

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

February 16, 2023 Meeting Minutes

A. OPENING

Chairperson Wade Walkenhorst called to order the February 16, 2023 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 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 February 9, 2023. 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, Cody Gerdes of Lincoln, Nebraska, Kevin Hermsen of Gretna, Nebraska, and Thomas Luhrs of Imperial, Nebraska were present. Also present were Director Tyler Kohtz, Business and Licensing Program Manager Allison Nespor, and Business and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

ADOPTION OF THE AGENDA

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 Luhrs moved to adopt the agenda as printed. Board Member Downing seconded the motion. With no further discussion, the motion carried with Downing, Gerdes, Hermsen, Luhrs, and Walkenhorst 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 Luhrs seconded the motion. The time on the meeting clock was 9:04 a.m. The motion carried with Downing, Gerdes, Hermsen, Luhrs, and Walkenhorst voting aye.

Board Member Downing moved to come out of executive session at 10:01 a.m. Board Member Gerdes seconded the motion. The motion carried with Downing, Gerdes, Hermesen, Luhrs, and Walkenhorst voting aye.

Break from 10:01 a.m. to 10:30 a.m.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Walkenhorst welcomed all to the February 16, 2023 meeting of the Nebraska Real Property Appraiser Board and thanked everyone for attending. The Chairperson welcomed the new Business and Education Program Manager, Kashinda Sims. There were no members of the public present.

H. NRPA EMPLOYEE RECOGNITION AWARD

Director Kohtz brought attention to funding included in the budget for recognition of contract employees who achieve a score of four or above with an award of up to \$500.00 through the Employee Recognition Program. The Director went on to say that BLPM Nespor has represented the Board with integrity, and has performed her duties with efficiency and accuracy. In accordance with the Board's Employee Recognition Plan, BLPM Nespor is awarded a monetary gift of \$500.00, issued through the March 8, 2023 payroll, for her excellence in service. The Board thanked BLPM Nespor for her service.

I. BOARD MEETING MINUTES

1. APPROVAL OF JANUARY 19, 2023 MEETING MINUTES

Chairperson Walkenhorst asked for any additions or corrections to the January 19, 2023 meeting minutes. With no discussion, Chairperson Walkenhorst called for a motion. Board Member Luhrs moved to approve the January 19, 2023 meeting minutes as presented. Board Member Downing seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst called for a vote. The motion carried with Downing, Gerdes, Hermesen, Luhrs, and Walkenhorst voting aye.

J. 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 February 16, 2023 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 January 31, 2023 to the Board for review. The Director reported that the low count on the five-year trend report is due to the beginning of the reporting year. The Director 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 February 16, 2023 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.

d. Appraisal Management Company Report

Director Kohtz presented two charts outlining the number of AMCs as of February 16, 2023 to the Board for review. The Director reported that the slow decline in the number of registered AMCs continues. Director Kohtz 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 January 11, 2023 and February 7, 2023. The Director asked for any questions or comments. There was no further discussion.

b. Education Activity and Instructor(s) 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 January 11, 2023 and February 7, 2023. The Director informed the Board that the two ASFMRA education activities were not approved by him but by the Board at its January 19, 2023 meeting. These education activities were added to this report in error. 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 the Laws, Rules, and Guidance Documents section, and reported that the adopted changes to Title 298 are still under review by AGO. Director Kohtz then moved to the Personnel section, and informed the Board that its hearing before the Appropriations Committee took place on February 14, 2023 and a report will be provided during the Financial Report and Considerations agenda item. The Board was then guided to the Public Information section, and informed that a ticket has been entered for CIO to provide an estimate for adding disciplinary action orders or consent agreements to the Appraiser Listing on the website. The Director also indicated that the goal to remove the Education Provider Offerings Calendar from the website was completed in February. Finally, the goal to restructure the Appraiser Listing page on the website and remove the distribution map is currently in progress. BLPM Nespor gave a demonstration of the new real property appraiser search function currently under development.

