

**REAL PROPERTY APPRAISER BOARD
DEPARTMENT of REVENUE, 2nd FLOOR
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

September 23, 2010

OPENING

Chairman Gregg Mitchell called to order the September 23, 2010 meeting of the Nebraska Real Property Appraiser Board at 9:02 a.m., in the Department of Revenue Conference Room, 2nd Floor of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

NOTICE OF MEETING

Chairman Mitchell 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 e-mail. Publication of official notice of the meeting appeared in the September 20, 2010 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this State, as required by the public meeting law. The agenda was kept current in the Nebraska Real Property Appraiser Board Office and on the Board's website. Materials generally used by the Board for this meeting were available in the public folder for inspection by the public and in accordance with the Open Meetings Act. A copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Bradford Moore, Matthew 'Joe' Wilson, Philip Barkley, David Hartman, and R. Gregg Mitchell were present. Director Kitty Policky was also present.

ADOPTION OF THE AGENDA

Chairman Mitchell 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 Barkley moved to adopt the Agenda as printed. Vice Chairman Moore seconded the motion. With no further discussion, the motion carried with Moore, Wilson, Barkley, Hartman, and Mitchell voting aye

WELCOME GUESTS

No guests were present at the meeting.

APPROVAL OF THE MINUTES FROM AUGUST 19, 2010

Vice Chairman Moore asked for any additions or corrections to the August 19, 2010 minutes. With no additions or corrections, Vice Chairman Moore moved to adopt the minutes as presented. Board Member Barkley seconded the motion. With no further discussion the motion carried with Wilson, Barkley, Hartman, Moore, and Mitchell voting aye.

CHAIRMAN'S REPORT

Chairman Mitchell referenced Dodd-Frank legislation but withheld discussion until after the AARO meeting. According to the bill, the interim regulations are due in 90 days and once the regulations have been presented, the appraiser profession and regulatory oversight will know what direction we should be working toward. The subject will be return to October agenda for further consideration.

Chairman Mitchell asked members if there had been much controversy over the explanation for the increase in the cost of a renewal fees. Board Member Barkley as well as Vice Chairman Moore related dissatisfaction from a few individuals. For the most part, the protests were from individuals

who had earned only a Registered credential. A credential was not a requirement for their profession and they felt that they could not meet the requirements to upgrade in regard to the hours of experience so the individuals have decided not to renew their credentials. Aside from that, appraisers expressed understanding for the increase in fees.

DIRECTOR'S REPORT

Director Policky reported the number of appraisers for September 23, 2010 stands as follows: 120 Registered/Conversion; 106 Licensed Residential; 211 Certified Residential; and 385 Certified General for a total of 822 or an increase of one Licensed appraiser and one Certified General appraiser from the August meeting and 27 less than the total for September 2009 of 849 appraisers.

Director Policky mentioned future considerations for the appraiser trainee program. Regulation by the Appraisal Foundation has virtually brought the appraisal profession to a standstill. It is necessary to consider the direction of the profession and the limited resources for training new candidates. It will be necessary to give consideration and collaboration to the future of the profession. With continued changes that will be handed down by the passage of H.R. 4173, it will be necessary to consider the future of the profession and to perhaps reinvent the role of the appraiser and the means by which we provide a very important service in regard to real estate transactions.

Director Policky closed the report by thanking the Board for their commitment and assistance.

RECEIPTS AND EXPENDITURES REPORT – AUGUST 2010

The receipts and expenditures for August were reviewed by the Director by line item with the Board. The Budget Status Report indicates a total of \$3,750.86 in receivables and \$14,322.77 in expenditures. A copy of the Budget Status Report, the General Ledger Detail Report and Receipt Journal for August are attached and considered part of these minutes. Vice Chair Moore moved to accept and file the August 2010 Receipts and Expenditures report for audit. Board Member Barkley seconded the motion. With no further discussion the motion carried with Barkley, Hartman, Moore, Wilson, and Mitchell voting aye.

UNFINISHED BUSINESS

1. Proposed 2011-2013 Biennial Budget

Director Policky distributed the proposed 2011-13 budget request as it was entered into the electronic budget system for the Governor's review, explaining the proposed projections for expenditure as well as the projected income is based on the number of credentialed appraisers to date. The 2011-2012 budget is projected to be \$276,611.00 and the 2012-2013 budget is projected to be \$272,350.00. These obligations are not set in stone but are merely a request for the authority to spend the requested amount. Projected rates for state services were generated by the budget office. This office generated a projected flat budget with no increase requested for 2011-2013. The submission of the biennial budget is complete at this time.

Chairman Mitchell mentioned the requirement for mandatory reporting of appraisers for possible enforcement action in the new federal legislation may increase the amount of funds required for enforcement action but such projections are merely speculative at this time. Whether the filings are truly legitimate complaints, this Board is obligated to meet the adopted procedures which in turn cost money. This Board can only project the result of legislation and anticipate the cost of implementation.

With no further discussion, Chairman Mitchell called for a motion. Although the 2011-2013 budgets have been approved, the motion is to approve the final projections as entered into the state budget system. Board Member Wilson moved to approve the proposed 2011-13 budget requests as presented. Vice Chairman Moore seconded the motion. The motion carried with Hartman, Moore, Wilson, Barkley, and Mitchell voting aye.

NEW BUSINESS

There was no New Business for consideration.

GENERAL PUBLIC COMMENTS

Chair Mitchell asked for any public comments. With no further comments, the Chair proceeded to education.

