

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

December 15, 2022 Meeting Minutes

A. OPENING

Chairperson Thomas Luhrs called to order the December 15, 2022 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., by virtual conferencing 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 December 8, 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 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, 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 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 9:03 a.m. The motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs voting aye.

Board Member Walkenhorst moved to come out of executive session at 9:47 a.m. Board Member Gerdes seconded the motion. The motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs voting aye.

Break from 9:47 a.m. to 10:00 a.m.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Luhrs welcomed all to the December 15, 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. NRPAB EMPLOYEE RECOGNITION AWARD

Director Kohtz brought attention to the completion of Chairperson Luhrs' term as a board member. The Director reported that at this time Chairperson Luhrs would traditionally be presented a plaque in recognition of his service to the Board; however, the plaque has not yet been received from the manufacturer. Director Kohtz indicated that staff would get the plaque to him when it is received. The Director thanked Chairperson Luhrs for his service as a board member. Chairperson Luhrs remarked that he had learned a lot during his term, and expressed gratitude to the board members and staff he served with. The board members thanked Chairperson Luhrs for his service. There was no further discussion.

I. BOARD MEETING MINUTES

1. APPROVAL OF NOVEMBER 17, 2022 MEETING MINUTES

Chairperson Luhrs asked for any additions or corrections to the November 17, 2022 meeting minutes. With no discussion, Chairperson Luhrs called for a motion. Board Member Walkenhorst moved to approve the November 17, 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, Hermesen, and Luhrs voting aye.

J. DIRECTOR'S REPORT

1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS

a. Real Property Appraiser Report

Director Kohtz presented eleven charts outlining the number of real property appraisers as of December 15, 2022, including the real property appraiser renewal reports, to the Board for review. 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 November 30, 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 December 15, 2022 to the Board for review. The Director reported 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 December 15, 2022 to the Board for review, and remarked that he had no comments. 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 November 9, 2022 and December 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 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 all required documents related to the revisions to Title 298 adopted by the Board after the November 17, 2022 hearing have been delivered to the Attorney General and to the Nebraska Legislature's Executive Board. The Director indicated that he had no other updates and asked for any questions or comments. There was no further discussion.

K. FINANCIAL REPORT AND CONSIDERATIONS – DECEMBER 2022

1. APPROVAL OF NOVEMBER RECEIPTS AND EXPENDITURES

The receipts and expenditures for November were presented to the Board for review in the Budget Status Report. Director Kohtz brought attention to the Data Processing Expense of \$13,921.00 and informed the Board that this expenditure is for work on the AMC online renewal application development and NRPAB Database AMC Interface upgrade project. The Director remarked that due to the suspension of work on this project, this amount will be significantly lower next month. The Director moved on to the Publication & Print Expense of \$631.30 and noted that this is the Board's quarterly copy services expense for July through September. The Director informed the Board that the Insurance Expense of \$22.39 is for the annual contents and inland marine insurance. Finally, Director Kohtz brought attention to the Travel Expenses, and indicated that the account total of \$3,179.05 is higher than normal due to his AARO travel expenditures. Director Kohtz indicated that expenditures for the month of November totaled \$48,730.28, and the year-to-date expenditures for the fiscal year are \$168,496.03, which amounts to 35.08 percent of the budgeted expenditures for the fiscal year; 41.92 percent of the fiscal year has passed.

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 November were \$119,527.73, and that the year-to-date revenues for the fiscal year are \$228,382.09, which amounts to 53.78 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 November and reported that 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 balances. The Director once again pointed out the expenditures and revenues for the month of November 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 November totaled \$87,450.98, the Real Property Appraiser Fund expenses totaled \$24,386.09, the AMC Fund revenues totaled \$32,076.75, and the AMC Fund expenses totaled \$24,344.19. The Director then remarked that the cash balance for the AMC Fund is \$352,313.10, the Appraiser Fund is \$450,215.27, and the overall cash balance for both funds is \$802,528.37. The Director reported that this is an all-time high for the overall cash balance since records began in 2009. The Director asked for any questions or comments. There was no further discussion.

Board Member Walkenhorst moved to accept and file the November 2022 financial reports for audit. 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.

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.

L. 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.

M. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS

Director Kohtz invited BEPM Peppe to summarize the education and instructor matters to be considered by the Board. BEPM Peppe presented a memo regarding the ASFMRA activity titled, "Appraising Ag Facilities: Feedlot Seminar," and reported that ASFMRA had sent two applications for the activity, one for in-class presentation and one for synchronous presentation, for eight hours of continuing education. Based on the timed outline submitted with each application, staff determined that the activity contains nine hours of instruction in one day. According to NAC Title 298, Chapter 6, §003.01D, "Each continuing education activity shall be at least two hours in length, not to exceed eight hours per day. At least a one-half hour break shall be given to credential holder(s) by no later than the end of four hours of class in any day." Chairperson Luhrs asked if ASFMRA has been given an opportunity to correct the continuing education activity submission deficiency. BEPM Peppe informed the Board that clarification was requested from ASFMRA, but an offer to correct the deficiency was not presented.

