

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

**August 18, 2022 Meeting Minutes**

**A. OPENING**

Chairperson Thomas Luhrs called to order the August 18, 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**

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](http://www.nebraska.gov) on August 12, 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 Thomas Luhrs of Imperial, Nebraska, 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 and Business and Licensing Program Manager Allison Nespor, who are headquartered in Lincoln, Nebraska. Business and Education Program Manager Katja Duerig was absent and excused.

**ADOPTION OF THE AGENDA**

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

Board Member Downing moved to come out of executive session at 9:37 a.m. Board Member Gerdes seconded the motion. The motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs voting aye.

Break from 9:38 a.m. to 10:00 a.m.

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

Chairperson Luhrs welcomed all to the August 18, 2022 meeting of the Nebraska Real Property Appraiser Board and indicated that he had no comments. Roger Morrissey was the only member of the public present.

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF JULY 21, 2022 MEETING MINUTES**

Chairperson Luhrs asked for any additions or corrections to the July 21, 2022 meeting minutes. With no discussion, Chairperson Luhrs called for a motion. Board Member Hermesen moved to approve the July 21, 2022 meeting minutes as presented. Board Member Gerdes seconded the motion. Chairperson Luhrs recognized the motion and asked for any discussion. With no discussion, Chairperson Luhrs called for a vote. The motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs 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 August 18, 2022 to the Board for review. The Director reported that the number of real property appraisers in Nebraska has gone up over the past few months. While this is mainly due to an increased number of reciprocal credentials, Director Kohtz acknowledged that the rate of decline of "Nebraska resident" appraisers (those credentialed through education, experience, and examination) is slowing from year to year, which is a good sign. The Director asked for any questions or comments. There was no further discussion.

#### **b. Temporary Real Property Appraiser Report**

Director Kohtz presented three charts outlining the number of temporary credentials issued as of July 31, 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.

#### **c. Supervisory Real Property Appraiser Report**

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of August 18, 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.

#### **d. Appraisal Management Company Report**

Director Kohtz presented two charts outlining the number of AMCs as of August 18, 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 July 7, 2022 and August 9, 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 July 7, 2022 and August 9, 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 and SWOT Analysis to the Board for review and provided a status update. The Director brought attention to goals related to Laws, Rules, and Guidance Documents, and reported that the ASC and AGO have provided comments on the current Title 298 draft that have already been incorporated into the next draft. The agency is waiting to hear back from GPRO. Director Kohtz moved on to goals related to Administration, and remarked that the supervisory real property appraiser list derived from the credential renewal application was completed in July. Finally, the Director guided the Board to goals related to Financials, and said that the FY2023-25 Biennial Budget Request is prepared and will be reviewed in this meeting. Director Kohtz asked for any questions or comments. There was no further discussion.

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

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

The receipts and expenditures for July were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the Employee Assistance Program expense of \$37.08 and stated that this is an annual fee for employee counseling services for family issues, chemical dependency, and other issues causing employees problems. The Director moved on to the Postage Expense of \$591.70, and reported that the notices were sent by certified mail to those real property appraisers selected for random criminal history record checks related to renewal of their credentials, which is why the Postage Expense is higher than normal this month. Director Kohtz then brought attention to the Data Processing Expense of \$4,882.64. According to the Director, much of this expenditure was due to finishing the potential supervisory real property appraiser contact list project. The Director reported that the \$2,028.50 Publication & Print Expense represents the final billing for the appraiser file scanning project completed in July. Director Kohtz then guided the Board's attention to the Accounting & Auditing Services expense of \$1,037.00. The Director noted that this is an annual assessment for pre-auditing and accounting services completed by DAS for the agency. Director Kohtz indicated that expenditures for the month of July totaled \$29,972.34, which amounts to 6.24 percent of the budgeted expenditures for the fiscal year; 8.49 percent of the fiscal year has passed.

The Director turned the Board's attention to revenues and stated that the Board has started the fiscal year strong. Director Kohtz reported that revenues for July were \$27,201.42, which amounts to 6.41 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 July, and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented three graphs showing expenses, revenues, and cash balances. The Director once again pointed out the expenditures and revenues for the month of July for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. The Director then remarked that the cash balance for the AMC Fund is \$352,231.73, the Appraiser Fund is \$367,445.83, and the overall cash balance for both funds is \$719,677.56. The Director asked for any questions or comments. There was no further discussion.

