

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

**July 21, 2022 Meeting Minutes**

**A. OPENING**

Vice-chairperson Wade Walkenhorst called to order the July 21, 2022 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 Walkenhorst 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 July 11, 2022. 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/](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 Wade Walkenhorst of Lincoln, Nebraska, Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Nebraska, and Kevin Hermesen of Gretna, 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. Board Member Thomas Luhrs of Imperial, Nebraska was absent and excused.

**ADOPTION OF THE AGENDA**

Vice-chairperson Walkenhorst 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 Hermesen seconded the motion. With no further discussion, the motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

Board Member Downing 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 Gerdes seconded the motion. The time on the meeting clock was 9:03 a.m. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

Board Member Downing moved to come out of executive session at 9:18 a.m. Board Member Gerdes seconded the motion. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

Break from 9:19 a.m. to 9:30 a.m.

#### **G. WELCOME AND CHAIR'S REMARKS**

Vice-chairperson Walkenhorst welcomed all to the July 21, 2022 meeting of the Nebraska Real Property Appraiser Board and indicated that he had no comments. Vice-chairperson Walkenhorst acknowledged that Roger Morrissey was the only member of the public present and thanked him for his attendance.

#### **H. BOARD MEETING MINUTES**

##### **1. APPROVAL OF JUNE 15, 2022 STRATEGIC PLANNING MEETING MINUTES**

Vice-chairperson Walkenhorst asked for any additions or corrections to the June 15, 2022 strategic planning meeting minutes. With no discussion, Vice-chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the June 15, 2022 strategic planning meeting minutes as presented. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst called for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

##### **2. APPROVAL OF JUNE 16, 2022 MEETING MINUTES**

Vice-chairperson Walkenhorst asked for any additions or corrections to the June 16, 2022 meeting minutes. With no discussion, Vice-chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the June 16, 2022 meeting minutes as presented. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst called for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen 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 July 21, 2022 to the Board for review. The Director reported that all trends are maintaining, then asked for any questions or comments. There was no further discussion.

**b. Real Property Appraiser Renewal Report**

Director Kohtz presented four charts pertaining to the 2022-23 real property appraiser renewals as of June 30, 2022. The Director reported that 91 percent of real property appraisers with credentials expiring on December 31, 2021 were projected to renew, and the actual rate of renewal was 92 percent. The renewal of trainee real property appraiser credentials expiring on December 31, 2021 ended at 86 percent as of June 30, 2022, greatly exceeding the projected rate of 70 percent. Director Kohtz noted that the renewal rate for the licensed residential real property appraisers is typically 90-95 percent, but this period finished with 78 percent. The Director informed the Board that there is no specific reason for the drop, so it will be monitored for long-term trend changes. Nearly all certified residential real property appraisers with credentials expiring on December 31, 2021 renewed. Director Kohtz remarked that the 99 percent renewal rate exceeded the typical rate for this classification. The Director finished by reporting that the certified general real property appraiser renewal rate of 91 percent was lower than projected, but within the typical range for this credential. Vice-chairperson Walkenhorst asked Director Kohtz if he still expects to see more licensed residential credential holders upgrading to certified residential. The Director responded that he does, and he expects the overall number of total licensed residential real property appraisers to increase in the future. Director Kohtz cited changes to The Real Property Appraiser Qualification Criteria that make it easier for one to obtain a licensed residential real property appraiser credential, and also upgrade to the certified residential classification. The Director informed the Board that more licensed residential real property appraiser applications have been submitted this year compared to the past four years combined. Director Kohtz added that the Criteria change has had a slower than expected effect, but it is starting to show. Vice-chairperson Walkenhorst thanked the Director for this report.

**c. Temporary Real Property Appraiser Report**

Director Kohtz presented three charts outlining the number of temporary credentials issued as of June 30, 2022 to the Board for review. The Director reported that he had no specific comments and asked for any questions or comments. There was no discussion.

**d. Supervisory Real Property Appraiser Report**

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of July 21, 2022 to the Board for review. The Director reported that there were no changes in trends and that he had no specific comments. Director Kohtz asked for any questions or comments. There was no further discussion.

**e. Appraisal Management Company Report**

Director Kohtz presented two charts outlining the number of AMCs as of July 21, 2022 to the Board for review. Director Kohtz indicated 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 June 8, 2022 and July 6, 2022. 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 to the Board for review showing education activities and instructors approved by the Director for the period between June 8, 2022 and July 6, 2022. The Director asked for any questions or comments. There was no further discussion.