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The Board agreed that ASFMRA should be given the opportunity to adjust the timed outline to reduce the number of hours to eight for these activities. Board Member Walkenhorst moved to hold the applications for activities number 222140L.01 and 222340M.01, and request that the provider submit a timed outline that meets the requirements of Title 298. 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.

N. UNFINISHED BUSINESS

1. OPEN AT-LARGE LICENSED REAL ESTATE BROKER POSITION

Director Kohtz reported that no applications have been received at the Governor's office for the open At-large Licensed Real Estate Broker position to date. The Director asked for any questions or comments. There was no discussion.

O. NEW BUSINESS

1. BUSINESS AND EDUCATION PROGRAM MANAGER POSITION

Director Kohtz reported that the opening for the Business and Education Program Manager position has been posted on the Nebraska State Jobs website and will close at the end of the month. The Director expressed optimism that a new employee will be hired with a mid to late January start date. Board Member Gerdes asked if any applications had been received. The Director informed the Board that six applications have been received to date. Director Kohtz asked for any questions or comments. There was no further discussion.

P. LEGISLATIVE REPORT AND BUSINESS

1. TITLE 298

Director Kohtz reiterated his comments made during made during the 2022-23 NRPAB Goals and Objectives and SWOT Analysis status update, and once again informed the Board that all required documents related to the revisions to Title 298 adopted by the Board after the November 17, 2022 hearing have been delivered to the Attorney General and to the Nebraska Legislature's Executive Board. The Director asked for any questions or comments. There was no further discussion.

2. OTHER LEGISLATIVE MATTERS: No discussion.

Q. ADMINISTRATIVE BUSINESS: No discussion.

R. OTHER BUSINESS

1. BOARD MEETINGS

a. 2023 NRPAB Calendar

Director Kohtz presented the 2023 NRPAB Calendar to the Board for consideration. The Director informed the Board that meeting dates, the AARO conference dates, beginning of the State's fiscal year, the beginning and ending date of the legislative session, and State holidays are all color coded. The Director reminded everyone that the meeting dates are tentative and may change.

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Board Member Walkenhorst asked why October 9, 2023 is color coded as a board meeting date. Director Kohtz responded that the colors for the AARO conference and a State holiday are both applied to that date and that the blended color appears to be the same as the meeting date color. Board Member Walkenhorst thanked the Director for the clarification. The Director then requested that Board consider moving the May meeting date from May 18, 2023 to May 25, 2023. Director Kohtz explained that the Spring AARO conference will take place during the week of May 8th-11th, and moving the meeting back one week will make preparation much easier. A discussion took place about board member availability on May 25th. Board Member Walkenhorst moved to approve the 2023 NRPAB Calendar as amended to move the May 18th meeting to May 25th. 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.

2. CONFERENCES/EDUCATION: No discussion.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER: No discussion.

5. APPRAISAL SUBCOMMITTEE

a. ASC Quarterly Meeting: March 15, 2023 (online)

Director Kohtz reported that the Appraisal Subcommittee will hold its quarterly meeting online on March 15, 2023. The Director asked for any questions or comments. There was no discussion.

6. THE APPRAISAL FOUNDATION

a. TAF has Released Updated Version of Part 2 of the 2022-2023 7-Hour USPAP Update Course Student Manual Announcement

Director Kohtz presented The Appraisal Foundation's announcement indicating that TAF has released the updated version of Part 2 of the 2022-2023 7-Hour USPAP Update Course Student Manual to the Board. The Director asked for any questions or comments. There was no discussion.

b. 7-Hour Course Update Information and Materials

Director Kohtz presented the Updated Version of Part 2 of the 2022-2023 7-Hour USPAP Update Course Student Manual to the Board for review. The Director informed the Board that this updated manual would be sent to anyone who has taken the 2022-2023 7-Hour USPAP Update Course. Director asked for any questions or comments. There was no discussion.

c. TAF December Newsletter

Director Kohtz presented The Appraisal Foundation's December 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.

d. TAF Update on PAREA

Director Kohtz presented The Appraisal Foundation's announcement regarding its update on PAREA 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.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS

a. AARO Quarterly Update – 12.1.2022

Director Kohtz presented the AARO Quarterly Update dated December 1, 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.

8. IN THE NEWS: No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicants 2108, L21002, CG22024R, CG2022015R, and CR240060R. Chairperson Luhrs asked for a motion on 2108, L21002, CG22024R, CG2022015R, and CR240060R.