(Continued on page 4)

(Continued from page 3)

Director Kohtz then moved to the Administration section, and reported that, on February 3, 2023, an update was requested from CIO concerning the goal pertaining to the use of Federal grant money to pursue development of a translator system between the NRPAB Database and the ASC Federal Registry system. The Director also reported that work on the AMC renewal application and upgrade to the AMC Interface in the NRPAB Database resumed in Mid-January. Director Kohtz asked for any questions or comments. There was no further discussion.

K. FINANCIAL REPORT AND CONSIDERATIONS – JANUARY 2023

1. APPROVAL OF JANUARY RECEIPTS AND EXPENDITURES

The receipts and expenditures for January were presented to the Board for review in the Budget Status Report. Director Kohtz reported that the expenditures for the month of January totaled \$25,377.74 and the year-to-date expenditures for the fiscal year are \$224,821.73, which amounts to 46.80 percent of the budgeted expenditures for the fiscal year; 58.90 percent of the fiscal year has passed.

The Director turned the Board's attention to revenues, and informed the Board that revenues for Certified General New Fees were \$2,100.00 in January. The Certified General New Fees revenues are now on pace with the projected revenues for the fiscal year. Director Kohtz informed the Board that AMC Registered Renewal revenues were also strong in January; \$15,000.00 in revenues were received. The Director indicated that total revenues for January were \$29,666.92, and that the year-to-date revenues for the fiscal year are \$322,732.81, which amounts to 76.00 percent of the projected revenues for the fiscal year. Director Kohtz asked for any questions or comments. There was no further discussion.

Director Kohtz then brought attention to the MTD General Ledger for January 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 January 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 January totaled \$13,188.40, the Real Property Appraiser Fund expenses totaled \$16,804.96, the AMC Fund revenues totaled \$16,478.52, and the AMC Fund expenses totaled \$8,572.78. The Director remarked that the cash balance for the AMC Fund is \$353,603.69, the Appraiser Fund is \$471,903.31, and the overall cash balance for both funds is \$825,507.00. The Director asked for any questions or comments. There was no further discussion.

Board Member Downing moved to accept and file the January 2023 financial reports for audit. Board Member Gerdes seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermesen, Luhrs, and Walkenhorst voting aye.

2. 2023-2025 BIENNIAL BUDGET

The Director provided an update to the Board regarding its 2023-2025 Biennial Budget Request. The Director presented the Appropriations Committee Preliminary Determination and the Governor's Executive Budget recommendations for the NRPAB to the Board for review. Director Kohtz informed the Board that the Governor's recommendations included an appropriation increase of \$2,932.00 for FY 2023-24 and \$3,397.00 for FY 2024-25 for the Department of Administrative Services' rate and assessment changes, along with an appropriation increase for the State enterprise budget issues related to salaries and health insurance. All other budget issue requests were denied by the Governor. The Director then indicated that the Appropriations Committee Preliminary Determination included an appropriation increase of \$1,113.00 for each fiscal year for the Department of Administrative Services rate and assessment changes; an appropriation increase of \$13,830.00 for FY 2023-24 and \$24,183.00 for FY 2024-25 for the State enterprise salary increase; an appropriation increase of \$1,316.00 for FY 2023-24 and \$2,658.00 for FY 2024-25 for the State enterprise health insurance increase; and an appropriation increase of \$1,608.00 for each fiscal year for CIO and technology maintenance. The Board's requests for AARS contractor fees and an additional FTE teammate were not included by the Appropriations Committee. Director Kohtz then informed the Board that its hearing before the Appropriations Committee took place on February 14, 2023. The Director indicated that during his testimony he aimed for balance as much as possible, so the lack of additional funding for the AARS contractor fees was accepted, and a reduction in health insurance deficit appropriation was requested, based on the difference between health insurance plans, in hopes that it opens the door a bit more for an additional FTE teammate appropriation. Director Kohtz also brought attention to the ASC Federal Grant Program during his testimony, and how this additional employee could allow the Board to utilize this program to remove financial burden from appraisers, AMCs, and education providers. The Director reported that, in his opinion, the Board made some progress, and the Board's Legislative Fiscal Analyst felt equally good about how the Board's hearing went. The Director asked for any questions or comments. Chairperson Walkenhorst thanked the Director for his hard work on the 2023-2025 Biennial Budget Request; the Board agreed with the Chairperson. There was no further discussion.