## **3. 2022-23 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS**

Director Kohtz presented the 2022-23 NRPAB Goals and Objectives + SWOT Analysis to the Board for consideration. The Director reported that these documents reflect the Board's decisions made during the strategic planning meeting in June. Director Kohtz informed the Board that he will continue to present a goals and objectives progress report at each monthly meeting. The Director asked the Board if the 2022-23 NRPAB Goals and Objectives + SWOT Analysis documents accurately reflect the Board's discussions during the strategic planning meeting. No board members requested changes to the documents. Director Kohtz then requested a motion to approve the 2022-23 NRPAB Goals and Objectives + SWOT Analysis. With no discussion, Vice-chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the 2022-23 NRPAB Goals and Objectives + SWOT Analysis as presented. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst called for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

## **J. FINANCIAL REPORT AND CONSIDERATIONS – JULY 2022**

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

Director Kohtz summarized the expenditures and revenues for the 2021-2022 fiscal year as shown in the Budget Status Report. The Director began by reviewing the expenditures and informed the Board that Personal Services expenditures ended the fiscal year at \$178,074.11; 96.91 percent of budgeted. Benefits expenditures ended at \$237,912.97; 97.77 percent of budgeted. The Director guided the Board's attention to Overtime Payments, and informed the Board that overtime expenditures finished at 353.56 percent of budgeted. Director Kohtz reminded the Board of the effort needed to get the work done, and reiterated the need for additional staffing. The Director then brought attention to the Sick Leave Expense and informed the Board that because of the Board's flexible work policies, there is little need to utilize sick leave. Director Kohtz informed the Board that the budgeted Sick Leave Expense was revised down in the FY 2022-2023 Budget. The Director then moved to Operating Expenses, and indicated that Data Processing Expense ended at 40.72 percent of budgeted. Director Kohtz reminded the Board that it approved a revised budget at the end of the fiscal year reallocating unused funds to the AMC Renewal Application and Interface project. Very little of the project was completed during the 2021-2022 fiscal year as expected, which resulted in CIO Expenses ending far below budgeted.

*(Continued on page 5)*

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The Director then guided the Board's attention to Dues and Subscriptions Expense, and informed the Board that expenditures ended 199.62 percent of budgeted due to a significant increase to the AARO membership dues. Director Kohtz indicated that another dues payment contributed to this increase, but that he could not remember it off the top of his head. BLPM Nespor reminded him that it was her notary association dues. Director Kohtz agreed with BLPM Nespor that this is the expenditure that he could not recall. The Director then moved to the Insurance Expense and Surety and Notary Bonds expenditures, and indicated that State Accounting required that surety and notary expenditures now be coded as Insurance Expense, which lead to expenditures being 227.43 percent of budgeted. Director Kohtz finished the review of expenditures for the 2021-2022 fiscal year by stating the total expenditures were \$355,987.28; 84.60 percent of budgeted. The Director declared that lack of expenditures related to investigations, including SME review costs and legal fees, resulted in lower than projected expenditures for the fiscal year.

Director Kohtz then moved to revenues for the 2021-2022 fiscal year and informed the Board that revenues were strong. The Director highlighted continuing education renewal fees, which ended at 230 percent of projected revenues; certified general new fees, which ended at 164 percent of projected revenues; licensed new fees, which ended at 600 percent of projected revenues; fingerprint fees, which ended at 157.85 percent of projected revenues; and application fees, which ended at 121.41 percent of projected revenues. Director Kohtz brought attention to the increased number of real property appraiser applications received during the fiscal year, and indicated that this increased revenues. The Director then informed the Board that renewal revenues were higher than projected for the certified general classification because more credential holders renewed for two years compared to normal. The increase in revenues for certified residential renewals was due to a higher-than-normal renewal rate for those with credentials that expired on December 31, 2021. The Director also indicated that AMC revenues were stable and in line with projected revenues. Director Kohtz finished review of the 2021-2022 fiscal year by informing the Board that revenues for the fiscal year ended at \$380,644.36; 108.25 percent of projected.

