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

# **November 17, 2022 Meeting Minutes**

# A. OPENING

Chairperson Thomas Luhrs called to order the November 17, 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 on November 9, 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 (<a href="https://appraiser.ne.gov/board">https://appraiser.ne.gov/board</a> 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 Hermsen 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 Peppe, who are headquartered in Lincoln, Nebraska.

# 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 Walkenhorst moved to adopt the agenda as printed. Board Member Downing seconded the motion. With no further discussion, the motion carried with Walkenhorst, Downing, Gerdes, Hermsen, 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 9:03 a.m. The motion carried with Walkenhorst, Downing, Gerdes, Hermsen, and Luhrs voting aye.

Board Member Downing moved to come out of executive session at 9:40 a.m. Board Member Walkenhorst seconded the motion. The motion carried with Walkenhorst, Downing, Gerdes, Hermsen, and Luhrs voting ave.

# G. WELCOME AND CHAIR'S REMARKS

Chairperson Luhrs welcomed all to the November 17, 2022 meeting of the Nebraska Real Property Appraiser Board and indicated that he had no remarks. There were no members of the public present.

#### H. BOARD MEETING MINUTES

# 1. APPROVAL OF OCTOBER 20, 2022 MEETING MINUTES

Chairperson Luhrs asked for any additions or corrections to the October 20, 2022 meeting minutes. With no discussion, Chairperson Luhrs called for a motion. Board Member Walkenhorst moved to approve the October 20, 2022 meeting minutes as presented. Board Member Downing 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, Hermsen, 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 nine charts outlining the number of real property appraisers as of November 17, 2022 to the Board for review. The Director then informed the Board that the 2023-24 Appraiser Count Renewal Progress Report charts have also been added to the Real Property Appraiser Report. The Director indicated that he had no specific comments on this report, and asked for any 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 October 31, 2022 to the Board for review. The Director reported that he had no 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 November 17, 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 November 17, 2022 to the Board for review. Director Kohtz remarked that the downward trend in registrations seems to have stabilized. The Director asked for any 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 October 4, 2022 and November 8, 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 October 4, 2022 and November 8, 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 reminded the Board that it decided not to pursue changes to the Nebraska Real Property Appraiser and Nebraska Appraisal Management Company Registration Acts at its regular meeting in October, therefore the tasks related to bill drafting have been completed. Director Kohtz moved on to goals related to Education. The Director informed the Board that the article on 2023-24 real property appraiser renewals in the fall edition of The Nebraska Appraiser includes a section encouraging Nebraska real property appraisers to complete continuing education related to their area of real property appraisal focus. BLPM Nespor displayed this language in The Nebraska Appraiser on the screen for the Board's review. All Board Members agreed with the language used. Director Kohtz indicated that this goal is complete. Director Kohtz reported that the message screen for use to disseminate relevant timely information was added to the NRPAB website, so this goal under Public Information is also complete. Finally, the Director guided the Board's attention to goals related to Administration. Director Kohtz remarked that little progress was made on AMC renewal application and AMC Interface testing this month due to focus on real property appraiser renewals. The Director asked for any questions or comments. There was no further discussion.

# J. FINANCIAL REPORT AND CONSIDERATIONS – NOVEMBER 2022

#### 1. APPROVAL OF OCTOBER RECEIPTS AND EXPENDITURES

The receipts and expenditures for October were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the Data Processing Expense of \$11,139.46 and informed the Board that this expenditure is for two months of data processing expenditures; the September bill was held for corrections. The Director also noted the Household & Instit Exp expense of \$68.00, which was the cost of an NRPAB logo sweater that he ordered. Director Kohtz indicated that expenditures for the month of October totaled \$33,576.40, and the year-to-date expenditures for the fiscal year are \$119,765.75, which amounts to 24.93 percent of the budgeted expenditures for the fiscal year; 33.70 percent of the fiscal year has passed. The Director stated that the agency is doing well in terms of expenditures.

The Director turned the Board's attention to revenues and reported that real property appraiser renewal revenues are typical for this time of year. Director Kohtz indicated that revenues for October were \$33,240.80, and that the year-to-date revenues for the fiscal year are \$108,854.36, which amounts to 25.63 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 October. The Director noted the ART FX SCREENPRINTING entry on page J.7, which is for the logo sweater previously mentioned. 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 pointed out the expenditures and revenues for the month of October 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 October totaled \$28,186.04, the Real Property Appraiser Fund expenses totaled \$18,300.98, the AMC Fund revenues totaled \$5,054.76, and the AMC Fund expenses totaled \$15,275.42. The Director then remarked that the cash balance for the AMC Fund is \$329,367.50, the Appraiser Fund is \$379,292.59, and the overall cash balance for both funds is \$708,660.09. The Director asked for any questions or comments. There was no further discussion.

Board Member Walkenhorst moved to accept and file the October 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, Hermsen, and Luhrs 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

Chairperson Luhrs asked for any public comments. No members of the public were present. With no comments, Chairperson Luhrs moved on to Consideration of Education/Instructor requests.

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

# M. UNFINISHED BUSINESS

#### 1. OPEN AT-LARGE LICENSED REAL ESTATE BROKER POSITION

Director Kohtz reported that he has not received any information from the Governor's office about the open At-large Licensed Real Estate Broker position, so it is reasonable to assume that no applications have been received by the Governor's office to date. The Director asked for any questions or comments. There was no discussion.