3. 2021-2023 BIENNIUM – 2023 BUDGET DEFICIT ADJUSTMENT

Director Kohtz referred back to the Governor's Executive Budget recommendations for the NRPAB, and informed the Board that the Governor denied the Board's budget deficit adjustment request pertaining to the health insurance cost increase due to a benefit qualifying life event for a Nebraska Real Property Appraiser Board teammate during FY 2022-23. The Director then turned to the Appropriations Committee Preliminary Determination and indicated that the Appropriations Committee included a deficit appropriation increase in the amount of \$5,905 for FY 2022-23 for the health insurance cost increase. Director Kohtz then referred to his comments during discussion of the 2023-2025 Biennial Budget, and informed the Board that at the Board's hearing before the Appropriations Committee on February 14, 2023, he requested a reduction in the health insurance deficit appropriation in the amount of \$2,205.00, in hopes that it opens the door a bit more for an additional FTE teammate appropriation.

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

M. CONSIDERATION OF EDUCATION/INSTRUCTOR REQUESTS: No discussion.

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.

2. BUSINESS AND EDUCATION PROGRAM MANAGER POSITION

Director Kohtz reported to the Board that the position has been filled and welcomed new Business and Education Program Manager Kashinda Sims.

O. NEW BUSINESS:

1. NEW ASSISTANT ATTORNEY GENERAL ASSIGNMENT

Director Kohtz reported that Darrin Schulz has been assigned to the Board as its new Assistant Attorney General.

2. SPECIAL ASSISTANT ATTORNEY GENERAL REAPPOINTMENT

Director Kohtz reported that William Blake has been re-appointed as its Special Assistant Attorney General for 2023.

P. LEGISLATIVE REPORT AND BUSINESS

1. 108TH LEGISLATURE (1ST REGULAR SESSION) BILLS OF NRPAB INTEREST

Director Kohtz presented the second legislative report of the current session to the Board for review. The following bills were discussed:

LB16 – The Director reported that Amendment 180 to LB16, inserts “the Real Property Appraiser Board” after the second comma on page 6, line 16. This amendment exempts the Board from Subsections (8) and (9) of this bill and Neb. Rev. Stat. § 84-947 pertaining to preliminary background reviews for applicants of occupational licensing. The hearing before the Government, Military and Veterans Affairs Committee took place on February 9, 2023. AM180 was officially introduced to the record by Senator Brieske. There was no further discussion.

LB279 – The Director reported that this bill is placed on General File with Amendment 86. There was no further discussion.

LB461 – The Director reported that this bill implements the statutory changes recommended by the report filed with the legislature on November 15, 2023 by the independent procurement consultant that reviewed the State’s procurement practices and procedures as authorized by LB1037 in 2022. LB461 consolidates and harmonizes the procurement statutes between goods and services into Chapter 73; allows bids to be evaluated for realism and reasonableness; and revises the residential preference and proof of need process. There was no further discussion.

LB485 – The Director reported that this bill defines state agency director for contracts entered into by a state agency other than an officer or agency established by the Constitution of Nebraska, the director or executive head of the agency. There was no further discussion.

LB538 – The Director reported that this bill requires that the Department of Banking is notified of a vacancy on the board of directors of a bank. There was no further discussion.

LB628 – The Director reported that this bill modifies the definition of professional services in the Limited Liability statutes to mirror the definition of the professional corporation statutes. Limited Liability Corporations that don’t want to make a change are not required to do so. Other changes to the statutes related to professional services include:

1. Clean up the use of ancillary services in the Limited Liability professional entity statutes.
2. Recognize outside certifying organizations or compacts recognized by the regulatory body.
3. Require regulatory bodies that use the electronic access process for verifying licensure to work with the Nebraska Secretary of State’s office to create an automated process to electronically access and verify licensing records. Director Kohtz indicated that this is the only change that affects the Board, as it issues corporate certificates for professional services rendered by real property appraisers.

Amendment 175 was filed to provide better clarification throughout LB628. There was no further discussion.

LB637 – The Director reported that this bill requires that a public body shall allow members of the public an opportunity to speak at each meeting. Director Kohtz indicated that the Board has always done this, so this bill would have no impact on the Board. There was no further discussion.

