Budget Request. 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. With no comments, Chairperson Mustoe proceeded to Consideration of Education/Instructor Requests.

L. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS: No discussion.

M. UNFINISHED BUSINESS

1. OPEN 2ND CONGRESSIONAL DISTRICT CERTIFIED REAL PROPERTY APPRAISER REPRESENTATIVE POSITION

Director Kohtz reported that there has been no update from the Governor's office, but he has talked to one real property appraiser who is interested in the position. The Director asked for any questions or comments. There was no discussion.

N. NEW BUSINESS: No discussion.

O. LEGISLATIVE REPORT AND BUSINESS

1. NEBRASKA REAL PROPERTY APPRAISER ACT UPDATE

a. REQ03236

Director Kohtz presented REQ03236 to the Board for consideration. The Director remarked that this is the Board's Real Property Appraiser Act Update draft in a bill draft format. The Director informed the Board that all previously stricken "Board-approved" language was returned to its original form. Director Kohtz reported that, since this stricken language would not affect the Board's administration of the Real Property Appraiser Act, it is best to leave it to avoid any potential unintended controversy. The Director then moved to page O.3, and indicated that Bill Drafting rearranged the language and added another subdivision. Director Kohtz stated that the wording is the same, but the organization is changed to conform to Bill Drafting's requirements. On page O.5, the Director made note that the language "except that a real property appraiser or a person licensed under the Nebraska Real Estate License Act is not exempt under this subdivision" is stricken from Neb. Rev. Stat. § 76-2221(5) to match subdivision 4. Since the Board intends to strike the language from subdivision 4, it makes sense to strike it from subdivision 5 as well since it has the same intent, and some may question why it is being stricken in one subdivision, but not the other. Director Kohtz asked if the Board agreed with this decision. Chairperson Mustoe agreed that the language should be stricken as it appears to be a carryover from the Real Estate Licensing Act with no purpose in the Real Property Appraiser Act. Director Kohtz turned the Board's attention to page O.18. The Director referred to a section where language was stricken because it is redundant, as the two-year continuing education period is a defined term. Director Kohtz expressed surprise at having not caught it in a previous revision. The Director asked for any questions or comments about the bill draft. With no further discussion, Board Member Downing moved to approve REQ03236 for public comment. Board Member Luhrs seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

2. OTHER LEGISLATIVE MATTERS

Director Kohtz asked the Board if it had any other legislative matters that it wished to discuss. There was no further discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS

a. 21-04: Certification by the International Distance Education Certification Center for Correspondence Education Activities

Director Kohtz presented Guidance Document 21-04 titled, “Certification by the International Distance Education Certification Center for Correspondence Education Activities,” to the Board for consideration. This proposed guidance document aligns the Board’s education activity requirements for correspondence education activities with the new Real Property Appraiser Qualifications Criteria effective on January 1, 2022 (“Criteria”). The Director reported that the new Criteria allows synchronous education activities to be approved without approval from the International Distance Education Certification Center (“IDECC”). Director Kohtz informed the Board that “synchronous education” in the Criteria is the same as “correspondence education activity” in Title 298, and indicated that this guidance document provides a bridge between the Board’s current education program policies and procedures and the Criteria until the Board can make more substantive terminology changes in the next Title 298 update. The guidance allows correspondence education activities offered by education providers to be approved without IDECC approval, and for correspondence education activities without IDECC approval to be accepted as real property appraiser education as approved by the Board, or as meeting or exceeding the requirements for approval as outlined in Chapter 6 of Title 298 for education activities completed in another jurisdiction. Board Member Gerdes asked if the provisions in the new Criteria are different from those in the currently active ASC Temporary Waiver related to remote presentation of classroom education activities. BEPM Duerig remarked that the ASC Temporary Waiver applies to classroom education activities, and the Criteria change pertains to the online delivery mechanism requirement for synchronous (correspondence) online education activities; there is no change in the Criteria for classroom education activities. BEPM Duerig added that the presentation of the correspondence education activities will essentially be the same as the remote presentation of classroom education activities under the ASC Temporary Waiver, but the review process and terminology will be different. According to BEPM Duerig, one major difference for staff will be that the completion certificates for these synchronous education activities won’t need a “location” like classroom education activities presented remotely under the ASC Temporary Waiver do. Director Kohtz confirmed that the completion certificates for correspondence education activities approved by the Board would not show the location but rather the delivery method. A discussion took place about the difference between correspondence education activities and online education activities. The Director noted that online education activities will still need IDECC approval under the new Criteria, and this guidance document does not change any online education activity requirements. Board Member Gerdes expressed concern that education providers would not be aware that they would have to apply for separate approval for a correspondence education activity and an online education activity. Director Kohtz remarked that the AQB has clearly publicized these changes and education providers have been part of the discussion. They are aware that States will develop their own rules based on the new Criteria. The Director asked for any more questions or comments. There was no further discussion. Board Member Luhrs moved to approve Guidance Document 21-04 as presented. Board Member Walkenhorst seconded the motion. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