Board Member Walkenhorst moved to take the following action:

2108 / Approve temporary credential as a Certified General 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:

L21002 / Deny; applicant failed to pass the National Uniform Licensing and Certification Examination within the twelve months following approval of applicant's education and experience as required under Neb. Rev. Stat. §76-2230(1)(f).

Board Member Gerdes 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:

CG22024R / Hold.

Board Member Gerdes 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:

CG2022015R / Approve renewal of Certified General Real Property Appraiser credential. Issue written advisory directing applicant to carefully read and truthfully answer all disciplinary questions on any future application to the Board.

Board Member Gerdes 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:

CR240060R / Approve renewal of Certified Residential Real Property Appraiser credential. Issue written advisory to inform applicant that failure to report disciplinary action taken against an appraisal credential or any other registration, license, or certification issued by any other regulatory agency or held in any other jurisdiction within sixty days of receiving notice of such disciplinary action is grounds for disciplinary action or denial of an application by the Board in accordance with Neb. Rev. Stat. 76-2238(17).

Board Member Gerdes 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 discussed the real property appraiser renewal applications received at the Board's office after November 30, 2022. Board Member Walkenhorst moved to authorize agency to approve all 2023-24 applications for renewal of Nebraska real property appraiser credential received at the Board's office, postmarked or date-stamped after November 30, 2022, pending the results of the background check if applicable. Board Member Gerdes 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: No discussion.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

1. 2022.09

The Board reviewed an appraisal report received from the Fannie Mae Loan Quality Center. The Board concluded there were no substantial errors or omissions which lead to non-credible assignment results or USPAP violations; however, the real property appraiser does need to be made aware of the issues that Fannie Mae brought attention to as they could become a problem for the real property appraiser in the future. Board Member Walkenhorst moved to provide a copy of the Loan Quality Center LQC State Tips document to real property appraiser, and issue a written advisory directing real property appraiser to take notice of the issues identified by Fannie Mae in the Fannie Mae Loan Quality Center LQC State Tips document and encourage real property appraiser to consider completion of a 30-hour sales comparison and income approach course as continuing education. 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. 2022.10

The Board reviewed an appraisal report received from the Fannie Mae Loan Quality Center. The Board concluded there were no substantial errors or omissions which lead to non-credible assignment results or USPAP violations; however, the real property appraiser does need to be made aware of the issue that Fannie Mae brought attention to as it could become a problem for the real property appraiser in the future. Board Member Walkenhorst moved to provide a copy of the Loan Quality Center LQC State Tips document to real property appraiser, and issue a written advisory directing real property appraiser to take notice of the issue identified by Fannie Mae in the Fannie Mae Loan Quality Center LQC State Tips document and to be aware of the location of the comparable properties utilized in relation to the location of the subject property during the development and reporting of an appraisal. 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.

3. 2022.11

The Board reviewed a matter in which a real property appraiser may not have properly reported being under investigation by another state appraiser regulatory authority. No action was taken by the Board.

4. 2022.12

The Board reviewed a matter in which an appraisal management company failed to properly report disciplinary action taken by another state appraiser regulatory authority. Board Member Walkenhorst moved to issue written advisory directing the organization to take notice of Neb. Rev. Stat. § 76-3216(4) and carefully read and truthfully answer all disciplinary questions on any future applications to the Board. Board Member Gerdes seconded the motion. Chairperson Luhrs recognized the motion and called for a vote. Motion carried with Walkenhorst, Downing, Gerdes, Hermsen, and Luhrs voting aye.

5. REQUEST FOR INDIVIDUALIZED PROGRAM OF CONTINUING EDUCATION

a. CG910149

The Board reviewed a request for an individualized program of continuing education. CG910149 requested that education activities offered by a specific education provider, not approved by the Board for continuing education at the time of completion, be allowed as continuing education. In accordance with Neb. Rev. Stat. § 76-2236(4), Board Member Walkenhorst moved to adopt an individualized program of continuing education for CG910149, for the 2021-2022 continuing education period, as follows:

- Any education activity provided by the specific education provider as requested, not approved by the Board at the time the education activity was completed, but approved by the Board to be offered for continuing education credit at a date after completion, shall be approved for continuing education credit for the number of hours as approved by the Board, if evidence is provided that such education activity was satisfactorily completed during the two-year continuing education period.
- All other provisions of Neb. Rev. Stat. § 76-2236 shall apply.

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

6. PERSONNEL MATTERS: No discussion.

S. ADJOURNMENT

Board Member Walkenhorst moved to adjourn the meeting. Board Member Gerdes seconded the motion. Motion carried with Walkenhorst, Downing, Gerdes, Hermesen, and Luhrs voting aye. At 10:42 a.m., Chairperson Luhrs adjourned the December 15, 2022 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on December 28, 2022, in compliance with Nebraska Revised Statute § 84-1413 (5).