LB669 – The Director reported that this bill allows the Department of Banking and Financing to prescribe conditions on certain financial Institutions as a part of any order, decision, or determination required under the statutes governing those institutions. There was no further discussion.

LB684 – The Director reported that this bill requires that the Department of Administrative Services, in compliance with all statutes on contracts, contract with an entity to assist the state with significantly improving government services of state agencies for a period of two years. The entity shall recommend and support strategies that reduce costs while improving quality, with a target of twenty-five percent improvement overall across all programs during the contract period. There was no further discussion.

LB814 – The Director reported that this bill is the mainline appropriations bill for the biennium that begins July 1, 2023 and ends on June 30, 2025. There was no further discussion.

LB820 – The Director reported that this bill enacts the Agricultural Valuation Fairness Act to provide for uniform assessment of agricultural and horticultural land in Nebraska. To achieve fairness, all agricultural and horticultural land will be assessed based on its capacity to produce income, called agricultural use value. Procedurally, LB820 establishes an Agricultural Land Valuation Committee to establish agricultural land values by Land Capability Groups for agricultural land throughout the state. Land values are established utilizing a production approach to value. Gross income will be computed using an eight-year average of yield data. Gross income is reduced to net income by utilizing expense ratios. The net income is then capitalized to determine assessed value. The capitalization rate is also determined by the committee and is calculated to arrive at valuations within 69-75% of market value ensuring assessed values are uniformly and proportionately assessed. The county assessor is responsible for classifying land.

Director Kohtz continued by saying that, after discussion with Board Members Downing and Luhrs, it was recommended that he request that consideration be given for the American Society of Farm Managers and Rural Appraisers ARA designation for the appraiser member on the Agricultural Land Valuation Committee. Prior to contacting Senator Albrecht's office, it was discovered that the committee members are not exempt from the Real Property Appraiser Act. The Agricultural Land Valuation Committee members are not state employees, nor are they contractors to or employees of counties. When this was reported back to Board Member Downing, she agreed that this must be brought to Senator Albrecht's attention. This matter was discussed with Senator Albrecht's office, who requested that proposed language be drafted for a potential amendment to LB820 that exempts the individuals serving on the Agricultural Land Valuation Committee from the Real Property Appraiser Act. The initial matter was also discussed, and it was recommended that the professional designation be struck from (1)(c). There was no further discussion.

Director Kohtz asked for any additional questions or comments concerning the legislative report. The Director asked if there is a bill that is not included in the report that may be of importance to the Board, that he be contacted to have it added to the list. There was no further discussion.

2. TITLE 298

Director Kohtz reported that he has no update concerning the revisions to Title 298 adopted by the Board after the November 17, 2022 hearing and no response has been received from the Attorney General's Office.

3. OTHER LEGISLATIVE MATTERS: No discussion.

Q. ADMINISTRATIVE BUSINESS:

1. GUIDANCE DOCUMENTS: No discussion.

2. INTERNAL PROCEDURAL DOCUMENTS: No discussion.

3. FORMS, APPLICATIONS, AND PROCEDURES

a. Appraisal Management Company Registration Card

Director Kohtz presented the Appraisal Management Company Registration Card to the Board for consideration. The Director informed the Board that part of the Online AMC Renewal Application and AMC Interface enhancement project is establishing a system to track AMC registration renewals, and to also provide quick access of the information and an automated receipt to AMCs. The concept is the same as what is used for the real property appraiser credentialing cards. The form presented is what would be generated with all of the information auto populated when an AMC renews their registration. The AMC would log into the AMC Login to download the Appraisal Management Company Registration Card. Currently, much of this information is manually calculated and included in a letter sent to the AMC upon renewal. The Director asked for any questions, comments, or amendments. Board Member Gerdes moved to approve the Appraisal Management Company Registration Card as presented. Board Member Downing seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermesen, Luhrs, and Walkenhorst voting aye.

