

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

September 15, 2022 Meeting Minutes

A. OPENING

Vice-Chairperson Wade Walkenhorst called to order the September 15, 2022 meeting of the Nebraska Real Property Appraiser Board at 9:01 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 on September 7, 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/). 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, 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 Peppe, who are all headquartered in Lincoln, Nebraska. Board Members Thomas Luhrs of Imperial, Nebraska and Kevin Hermsen of Gretna, Nebraska were 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 Gerdes seconded the motion. With no further discussion, the motion carried with Walkenhorst, Downing, and Gerdes 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 9:04 a.m. The motion carried with Walkenhorst, Downing, and Gerdes voting aye.

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

Break from 9:27 a.m. to 9:30 a.m.

G. WELCOME AND CHAIR'S REMARKS

Vice-Chairperson Walkenhorst welcomed all to the September 15, 2022 meeting of the Nebraska Real Property Appraiser Board and indicated that he had no further remarks. No members of the public were present.

H. BOARD MEETING MINUTES

1. APPROVAL OF AUGUST 18, 2022 MEETING MINUTES

Vice-Chairperson Walkenhorst asked for any additions or corrections to the August 18, 2022 meeting minutes. With no discussion, Vice-Chairperson Walkenhorst called for a motion. Board Member Downing moved to approve the August 18, 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, and Gerdes 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 September 15, 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. Temporary Real Property Appraiser Report

Director Kohtz presented three charts outlining the number of temporary credentials issued as of August 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 September 15, 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 September 15, 2022 to the Board for review. The Director brought attention to the declining number of registered AMCs during the past four months. Director Kohtz opined that this new trend is interesting, but not yet concerning; it is likely due to consolidation or market operation changes. Board Member Gerdes asked if the market would ever swing back so much that the intermediary AMC is no longer needed. Board Member Walkenhorst expressed doubt regarding this prospect as it is expensive for financial institutions to retain an in-house appraiser. Board Member Downing asked the Director if he was aware of a similar trend in other states. Director Kohtz replied that he did not know, but if a national trend is occurring, it would be a topic at the Fall AARO Conference in October. A discussion took place regarding the repercussions of the AMC Rule concerning fees paid by AMCs. The Director remarked that if AMC numbers continue to decline, the Board is still in good financial shape for the AMC program. The Director asked for any other questions or comments. There was no further 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 August 10, 2022 and September 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 August 10, 2022 and September 6, 2022. The Director asked for any questions or comments. Vice-Chairperson Walkenhorst thanked staff for their work preparing matters for the Director's review. 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 review and provided a status update. The Director guided the Board's attention to goals related to Laws, Rules, and Guidance Documents, and reported that the ASC, AGO, and GPRO had completed preliminary reviews of the Title 298 draft. The updated draft and comments from the preliminary reviews would be presented to the Board later in the meeting. Director Kohtz moved on to goals related to Personnel, and stated that a request had been filed with SOS for a September 26, 2022, start date. The Director noted that the original date was anticipated to be October 3, 2022, as printed in the packet; however, he pushed the start date back one week for logistical purposes. Under goals related to Public Information, the Director reported that BLPM Nespor has been working on a design concept for a solid or scrolling message screen at the top of the NRPAB website for use to disseminate relevant timely information, such as notices of meetings. Director Kohtz informed the Board that staff met with OCIO the day before to discuss the online AMC renewal application. Finally, under goals related to Financials, the Director stated that the FY2023-25 Biennial Budget Request goal was completed in August. The Director asked for any questions or comments. There was no further discussion.

J. FINANCIAL REPORT AND CONSIDERATIONS – SEPTEMBER 2022

1. APPROVAL OF AUGUST RECEIPTS AND EXPENDITURES

The receipts and expenditures for August were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the Workers Comp Premiums expense of \$1,528.00, which is an annual assessment from State Risk Management for workers comp insurance. The Director moved on to the Publication & Print Expense, and informed the Board that the majority of this \$502.86 expenditure is for the April through June quarterly copy services. Finally, the Director remarked that the Voice Equip expense of \$35.98 represents new headbands for telephone headsets for BLPM Nespor and BEPM Peppe. Director Kohtz indicated that expenditures for the month of August totaled \$25,731.00, and the year-to-date expenditures for the fiscal year are \$55,703.34, which amounts to 11.60 percent of the budgeted expenditures for the fiscal year; 16.99 percent of the fiscal year has passed.

The Director turned the Board's attention to revenues. Director Kohtz reported that revenues for August were \$19,971.32, and that the year-to-date revenues for the fiscal year are \$47,172.74, which amounts to 11.11 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 August and reported that he had no specific comments. BLPM Nespor stated that real property appraiser credential renewals are coming in. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented four graphs showing expenses, revenues, and cash balances. The Director once again identified the expenditures and revenues for the month of August for the Real Property Appraiser Program, which includes both the Appraiser Fund and the AMC Fund. Director Kohtz then reported that Real Property Appraiser Fund revenues for the month of August totaled \$14,968.73, the Real Property Appraiser Fund expenses totaled \$17,638.07, the AMC Fund revenues totaled \$5,002.59, and the AMC Fund expenses totaled \$8,092.93. The Director then remarked that the cash balance for the AMC Fund is \$349,095.96, the Appraiser Fund is \$365,269.25, and the overall cash balance for both funds is \$714,365.21. The Director asked for any questions or comments. There was no further discussion.