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

## **2. 2023-2025 Biennial Budget**

Director Kohtz presented the 2023-2025 Biennial Budget Request, along with a document named, "2023-2025 Biennial Budget Request Highlights" to the Board for consideration. The Director informed the Board that he was not going to go through each document individually, but wanted to bring attention to the specifics in the request as detailed in the highlights document. The 2023-2025 Biennial Budget Request includes the following:

- Detailed narratives explain the Board's statutory authority, mission, vision, goals, objectives, management processes, services delivery, and budget issues.
- The base appropriation for the Budget Request Issues is \$415,564.00, and the Personal Service Limit is \$184,942.00.
- Budget Request Issues are the budget changes that are not included in the base appropriation. Except for the Enterprise Issues, these were the issues discussed by the Board at its strategic planning meeting in June. The following Budget Request Issues are included in the 2023-2025 Biennial Budget Request:
  - The Board is requesting funding for one additional FTE Administrative Specialist classified position. The Board intends to redirect base funds for temporary services utilized for real property appraiser renewals to this position as the temporary duties would be included in the new position's duties. The Board also intends to redirect partial overtime and comp time base funds to this position as the need for overtime would be reduced significantly. This Budget Request Issue results in an increase to the base appropriation of \$45,201.00 for FY 23-24 and \$47,790.00 for FY 24-25.

- The Board is requesting additional funding for CIO and technology maintenance for bug repairs, security functions, and for modifications to the Board's technology systems to address changes to the Real Property Appraiser Qualifications Criteria, ASC Policy Statements, AMC Rule, AQB CAP Program Guidelines, and Title XI. This Budget Request Issue results in an increase to the base appropriation of \$1,608.00 for FY 23-24 and \$1,608.00 for FY 24-25.
- The Board is requesting additional funding for Appraisal Applicant Review Contractors that conduct USPAP compliance reviews of applicants' appraisal reports to assist with the Board's determination as to if the real property appraisal practice experience meets the Real Property Appraiser Qualifications Criteria as promulgated by the Appraiser Qualifications Board of The Appraisal Foundation and the Uniform Standards of Professional Appraisal Practice (“USPAP”) as promulgated by the Appraisal Standards Board of The Appraisal Foundation. This Budget Request Issue results in an increase to the base appropriation of \$6,000.00 for FY 23-24 and \$7,500.00 for FY 24-25.
- As requested by the State Budget Division, “2023-2025 Teammate Salary Increase” is included as an issue to estimate the cost of employee salary increases equivalent to 5% for FY24 and FY25 each. This Budget Request Issue results in an increase to the base appropriation of \$9,877.00 for FY 23-24 and \$20,251.00 for FY 24-25.
- As requested by the State Budget Division, “2023-2025 Teammate Health Insurance” is included as an issue to estimate the cost to the agency for employee health insurance with an increase equivalent to 4% for FY24 and FY25 each. This Budget Request Issue results in an increase to the base appropriation of \$1,316.00 for FY 23-24 and \$2,685.00 for FY 24-25.
- The Department of Administrative Services charges an assessment based on usage. The Board's request includes the necessary adjustments based on the changes to assessments for the 2023-25 biennial budget cycle. This Budget Request Issue results in an increase to the base appropriation of \$1,113.00 for FY 23-24 and \$1,113.00 for FY 24-25.

The Director then summarized FY 23-24, and informed the Board that the budget request for FY 23-24 totals \$480,680.00; an increase of \$65,116.00 over the base allocation. The projected expenditures for FY 23-24 are \$392,813.00, and the projected revenues for FY 23-24 are \$390,128.00. The Appraiser Fund balance is expected to be \$393,866.00 at the end of FY 23-24, and the AMC Fund balance is expected to be \$333,145.00 at the end of FY 23-24. Finally, Director Kohtz summarized FY 24-25, and informed the Board that the budget request for FY 24-25 totals \$496,511.00; an increase of \$80,947.00 over the base allocation. The projected expenditures for FY 24-25 are \$405,764.00, and the projected revenues for FY 24-25 are \$417,903.00. The Appraiser Fund balance is expected to be \$405,094.00 at the end of FY 24-25, and the AMC Fund balance is expected to be \$334,056.00 at the end of FY 24-25.