b. Real Property Appraiser Credentialing Card

Director Kohtz presented the Real Property Appraiser Credentialing Card to the Board for consideration. The Director indicated that the current credentialing card format has been in place since 2012, and modernizing the format was on his radar already. The Appraisal Management Company Registration Card project provided an excellent opportunity to redesign the Real Property Appraiser Credentialing Card as the concept was already developed. Director Kohtz added that the idea of the two cards being similar fits with the agency's goal of maintaining brand consistency. The Director asked for any questions, comments, or amendments. Board Member Luhrs moved to approve the Real Property Appraiser Credentialing Card as presented. Board Member Downing seconded the motion. Chairperson Walkenhorst recognized the motion and asked for any discussion. With no discussion, Chairperson Walkenhorst asked for a vote. The motion carried with Downing, Gerdes, Hermesen, Luhrs, and Walkenhorst voting aye.

R. 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. Educational Programs for State Appraiser/AMC Regulators

Director Kohtz reported that the Appraisal Subcommittee is working with the Council on Licensure, Enforcement & Regulation to deploy a series of educational programs. The courses released to date are titled, “Appraiser & AMC Investigations: Basic” and “Introduction to Appraiser & AMC Regulation.” The Director asked for any questions or comments. There was no discussion.

b. Notice of Data Breach Incident

Director Kohtz presented a January 24, 2023 letter to State Appraiser Regulatory Agencies from the Appraisal Subcommittee notifying all State Appraiser Regulatory Agencies of a data breach that occurred on the ASC.gov website to the Board for review. The Director reported that according to the letter, after the release of the new ASC.gov website on September 18, 2022, potential access to Personally Identifiable Information, or PII, was reported to the ASC. This incident involved Social Security Numbers. The ASC indicated that upon discovery of the breach, the website was taken down and corrective actions were taken to resolve the error. The ASC is currently in the process of notifying all individuals whose PII had potential for exposure and offering Identity Protection, Credit Monitoring, and Identity Monitoring Services. The Director finished by reminding the Board that it uses unique identifiers on the ASC Appraiser Registry, and does not provide social security numbers to the ASC. As such, there should be no Nebraska real property appraisers affected by this breach. Director Kohtz asked for any questions or comments. There was no further discussion.

c. PAVE Incentive to Decrease Barriers to Entry into the Appraisal Profession

Director Kohtz presented a January 23, 2023 letter to State Appraiser Regulatory Officials from the Appraisal Subcommittee regarding the PAVE Initiative to decrease barriers to entry into the appraisal profession to the Board for review. According to the letter, while the Appraiser Qualifications Board sets minimum requirements to become a certified or licensed appraiser, States may adopt additional requirements for credentialing appraisers that exceed the AQB Criteria under Title XI. Many of these additional requirements may no longer be necessary or appropriate and the ASC urges States to commit to proactively identifying and evaluating statutory and regulatory requirements, policies, and procedures that pose additional or unnecessary barriers to entry. This spring, the PAVE Task Force will publish a dashboard on its website that identifies areas where each State’s qualification requirements exceed those laid out in the AQB Criteria. Examples provided in the letter include:

- Limiting or not allowing certain types of experience such as mass appraisal or review work.
- Capping experience on certain property types.

(Continued on page 11)

(Continued from page 10)

- Accepting qualifying experience only if the interior and exterior of the property is inspected.
- Requiring experience be on property located within the State.
- Requiring education and/or experience within a timeframe that exceeds AQB Criteria.
- Requiring education that exceeds the AQB Criteria.
- Prohibiting or limiting amount of distance education.

The Director informed the Board that many of the items listed used to be considered a part of how a State implements the Criteria, not a barrier. The Director continued, with this being said, he identified the following areas in statutes and the rules that may be considered qualifications that exceed the Criteria:

- A Felony conviction being automatically disqualifying as stated in Neb. Rev. Stat § 76-2227(4)(d)(i).
- Up to 50% of the real property appraisal practice experience required for credentialing as a licensed residential, certified residential, or certified general real property appraiser may be obtained in another jurisdiction as found in 298 NAC Chapter 2, § 002.02.
- No more than 25% of mass appraisal experience, appraisal review, appraisal consulting, or restricted appraisal reports that may be accepted for experience credit per 298 NAC Chapter 2, § 002.07.
- The one-year time frame for completion of the Supervisory Appraiser and Trainee Course by a trainee applicant in Neb. Rev. Stat. § 76-2228.01(1)(d).
- The twelve-month requirement for completion of exam as specified in Neb. Rev. Stat. §§ 76-2228.01, 76-2230, 76-2231.01, 76-2232.
- The three attempts requirement for completion of exam located in 298 NAC Chapter 2, § 003.
- A high school diploma, a certificate of high school equivalency, or have education acceptable to the Board in Neb. Rev. Stat. §§ 76-2228.01(1)(b) and 76-2230(1)(b).