EDUCATION

Board Member Wilson moved to approve the following continuing education seminars and respective instructors as listed:

Continuing Education New:

1. Appraisal Institute, Chicago, IL:
 - A. "General Appraiser Income Approach Part II" / ONLINE / 30 hours / C2779-I
Instructor: David Lennhoff
 - B. "Thinking Outside the Form" / 7 hours / C21036
Instructor: Jim Atwood
 - C. "Advanced Concepts & Case Studies" / 38 hours / C21040
Instructors: Larry T. Wright & Kerry Jorgensen

2. McKissock, Warren, PA:
 - A. "Essential Elements of Disclosures & Disclaimers" / ONLINE / 5 hours / C21038-I
Instructor: Daniel Bradley

3. CLE International, Denver, CO:
 - A. "Nebraska Water Law Conference 2010" / 11 hrs. / C21006
Instructors: Jim Amorin

4. Trans-American Institute of Professional Studies, Kearney, NE
Request instructor approval Barry Shea:
Core Curriculum: Q002, L/CR004, L/CR005, L/CR006, L/CR007, CR008, CR/CG009, QE2803 & QE21010

5. Mid-West Appraisers Association, Kearney, NE
Requests instructor approval for Barry Shea:
Continuing Education: C2927, C2318, C2902, C2928, C21034 & C2715
Requests instructor approval for Ann Susko:
Continuing Education: C2927, C2318, C2902, C2928, C21034 & C2715

Vice Chairman Moore seconded the motion. With no further discussion the motion carried with Moore, Wilson, Barkley, Hartman, and Mitchell voting aye.

APPLICANTS & ENFORCEMENT

Vice Chair Moore moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of written complaints and disciplinary action. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of qualifying applicants and relating to the alleged violations of performance in real property appraisal practice. The time on the meeting clock was 10:14 p.m. Board Member Wilson seconded the motion. With no further discussion the motion carried with Wilson, Barkley, Hartman, Moore, and Mitchell voting aye.

Vice Chair Moore moved to come out of executive session at 11:51 p.m. Board Member Wilson seconded the motion. The motion carried with Barkley, Hartman, Moore, Wilson, and Mitchell voting aye.

MOTIONS TO ACT ON CLOSED SESSION AGENDA

Chairman Mitchell opened the floor to discussion of closed session agenda items.

Vice Chair Moore moved to take the following action for a Licensed Residential applicant:

L590 / Applicant meets statutory obligations of §76-2230. Approve for credentialing when successful completion of exam is submitted.

Vice Chair Moore moved to take the following action for a reciprocal Certified Residential applicant:

CR378 / Candidate meets all statutory obligations of §76-2231. Approve for credentialing.

CR379 / Candidate meets all statutory obligations of §76-2231. Approve for credentialing.

Board Member Wilson seconded the motion. Motion carried with Hartman, Moore, Wilson, Barkley, and Mitchell voting aye.

Vice Chair Moore moved to take the following enforcement actions:

- 09-26 Hold. Chairman signed Consent Agreement to 15-hour National USPAP course; 15-hour Residential Report Writing & Case Studies to be completed by 11/30/2010. Respondent's credential will be downgraded permanently to Certified Residential immediately.
- 10-03 Hold. Chairman sign Consent Agreement. Agreement 2-day USPAP & General Report Writing & Case Studies by 11.30.2010.
- 10-05B Hold. Chairman sign Consent Agreement. Agreement 2-day USPAP & Residential Report Writing & Case Studies. Due by 11.30.2010.
- 10-07A Hold. Chairman sign Consent Agreement 2-day USPAP & Residential Report Writing & Case Studies. Due by 12.31.2010.
- 10-07B Hold. Chairman sign Consent Agreement. 2-day USPAP & Residential Report Writing & Case Studies. Due by 12.31.2010.
- 10-08 Hold. Chairman sign Consent Agreement. 15-hour National USPAP; 30-hour General Report Writing & Case Studies; no supervisory or advisory; education due by 12.31.2010.
- 10-15 Invite informal 10.28.10 @ 9:00 a.m.
- 10-16 Dismiss. Close.
- 10-19 Hold / Respondent has not submitted fee for State Treasurer costs for processing check for insufficient funds.
- 10-21 Invite informal 10.28.2010 @ 9:00 a.m.

- 10-22 Forward complaint to Douglas County Attorney.
- 10-23 Request true copy report and workfile. Forward Standard 3 Compliance Report.
- 10-24 Advisory letter as cease and desist. Misleading public.

Board Member Wilson seconded the Motion. With no further discussion the motion carried with Moore, Wilson, Barkley, Hartman, and Mitchell voting aye.

Vice Chair Moore moved to take the following enforcement actions:

- 10-25 Request true copy report and workfile. Forward Standard 3 Compliance Report.

Board Member Wilson seconded the Motion. With no further discussion the motion carried with Wilson, Barkley, Hartman, and Moore voting aye. Chairman Mitchell abstained.

Vice Chair Moore moved to take the following enforcement action:

- 09-07 Hold. No action taken.
- 09-09 Hold. No action taken.
- 09-25 Hold until Case #09-07 & #09-09 are completed.

Board Member Barkley seconded the motion. The motion carried with Barkley, Hartman, Moore, and Mitchell voting aye. Board Member Wilson abstained.

Tentative meeting dates were approved as follows: November 18, 2010 / 1Y
December 16, 2010 / 1Y

ADJOURNMENT

Board Member Wilson moved to adjourn the meeting. Board Member Barkley seconded the motion. Motion carried unanimously.

At 12:35 p.m. Chairman Mitchell adjourned the September 23, 2010 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on October 4, 2010, in compliance with Nebraska Statute §84-1413(5).