Board Member Downing moved to accept and file the August 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, and Gerdes 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.

K. GENERAL PUBLIC COMMENTS

Vice-Chairperson Walkenhorst asked for any public comments. No members of the public were present. 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

1. RENEWAL SEASON TEMPORARY EMPLOYEE

As detailed during review of the 2022-23 NRPAB Goals and Objectives + SWOT Analysis, Director Kohtz again stated that a request for a full-time temporary employee had been filed with SOS. The temporary employee's start date is expected to be September 26, 2022. The Director asked for any questions or comments. There was no discussion.

N. NEW BUSINESS

1. OPEN AT-LARGE LICENSED REAL ESTATE BROKER POSITION

Director Kohtz presented a draft Memo From the Board titled, "State of Nebraska Accepting Applications for Open At-Large Licensed Real Estate Broker Member on NRPAB" to the Board for consideration. The Director reported that it is time again to say goodbye to another board member; this time the at-large licensed real estate broker position is opening. Board Member Gerdes asked if it is difficult to find applicants for this position. The Director replied affirmatively, and informed the Board that the requirements for this position used to include both a broker's license and a real property appraiser credential, but it is becoming less common for one individual to hold both, which is why the law was changed to remove the requirement that this representative hold a credential as a real property appraiser. Obviously, the Board would prefer an applicant who has a background as a real property appraiser, but the applicant pool may not reflect this. Most of the individuals who hold both a broker's license and a credential as a real property appraiser reside in central and western Nebraska, where many real property appraisers wear multiple business hats; the numbers just aren't great enough to count on for board membership. The Director remarked that the other positions are much easier to fill. For example, there are a large number of bankers willing to fill the financial institutions representative position, and the congressional district positions often have a good number of applicants. Board Member Downing commented that she may know of a potential applicant who is also a real property appraiser. Director Kohtz expressed support for any qualified real property appraiser who fits with the Board's culture. The Director then brought attention to the fact that an administration change could affect the appointment timeline, so outgoing Board Member Luhrs may be with us for a while. The Director asked for any other questions or comments. There was no further discussion. Board Member Downing moved to approve the Memo from the Board titled, "State of Nebraska Accepting Applications for Open At-Large Licensed Real Estate Broker Member on NRPAB." 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, and Gerdes voting aye.

2. GLINT ENHANCED TEAMMATE ENGAGEMENT SURVEY

Director Kohtz presented an email from State Personnel Director Kevin Workman regarding the Glint Enhanced Teammate Engagement Survey. Director Kohtz informed the Board that the survey is intended to collect information for State teammates, which is then organized into a report that includes recommendations for professional development education for each participating agency. The Director indicated that he participated in the pilot survey last year and the results were inconclusive due to the small size of the agency. Director Kohtz added that he already assigns education to staff during the annual review process based on his observations during the year, so the survey would likely not add any new insight if results were provided. Participating in this survey program would cost the agency \$13.00 per FTE. Vice-Chairperson Walkenhorst asked if the education is related to real property appraisal practice. The Director responded that it is more business-oriented education such as time management, customer service, and use of office technology. Vice-Chairperson Walkenhorst remarked that it did not sound like this survey program would be useful to the agency. Director Kohtz agreed and offered a recommendation that the Board not participate. The Director continued by saying that this program may be beneficial to large agencies where management has little interaction with employees, but that is not the case for the Board. Board Members Downing and Gerdes agreed with Vice-Chairperson Walkenhorst and Director Kohtz. With no further discussion, Vice-Chairperson Walkenhorst moved on to Legislative Report and Business.

O. LEGISLATIVE REPORT AND BUSINESS

1. TITLE 298

Director Kohtz reported that ASC Policy Manager Tidwell, AAG Melson, and Lauren Kintner with the Governor's Policy and Research Office have completed preliminary reviews of the Title 298 draft. The Director then presented the updated Title 298 documents to the Board for consideration, and informed the Board that very little has changed since the Title 298 draft was last reviewed by the Board. Director Kohtz continued by indicating that he will present the specific changes in the Summary of Proposed Changes to Title 298 of the Nebraska Administrative Code September 6, 2022 Draft at the same time as the changes in the Title 298_Draft September 6, 2022.

Director Kohtz guided the Board's attention to page O.3 in the summary and informed the Board that the definition "conference" is stricken in Chapter 1 as "this type of education activity may be classified as "classroom" or "distance education," which better aligns with the 2022 Criteria and CAP Policies and Procedures language. The Director moved to page O.9 to show the Board the change in the Title 298 draft. The Director indicated that many states are adopting the language of the AQB Criteria in regards to education. BEPM Peppe noted that this shift makes it easier to communicate with education providers and other states on education matters.