Director Kohtz indicated that the Board should review all of these requirements to determine if they are needed or if they could be removed. Chairperson Walkenhorst agreed that they should be reviewed. The Director asked if this review should take place during strategic planning, when it typically would, or should it take sooner. Chairperson Walkenhorst responded that strategic planning is the proper time to review these laws and rules.

(Continued on page 12)

(Continued from page 11)

Director Kohtz informed the Board that he will conduct a review of the statutes and rules to identify any other areas for review and prepare a brief report for the Board for strategic planning. The Chairperson thanked the Director for this report. There was no further discussion.

d. Public Hearing on Appraisal Bias Brings Together Key Stakeholders

Director Kohtz provided an Appraisal Subcommittee press release concerning its public hearing on appraisal bias to the Board for review. The Director reported that the Appraisal Subcommittee hosted its first-ever public hearing on appraisal bias, bringing together Federal agencies, experts from across the mortgage lending and appraisal industries, researchers, and consumers, to work toward the fair and accurate valuation of homes for all Americans. The ASC is very concerned about the lack of diversity among appraisers and the excessive barriers to entry that likely deter entry into the profession, particularly for people of color. The ASC has made these issues a cornerstone of its work, and is using the authority available at its disposal to highlight appraisal bias and address the lack of diversity in the profession. The Director asked for any questions or comments. There was no further discussion.

6. THE APPRAISAL FOUNDATION

a. First Exposure Draft of Proposed Changes to the Criteria_January 31, 2023

Director Kohtz presented the document titled, "First Exposure Draft of Proposed Changes to the Criteria_January 31, 2023" to the Board for review. The Director reported that the AQB is proposing to revise the current continuing education requirements. The proposal is to require more of the existing continuing education hours to meet two specific requirements for valuation bias and fair housing laws and regulations. An 8-hour course must become part of the required QE for aspiring appraisers no later than January 1, 2025; a 7-hour course must be completed by credentialed appraisers by December 31, 2025; and a 4-hour course must be completed by all appraisers as part of each ongoing two-year continuing education cycle starting January 1, 2026. The main difference to be noted between the 7-hour and 8-hour course is that the 8-hour course includes a required one-hour exam. The AQB is also proposing to change the name of the 7-Hour National USPAP Update Course to the 7-Hour National USPAP Continuing Education Course, and removing "7-Hour" from the title of the "7-Hour Instructor Recertification Course." The Director stated that this course has evolved over the years and is currently often fewer than 7 hours in length. Director Kohtz finished by informing the Board that the name to item F.3.f is proposed to be changed from "valuation bias, fair housing, and/or equal opportunity" to "valuation bias and fair housing laws and regulations." Director Kohtz asked for any questions or comments. There was no further discussion.

b. TAF February Newsletter

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

c. The Appraisal Foundation Opens Applications for Board of Trustees

The Director presented to the Board a press release from The Appraisal Foundation declaring that it is accepting applications for Board of Trustees. The Director asked for any questions or comments. There was no discussion.

d. Appraiser Qualifications Board Q&A

i. Mass Appraisal Experience & Supervisory Signature

Director Kohtz presented the Appraiser Qualifications Board Q&A titled, "Mass Appraisal Experience & Supervisory Signature" issued on January 3, 2023 to the Board for review. The Director indicated that in the Q&A the question was asked whether the Criteria require an appraisal experience log that contains mass appraisal work only must include the signature of a supervising appraiser. The answer provided by the AQB was that the Criteria requires a supervisory appraiser's signature in an appraisal experience log when an individual has a state-issued trainee credentials and that trainee has met the requirement to complete their work under the direct supervision of one or more supervisory appraisers. If one is not a trainee appraiser with a supervisory appraiser, the supervising appraiser signature does not apply. The Director asked for any questions or comments. There was no further discussion.