Director Kohtz then asked for any questions or comments related to the 2023-2025 Biennial Budget Request. Chairperson Luhrs commented that, “It looks like we’re going to stay afloat.” The Director agreed that the agency is in good shape financially. Board Member Downing moved to approve the 2023-2025 Biennial Budget Request as presented. Board Member Gerdes seconded the motion. Chairperson Luhrs recognized the motion and asked for any discussion. With no discussion, Chairperson Luhrs asked for a vote. The motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs voting aye.

### **3. PER DIEMS**

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

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

Chairperson Luhrs asked for any public comments. Roger Morrissey requested to speak. The Chairperson invited Mr. Morrissey to make a comment. Mr. Morrissey stated that the annual Commercial Real Estate Summit in Omaha has up to one thousand attendees from all over the real estate industry, and that it is the premier event for commercial real estate in the area. Morrissey opined that even the networking breaks are valuable for appraisers. Mr. Morrissey informed the Board that he considers the summit to be important continuing education and that the speakers and panels are all excellent. Mr. Morrissey then expressed support for the 2022 Commercial Real Estate Summit to be approved for 6 hours rather than 5.25 as recommended by staff, as the quarter hour is not helpful for reporting education to those licensing entities that require continuing education. Morrissey finished by recommending the 2022 Commercial Real Estate Summit to those present at the meeting. Chairperson Luhrs thanked Mr. Morrissey for the information. With no further comments, Chairperson Luhrs moved on to Consideration of Education/Instructor requests.

### **L. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS**

The Board reviewed an application for the Planit Omaha continuing education activity, titled “2022 Commercial Real Estate (CRE) Summit” (2221455.14). Director Kohtz presented a Memo to the Board explaining that Planit Omaha requested 7 hours of continuing education for Nebraska credentialed appraisers, but review of the activity materials indicate that 5.25 hours are eligible for approval in accordance with the Real Property Appraiser Qualifications Criteria. A discussion regarding the activity content and the language found in the Criteria took place. Board Member Gerdes asked Director Kohtz if time was liberally applied to reach the 5.25 hours. Director Kohtz responded that it was, and continued by saying, for example the highlights and program overview section also includes special guest introduction, deal of the year, development of the year, and UNO scholarship recipient. Although it is unclear how much of this can be considered to be instruction, the full twenty-five minutes was included during the review. Board Member Gerdes thanked the Director for the explanation regarding the seminar and what the Criteria states. There was no further discussion. Chairperson Luhrs asked for a motion on 2022 Commercial Real Estate (CRE) Summit. Board Member Gerdes moved to approve the following education activity as listed:

## **Planit Omaha**

2022 Commercial Real Estate (CRE) Summit (2221455.14) – 5 Hours CE

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

The Board then reviewed the applications for the American Society of Farm Managers and Rural Appraisers (“ASFMRA”) education activities titled, “2022-2023 7 Hour National USPAP Course (A114)” (2223142.01), and “Appraisal of Water Rights Seminar” (2223448.01). Director Kohtz presented an August 12, 2022 letter from ASFMRA, in which the organization reports that the 2022-2023 7 Hour National USPAP Course (A114) was offered by the organization and completed by Nebraska credentialed appraisers on July 28, 2022, and the Appraisal of Water Rights Seminar was offered by the organization and completed by Nebraska credentialed appraisers on August 4, 2022. ASFMRA is requesting that the Board consider approving the two education activities with an effective date that allows for those who completed the activities to receive credit. The Director informed the Board that the applications for these activities were received on July 18, 2022, both applications were incomplete at the time of application. The application deficiencies were addressed by ASFMRA, and the applications were considered to be complete on July 26, 2022. Director Kohtz remarked that the procedures outlined in Title 298 do not allow staff to approve an education activity with an effective date other than the date on which the final review and approval takes place. The Director informed the Board that all requirements for approval have been met for both education activities, and the applications were complete as of July 26, 2022. The Board held a brief discussion regarding the timelines and its authority to set the effective date. Director Kohtz indicated that the Nebraska Real Property Appraiser Act requires that Nebraska credentialed real property appraisers complete education activities approved by the Board, but is silent on the approval process as far as it concerns the effective date of approval. In addition, Title 298 allows for the Board’s discretion as to what the effective date is. Board Member Walkenhorst moved to approve the following education activities, effective July 26, 2022:

### **ASFMRA**

2022-2023 7 Hour National USPAP Course (A114) (2223142.01) – 7 Hours CE

Appraisal of Water Rights Seminar (2223448.01) – 8 Hours CE

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

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

## **N. NEW BUSINESS**

### **1. RENEWAL SEASON TEMPORARY EMPLOYEE**

Director Kohtz reported that during the next few weeks the process of hiring a full-time SOS temporary employee to assist with credential renewals will begin. The Director noted that the employee will be on staff from the beginning of October through mid-January. The Director asked for any questions or comments. There was no further discussion.