Director Kohtz then moved to O.7 in the summary and indicated that Chapter 6, § 001.09 is added to Section 001, "General" education, and stricken from Section 002.01K, "Requirements" under "Qualifying Education," this language is moved to align the language with the AQB CAP Policies and Procedures in which this language applies to all education. The Director then redirected the Board to page O.44 where the language now exists, and to page O.48, where the same language was stricken, in the Title 298 draft.

Next, Director Kohtz moved back to page O.7 in the summary and informed the Board that “Real property appraiser and client” is added before “communication” in Chapter 6, § 002.01B due to ASC Policy Manager Tidwell’s observation that this language is too vague. The Director guided the Board to page O.47, where the update is located in the Title 298 draft.

Finally, Director Kohtz presented ASC Policy Manager Tidwell’s, AAG Melson’s, and Lauren Kintner’s preliminary review responses to the Board for review. The Director remarked that ASC Policy Manager Tidwell had only one recommendation, which was incorporated into the draft. The Director then brought attention to AAG Melson’s comments and said there was confusion about the procedure for the Director review of appraisal practice experience, education, and exam eligibility, but that was cleared up with a phone call. The Director finished by reporting that the GPRO had no comments on the draft, other than, “I know the Governor will very much appreciate the Board’s continued efforts to streamline these regulations.” Director Kohtz praised the Board for its vision to reduce barriers to entry into the real property appraiser profession and control regulation to the federal minimum requirements. Vice-Chairperson Walkenhorst thanked the Director for his work on the Title 298 draft and for maintaining relationships with stakeholders. The Director asked for any questions or comments. There was no further discussion.

Board Member Gerdes moved to accept the Title 298_Draft September 6, 2022 as presented and hold a hearing on November 17, 2022 at 11:00 a.m. CT. 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, and Gerdes voting aye.

2. OTHER LEGISLATIVE MATTERS

Director Kohtz reported that he planned to put a preliminary statute update together next month. The Director indicated that the changes are very minor, and waiting to update statutes may be worth considering.

P. ADMINISTRATIVE BUSINESS: No discussion.

Q. OTHER BUSINESS

1. BOARD MEETINGS: No discussion.

2. CONFERENCES/EDUCATION

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER

a. Summer 2022 Edition of The Nebraska Appraiser

Director Kohtz presented the Summer 2022 Edition of The Nebraska Appraiser to the Board for consideration. The Director asked for any questions or comments. Board Member Downing moved to approve the Summer 2022 Edition of The Nebraska Appraiser 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, and Gerdes voting aye.

5. APPRAISAL SUBCOMMITTEE: No discussion.

6. THE APPRAISAL FOUNDATION

a. TAF August State Regulator Newsletter

Director Kohtz presented The Appraisal Foundation's August State Regulator Newsletter 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.

b. TAF September Newsletter

Director Kohtz presented The Appraisal Foundation's September Newsletter to the Board for review. The Director noted the reference to the AQB forum on fair housing laws and valuation bias education. According to the Director, the forum included input from many stakeholders from real property appraisers to education providers. The consensus in the discussions concerning additional education for real property appraisers, to ensure proper education on fair housing laws, was that content should be added in to the existing 7-Hour USPAP Update Course and the 15-Hour National USPAP Course. There was also some mention of adding content to the Basic Appraisal Principles or Basic Appraisal procedures courses as well. Finally, there appeared to be little interest in adding additional education hours or education activities. Director Kohtz asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

a. AARO Quarterly Update – 9.1.2022

Director Kohtz presented the AARO Quarterly Update dated June 1, 2022 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.

8. IN THE NEWS: No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed T22021, CR22005, and CG22009. Vice-Chairperson Walkenhorst asked for a motion on T22021, CR22005, and CG22009.

Board Member Downing moved to take the following action:

T22021 / Approve as Trainee Real Property Appraiser.

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

Board Member Downing moved to take the following action:

CR22005 / 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, and Gerdes voting aye.

Board Member Downing moved to take the following action:

CG22009 / Grant 30-day extension for submission of completed agricultural-based education and reappraised Antelope County, Nebraska report as requested. Evidence of the successful completion of education and the report must be received at the board's office by July 16, 2023.

Board Member Gerdes seconded the motion. Vice-Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, and Gerdes 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. 2022.06

The Board discussed a matter in which a Nebraska registered AMC may not hold an active surety bond as required by Neb. Rev. Stat. § 76-3203(2). Board Member Downing moved to send a letter to organization inquiring about the status of the surety bond. Board Member Gerdes seconded the motion. Vice-Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, and Gerdes 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, and Gerdes voting aye. At 10:23 a.m., Vice-Chairperson Walkenhorst adjourned the September 15, 2022 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on September 23, 2022, in compliance with Nebraska Revised Statute § 84-1413 (5).