The receipts and expenditures for June were then presented to the Board for review. Director Kohtz brought attention to the subtotal for all Personal Services and noted that the June expenditures were high due to three pay periods in the month. The Director then pointed out that the Data Processing Expense for the month of June was \$9,117.26. The Director informed the Board that the expense includes the Supervisory Appraiser Contact List, the AMC Renewal Application and Interface, and various other bug fixes and minor enhancements. Director Kohtz indicated that expenditures for the month of June totaled \$46,506.94. The Director turned the Board's attention to revenues, and informed the Board that revenues for June were \$14,602.36. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz then guided the Board's attention to the MTD General Ledger for June and said he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented four graphs showing expenses, revenues, and cash balance. The Director once again pointed out the expenditures and revenues for the month of June for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. The Director brought attention to a new graph titled, “NRPAB Twenty-Five Month Expenses/Revenue by Program,” and noted that this graph tracks the expenditures and revenues by program. Since this data is used for biennial budget preparations and is available per program, the Board will have the opportunity to review it on a monthly basis moving forward. Director Kohtz reported that Real Property Appraiser Fund revenues for the month of June totaled \$6,618.68, the Real Property Appraiser Fund expenses totaled \$30,288.07, the AMC Fund revenues totaled \$7,983.68, and the AMC Fund expenses totaled \$16,218.87.

The Director then remarked that the cash balance for the AMC Fund is \$344,501.80, the Appraiser Fund is \$372,339.68, and the overall cash balance for both funds is \$716,841.48. Director Kohtz commented that the Appraiser Fund cash balance is healthy, while the AMC Fund cash balance is the highest it’s ever been. The Director asked for any questions or comments. There was no further discussion.

Board Member Downing moved to accept and file the June 2022 financial reports for audit. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst asked for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

## **2. FY 2022-2023 BUDGET**

Director Kohtz presented the proposed budget and projected revenues for FY 2022-2023 to the Board for consideration. The Director informed the Board that the only change in the proposed budget since it was presented at the strategic planning meeting is that the projected revenues were revised upward after the final June revenues became available. The Director summarized the available funding and the projected expenditures and revenues, for the FY 2022-2023 fiscal year. Director Kohtz then provided a brief summary regarding the application of budgeted expenditures to the Appraiser Fund and the AMC Fund, and informed the Board that the general expenses will be split 65% to the Appraiser Fund and 35% to the AMC Fund as discussed at the strategic planning meeting. Director Kohtz asked for any questions or comments related to the FY 2022-2023 Budget. Board Members Walkenhorst and Gerdes thanked the Director for the work put into the budget preparation. Board Member Downing moved to approve the FY 2022-2023 Budget as presented. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst asked for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen 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**

Vice-chairperson Walkenhorst asked for any public comments. With no comments, Vice-chairperson Walkenhorst moved on to Consideration of Education/Instructor requests.

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

**M. UNFINISHED BUSINESS:** No discussion.

**N. NEW BUSINESS:** No discussion.

**O. LEGISLATIVE REPORT AND BUSINESS**

**1. TITLE 298**

**a. Summary of Proposed Changes to Title 298 of the Nebraska Administrative Code June 16, 2022 Draft**

Director Kohtz presented the Summary of Proposed Changes to Title 298 of the Nebraska Administrative Code June 16, 2022 Draft to the Board for review. The Director remarked that this is the “cheat sheet” that is provided to assist with public comment, and no action is required. Director Kohtz also informed the Board that the draft of Title 298 reviewed by the Board at the June meeting has been provided to the ASC, the Attorney General’s Office, and the Governor’s Policy and Research Office for preliminary review. The Director asked for any questions or comments. There was no discussion.

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

**P. ADMINISTRATIVE BUSINESS**

**1. GUIDANCE DOCUMENTS:** No discussion.

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

**3. FORMS, APPLICATIONS, AND PROCEDURES**

**a. Revised NRPAB Employee Handbook**

Director Kohtz presented the revised NRPAB Employee Handbook to the Board for consideration, and reported that a thorough review was completed, but only a few changes were necessary. The Director guided the Board to page P.5, and informed the Board that the working titles for the contract employees were updated to reflect their current titles. Director Kohtz indicated that this change was made throughout where the titles appear. The Director then moved to page P.27, and informed the Board that the Juneteenth holiday was added to the list of state holidays as requested by the Board during the strategic planning meeting. The Director asked for any questions or comments. With no discussion, Vice-chairperson Walkenhorst called for a motion. Board Member Gerdes moved to approve the revised NRPAB Employee Handbook as presented. Board Member Downing seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst asked for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