2. INTERNAL PROCEDURAL DOCUMENTS: No discussion.

3. FORMS, APPLICATIONS, AND PROCEDURES: No discussion.

Q. OTHER BUSINESS

1. BOARD MEETINGS: No discussion.

2. CONFERENCES/EDUCATION: No discussion.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER: No discussion.

5. APPRAISAL SUBCOMMITTEE: No discussion.

6. THE APPRAISAL FOUNDATION

a. TAF October Newsletter

Director Kohtz presented The Appraisal Foundation's October newsletter to the Board for review. The Director noted that the newsletter mostly concerned the new 7-Hour National USPAP Update Course, and reported that, while at the Fall AARO Conference, he learned that two of the seven hours of this version of the course will cover bias, diversity, and discrimination training. Chairperson Mustoe asked if it is still TAF's plan to release a one-year version of USPAP in 2023. Director Kohtz stated that that was still the plan, to his knowledge. The Director asked for any questions or comments. There was no discussion.

b. The Appraisal Foundation Releases Statement on Freddie Mac Appraisal Bias Report

Director Kohtz presented The Appraisal Foundation's Statement on Freddie Mac Appraisal Bias Report to the Board for review. The Director informed the Board that he also included the report for the Board's information, but that he had no specific comments on either. The Director asked for any questions or comments. There was no discussion.

c. Appraiser Qualifications Board

i. Appraiser Qualifications Board Q&As, October 4, 2021

Director Kohtz presented the October 4, 2021 Appraiser Qualifications Board Q&As to the Board for review. The Director remarked that these questions and answers focus on changes made to the Real Property Appraiser Qualifications Criteria effective on January 1, 2022. Specifically, they pertain to the removal of the 50% limit of experience gained without a traditional client, and changes made to the education requirements. The Director asked for any questions or comments. There was no discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: No discussion.

8. IN THE NEWS: No discussion.

Board Member Luhrs 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 10:09 a.m. The motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye.

Break from 11:32 a.m. to 11:40 a.m.

Board Member Luhrs moved to come out of executive session at 12:05 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

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

- CR21008 / Request from the applicant and from the certified real property appraiser who signed the Applicant Real Property Appraisal Practice Experience Log evidence of submission of an Application for Registration as a Nebraska Supervisory Real Property Appraiser for the applicant or evidence of the Board's approval of the certified real property appraiser as a supervisory real property appraiser for the applicant.**
- CG21020 / Request that the applicant and the supervisory real property appraiser provide further detail regarding the contributions by the applicant and the supervisory real property appraiser to the development of two appraisal reports reviewed by the Board.**
- L20002 / Deny for failure to meet Neb. Rev. Stat. § 76-2230 (1) (f).**
- CG19019 / Deny for failure to meet Neb. Rev. Stat. § 76-2232 (1) (g).**

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

D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY

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

- NE2021008 / 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:

- 21-06 / Proceed with investigation for the alleged violation of Neb. Rev. Stat. §§ 76-2237 and 76-2238 (4)(5)(12)(14)(19). Request workfile.**
- 21-07 / Dismiss without prejudice.**
- 21-04 / Dismiss without prejudice.**
- 21-05 / Ongoing.**

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

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS: No discussion.

R. ADJOURNMENT

Board Member Downing moved to adjourn the meeting. Board Member Walkenhorst seconded the motion. Motion carried with Luhrs, Walkenhorst, Downing, Gerdes, and Mustoe voting aye. At 12:09 p.m., Chairperson Mustoe adjourned the October 21, 2021 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on November 2, 2021, in compliance with Nebraska Revised Statute § 84-1413 (5).