ii. Can Licensed Appraisers be Supervisors

Director Kohtz presented the Appraiser Qualifications Board Q&A titled, "Can Licensed Appraisers be Supervisors" issued on January 10, 2023 to the Board for review. The Director indicated that in the Q&A, the question was asked whether a licensed appraiser is eligible to become a supervisor appraiser. The answer provided by the AQB was that an individual with only a licensed residential credential is not eligible to become a supervisory appraiser. The Director asked for any questions or comments. There was no further discussion.

iii. Additional Criteria Q&As

Director Kohtz presented the Appraiser Qualifications Board Q&A titled, "Additional Criteria Q&As" issued on January 10, 2023 to the Board for review. The Director indicated that all of these Q&As have previously been reviewed by the Board, so he has no further comments on these Q&As. The Director asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: No discussion.

8. IN THE NEWS: No discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

The Board reviewed applicants T23001, L22006, L23001, CR22015, CG22024R, CG2022017R, and CGK0064R. Chairperson Walkenhorst asked for a motion on T23001, L22006, L23001, CR22015, CG2022017R, and CGK0064R.

Board Member Downing moved to take the following action:

T23001 / Hold application until January 11, 2024, or until documentation concerning the final decision regarding request to have civil rights restored is received, whichever occurs first.

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

Board Member Downing moved to take the following action:

L22006 / 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 National Uniform Licensing and Certification Examination and providing necessary fees.

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

Board Member Downing moved to take the following action:

L23001 / Approve 1007 experience hours included on applicant's Applicant Real Property Appraisal Practice Experience Log and authorize staff to continue to processing application in accordance with established procedure and send at least one report for USPAP Compliance Review. Send advisory letter to supervisor that VA does not restrict trainees from signing reports, copy to L23001. Issue written advisory directing the applicant and supervisory real property appraiser to take notice of current VA home loan appraisal policies.

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

Board Member Downing moved to take the following action:

CR22015 / Provide redacted copy of USPAP Compliance Review Report pertaining to the 1-4 unit residential property subject of USPAP Compliance review to applicant and request that applicant rewrite subject report to adequately communicate analysis, opinions, and conclusions addressed in the USPAP Compliance Review Report and submit the rewritten report to the Board's office by April 7, 2023.

Board Member Luhrs seconded the motion. Chairperson Walkenhorst brought attention to 1-4 unit and indicated that this should be 2-4 unit. Board Member Downing withdrew the motion.

Board Member Downing moved to take the following action:

CR22015 / Provide redacted copy of USPAP Compliance Review Report pertaining to the 2-4 unit residential property subject of USPAP Compliance review to applicant and request that applicant rewrite subject report to adequately communicate analysis, opinions, and conclusions addressed in the USPAP Compliance Review Report and submit the rewritten report to the Board's office by April 7, 2023.

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

Board Member Downing moved to take the following action:

CG2022017R / Approve renewal of Certified General Real Property Appraisal credential, and file Grievance 23-02 and open investigation for the alleged violation of Neb. Rev. Stat. § 76-2238(2).

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

Board Member Downing moved to take the following action:

CG2K0064R / Authorize Director Kohtz to approve renewal of Certified General Real Property Appraiser credential upon receipt of document of completion evidencing the successful completion of education activity attended on February 15, 2023.

Board Member Luhrs seconded the motion. Chairperson Walkenhorst recognized the motion and called for a vote. Motion carried with Downing, Gerdes, Hermsen, Luhrs, and Walkenhorst 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. 2023.01

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

2. 2023.02

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

3. 2023.03

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

4. PERSONNEL MATTERS: No discussion.

S. ADJOURNMENT

Board Member Luhrs moved to adjourn the meeting. Board Member Downing seconded the motion. Motion carried with Downing, Gerdes, Hermesen, Luhrs, and Walkenhorst voting aye. At 11:45 a.m., Chairperson Walkenhorst adjourned the February 16, 2023 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on March 3, 2023, in compliance with Nebraska Revised Statute § 84-1413 (5).