## **Q. OTHER BUSINESS**

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

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

#### **a. Fall AARO Conference; October 14-17, 2022**

Director Kohtz reported that the Fall AARO Conference will take place in-person in Washington, D.C., on October 14-17, 2022. The Director informed the Board that he plans to attend and asked for approval for attendance. No board members expressed interest in attending. Board Member Downing moved to approve Director Kohtz for attendance at the Fall 2022 AARO Conference on October 14-17, 2022. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Vice-chairperson Walkenhorst asked for a vote. The motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

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

### **4. QUARTERLY NEWSLETTER:** No discussion.

### **5. APPRAISAL SUBCOMMITTEE**

#### **a. ASC Memo to State Appraiser Regulatory Officials Concerning the 2022-2023 7-Hour National USPAP Update Course**

Director Kohtz presented the ASC Memo to State Appraiser Regulatory Officials Concerning the 2022-2023 7-Hour National USPAP Update Course to the Board for review. The Director summarized the memo, and reported that the ASC is not requiring appraisers to complete the 2022-2023 7-Hour National USPAP Update Course at this time as the ASC's comprehensive and independent review of USPAP and the Real Property Appraiser Qualifications Criteria cited deficiencies in the course's diversity and discrimination content. Because updates to the course are required, states have the option to waive the 2022-2023 7-Hour National USPAP Update requirements until the course content is updated to address the diversity and discrimination deficiencies. The Director noted that additional information will be added to the fair housing module of the course, and once it is, it will be sent to all appraisers who have already completed the course. Director Kohtz also reported that the 2022-2023 7-Hour National USPAP Update Course in its present form still meets the requirement for completing the 7-Hour National USPAP Update Course once every two years. For this reason, and to avoid creating unnecessary confusion and record-keeping issues, the Director recommended that the Board not waive the 7-Hour National USPAP Update requirement at this time. All Board Members agreed. The Director asked for any questions or comments. There was no further discussion.

### **6. THE APPRAISAL FOUNDATION**

#### **a. TAF June State Regulator Newsletter**

Director Kohtz presented the TAF June State Regulator Newsletter to the Board for review. The Director stated that he had no specific comments, and asked for any questions or comments. There was no discussion.



**b. TAF July Newsletter**

Director Kohtz presented the TAF July Newsletter to the Board for review. The Director stated that he had no specific comments, and asked for any questions or comments. There was no discussion.

**c. TAF Memo to State Appraiser Regulatory Officials Concerning the 2022-2023 7-Hour National USPAP Update Course**

Director Kohtz presented the TAF Memo to State Appraiser Regulatory Officials Concerning the 2022-2023 7-Hour National USPAP Update Course to the Board for review. The Director reported that this memo contains similar information to the Appraisal Subcommittee memo previously reviewed, and that he has no specific comments. The Director asked for any questions or comments. There was no further discussion.

**7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS:** No discussion.

**8. IN THE NEWS:** No discussion.

**C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER**

The Board reviewed CR22004. Vice-chairperson Walkenhorst asked for a motion on CR22004.

Board Member Downing moved to take the following action:

**CR22004 / Approve to sit for exam and authorize Director to issue credential as a Certified Residential real property appraiser upon providing evidence of successful completion of the national uniform licensing and certification examination and providing the necessary fees.**

Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

**D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY:** No discussion.

**E. CONSIDERATION OF COMPLIANCE MATTERS:** No discussion.

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

### **1. 2022.04**

The Board discussed a matter in which a Nebraska registered AMC may have attempted to procure a registration for itself by fraud, misrepresentation, or deceit. During review of a Nebraska registered AMC's Application for Renewal of Nebraska Appraisal Management Company Registration, it was discovered that the organization may not have properly reported previous disciplinary action on its initial Application for Nebraska Appraisal Management Company Registration. Board Member Downing moved to issue a written advisory to the AMC reminding the organization of the importance of carefully reading and truthfully answering all questions on applications submitted to the Board. Board Member Gerdes seconded the motion. Vice-chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye.

### **2. PERSONNEL MATTERS:** No discussion.

## **R. ADJOURNMENT**

Board Member Downing moved to adjourn the meeting. Board Member Gerdes seconded the motion. Motion carried with Walkenhorst, Downing, Gerdes, and Hermesen voting aye. At 10:13 a.m., Vice-chairperson Walkenhorst adjourned the July 21, 2022 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on July 26, 2022, in compliance with Nebraska Revised Statute § 84-1413 (5).