**O. LEGISLATIVE REPORT AND BUSINESS**

**1. TITLE 298**

Director Kohtz reiterated his comments related to Laws, Rules, and Guidance Documents made during his 2022-23 NRPAB Goals and Objectives and SWOT Analysis status update to the Board under the Director's Report. The Director added that the comments from the ASC and AGO have already been addressed in the next draft; none of those comments have resulted in substantial changes. 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:** 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**

**a. ASC Temporary Waiver Flow Chart**

Director Kohtz presented the ASC Temporary Waiver Flow Chart to the Board for review, and reported that this is flow chart was developed to explain the changes made to the ASC temporary waiver request process. The Director asked for any questions or comments. There was no discussion.

**6. THE APPRAISAL FOUNDATION**

**a. TAF August State Regulator Newsletter**

Director Kohtz presented the TAF August 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 Press Release: 2020-21 USPAP Extended for an Additional Year**

Director Kohtz presented the TAF press release titled, “Breaking: 2020-21 USPAP Extended for an Additional Year” to the Board for review. The Director informed the Board that the 2020-21 USPAP has been extended for another year by The Appraisal Foundation. Chairperson Luhrs asked if real property appraisers are still required to take the 7-Hour USPAP Update course, even though the version of USPAP hasn’t changed. The Director replied affirmatively. Although the course is still based on the 2020-21 edition of USPAP, it has been updated to address current issues faced by real property appraisers. Director Kohtz also reported that The Appraisal Foundation is removing the end date of USPAP, so there will only be an effective date moving forward. The good news is that the Board will likely not have to have legislation introduced every year, but the bad news is that the consistent routine will be disrupted. The Director asked for any questions or comments. There was no further discussion.

**c. Third Exposure Draft of Proposed Changes to USPAP\_July 26, 2022**

Director Kohtz presented the Third Exposure Draft of Proposed Changes to USPAP\_July 26, 2022 to the Board for review. The Director guided the Board to page Q.11, and reported that significant changes were made to the Ethics Rule. The Director remarked that he had no additional comments, and asked for any questions or comments. There was no discussion.

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

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

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

The Board reviewed T22017, CR22005, and CG22019. Chairperson Luhrs asked for motions on T22017, CR22005, and CG22019.

Board Member Walkenhorst moved to take the following action:

**T22017 / Approve as a Trainee Real Property Appraiser.**

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

Board Member Walkenhorst moved to take the following action:

**CR22005 / Provide redacted copy of two USPAP Compliance Review Reports and request written response to USPAP Compliance Review Reports by September 9, 2022.**

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

Board Member Walkenhorst moved to take the following action:

**CG22019 / Approve to sit for exam and authorize Director to issue credential as a certified general real property appraiser upon providing evidence of successful completion of the national uniform licensing and certification examination and providing the necessary fees. Provide redacted copy of USPAP Compliance Review Report and issue written advisory directing the applicant to take notice of the findings in the USPAP Compliance Review Report.**

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

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

**E. CONSIDERATION OF COMPLIANCE MATTERS**

The Board reviewed 22-01. Chairperson Luhrs asked for a motion for compliance matters. Board Member Walkenhorst moved to take the following action:

**22-01 / Dismiss without prejudice.**

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

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

**1. 2022.05**

The Board reviewed an appraisal report received from the Fannie Mae Loan Quality Center. The Board concluded that there were no substantial errors that lead to non-credible results. No action was taken by the Board.

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

**R. ADJOURNMENT**

Board Member Downing moved to adjourn the meeting. Board Member Walkenhorst seconded the motion. Motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs voting aye. At 10:50 a.m., Chairperson Luhrs adjourned the August 18, 2022 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on September 1, 2022, in compliance with Nebraska Revised Statute § 84-1413 (5).