## 2. RENEWAL SEASON TEMPORARY EMPLOYEE

Director Kohtz reported that the SOS temporary employee was relieved from her assignment. Time spent in training and work review exceeded expectations and began to negatively impact the agency's productivity. The Director reported that there is no one in the SOS employee pool for this assignment, so permanent staff will take on all functions related to real property appraiser credential renewals. Chairperson Luhrs asked if overtime would be required to get through real property appraiser credential renewal season. Director Kohtz replied affirmatively; all budgeted overtime will be utilized, and the number of additional hours required by staff may result in a future budget amendment to move unused per diem funding to overtime. Board Member Walkenhorst asked if the agency can move the funds allocated for the SOS temporary employee to permanent employee overtime. Director Kohtz responded that that is not possible as the personal service limitation is established by the Nebraska State Legislature for salaries, so funding cannot be moved into personal service limitation from operating expense funding. The Director informed the Board that last year was the first time that the agency expended all of its overtime funding for real property appraiser credential renewals; this year will be no different. Chairperson Luhrs asked if the Board could approve a miscellaneous expense to cover the extra overtime. Director Kohtz stated that the salary limit would not allow for this. The Director expressed confidence that permanent staff will complete the processing of real property appraiser renewals and meet all of the timeliness requirements. The Director added that it is the Board's other operations that will see a lag in efficiency. Director Kohtz expressed optimism that next year another full-time staff member will relieve the current pressure as this addition would focus on real property appraiser renewals during this time of year. BLPM Nespor brought attention to the fact that the online renewal application has made things faster, and reported that approximately 67% of renewal applications received so far this season have been online. The Director asked for any questions or comments. There was no discussion.

#### N. NEW BUSINESS: No discussion.

# O. LEGISLATIVE REPORT AND BUSINESS

Director Kohtz reported that Bill Marienau, legal counsel for the Banking, Commerce, and Insurance Legislative Committee, is retiring at the end of the year. The Director remarked that he plans to build a relationship with the committee's new legal counsel as soon as someone is selected. The Director asked for any questions or comments about legislative business. There was no further discussion.

# P. ADMINISTRATIVE BUSINESS: No discussion.

#### O. OTHER BUSINESS

# 1. BOARD MEETINGS

# a. Virtual Conferencing Format for December, January, and February Meetings

Director Kohtz asked whether the Board had interested in once again holding the December, January, and February meetings by virtual conferencing. The Director stated that virtual attendance is optional and board members may choose to attend inperson. Board Member Downing expressed support for virtual conferencing as winter weather is unpredictable. Board Member Walkenhorst moved to hold the December, January, and February meetings by virtual conferencing. 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, Hermsen, and Luhrs voting aye.

#### 2. CONFERENCES/EDUCATION

# a. Kohtz Fall AARO Conference Report

Director Kohtz presented his Fall AARO Conference Report to the Board for review. The Director stated that the report summarizes the conference content well, and he has no additional comments to share. Director Kohtz asked for any questions or comments. There was no further discussion.

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

# 4. QUARTERLY NEWSLETTER

# a. Fall 2022 Edition of The Nebraska Appraiser

Director Kohtz presented the Fall 2022 Edition of The Nebraska Appraiser to the Board for consideration. The Director asked for any questions or comments. With no discussion, Chairperson Luhrs asked for a motion. Board Member Downing moved to approve the Fall 2022 Edition of The Nebraska Appraiser as presented. Board Member Walkenhorst 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, Hermsen, and Luhrs voting aye.

#### 5. APPRAISAL SUBCOMMITTEE

# a. 2023 ASC Compliance Review – March 13-17, 2023

Director Kohtz reported that the Appraisal Subcommittee has scheduled its compliance review of Nebraska's appraiser and AMC programs for March 13-17, 2023. The Director indicated that this was originally to be scheduled for 2024, but the ASC shuffled its schedule based on a request from another state. The Director asked for any questions or comments. There was no discussion.

# 6. THE APPRAISAL FOUNDATION

# a. TAF October State Regulator Newsletter

Director Kohtz presented The Appraisal Foundation's October State Regulator Newsletter to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

# b. TAF November Newsletter

Director Kohtz presented The Appraisal Foundation's November Newsletter to the Board for review and reported that he had no specific comments. 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.

# C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed L22005, 2096, and CG22024R. Chairperson Luhrs asked for a motion on L22005, 2096, and CG22024R.

Board Member Walkenhorst moved to take the following action:

L22005 / Approve to sit for exam and authorize Director to issue credential as a licensed residential 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, Hermsen, and Luhrs voting aye.

Board Member Walkenhorst moved to take the following action:

2096 / Deny for acts and omissions that shall be considered grounds for denial of an application under Neb. Rev. Stat. 76-2238(2),(16).

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

Board Member Walkenhorst moved to take the following action:

#### CG22024R / Hold.

Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Gerdes, Hermsen, and Luhrs 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. REQUEST FOR INDIVIDUALIZED PROGRAM OF CONTINUING EDUCATION

#### a. L280227

The Board reviewed a request for an individualized program of continuing education. L280227 requested that an education activity offered by a specific education provider, not approved by the Board for continuing education at the time of completion, be allowed as continuing education. Board Member Walkenhorst moved to deny the request for individualized program of continuing education as the request for such program was made by the requestor with knowledge that the education activity in question was not approved by the Board at the time of registration by the requestor. Board Member Downing seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Gerdes, Hermsen, and Luhrs voting aye.

## 2. PERSONNEL MATTERS: No discussion.

# R. ADJOURNMENT

Board Member Walkenhorst moved to adjourn the meeting. Board Member Downing seconded the motion. Motion carried with Walkenhorst, Downing, Gerdes, Hermsen, and Luhrs voting aye. At 10:11 a.m., Chairperson Luhrs adjourned the November 17, 2022 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz Director

These minutes were available for public inspection on December 2, 2022, in compliance with Nebraska Revised Statute § 84-1413 (5).