

**REAL PROPERTY APPRAISER BOARD
LOWER LEVEL, NRPAB OFFICE
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

31 January 2011

OPENING

Chairman Bradford Moore called to order the January 31, 2011 emergency meeting of the Nebraska Real Property Appraiser Board at 9:19 a.m., in Real Property Appraiser Board Office, Lower Level, of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska. The emergency meeting was called to discuss one issue in taking action to approve the changes to LB410 as requested at the January 20, 2011 meeting to the proposed AMC legislation. Mr. Robert Hallstrom, representing the Banking Committee, requested approval of the proposed changes by Monday noon to accommodate the bill writers to produce a copy of the legislation for consideration at the hearing on February 1, 2011.

NOTICE OF MEETING

Chairman Moore announced the notice of the meeting was electronically delivered to all Board members and the director simultaneously by e-mail. The agenda was generated and publically posted 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, Philip Barkley, Thomas Kubert, David Hartman, and R. Gregg Mitchell were present. Director Kitty Policky was also present.

ADOPTION OF THE AGENDA

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

PROPOSED AMENDMENTS TO LB410 FOR CONSIDERATION/APPROVAL

Chair Moore opened the meeting by requesting all members consider the proposed amendments to LB410 as presented by David Hartman, appointed Board representative to the AMC Committee. The proposed changes were requests made at the January 20, 2011 public meeting of the Board by a unanimous vote of the Board. The proposed amendments to LB410 are as follows:

1. On page 8, after line 22, insert "(4)(a) An applicant for registration as an appraisal management company in this state shall furnish to the board, at the time of making application, a surety bond in the amount of twenty-five thousand dollars; (b) The surety bond required under subdivision a of this subsection shall be issued by a bonding company or insurance company authorized to do business in this state and a copy of the bond shall be filed with the board; (c) The bond shall be in favor of the state for the benefit of any person who is damaged by any violation of the Nebraska Appraisal Management Company Registration Act. The bond shall also be in favor of any person damaged by such a violation; (d) Any person claiming against the bond for a violation of the act and maintain an action at law against the appraisal management company and against the surety. The aggregate

liability of the surety to all persons damaged by a violation of the act by an appraisal management company shall not exceed the amount of the bond; and (e) The bond shall be maintained until one year after the date that the appraisal management company ceases operation in this state.”

2. On page 10, strike lines 3-11 and insert “The Board shall charge and collect fees for its services under the Appraisal Management Company Registration Act as follows: 1) an application fee of no more than three hundred fifty dollars; 2) an initial registration fee of no more than two thousand dollars; 3) a renewal registration fee of no more than one thousand five hundred dollars; and 4) a late renewal fee of twenty-five dollars for each month or portion of a month the fee is late.”

3. On page 11, after line 15, insert “(3) knowingly prohibit an appraiser from including within the body of the appraisal report that is submitted by the appraiser to the Appraisal Management Company or its assignee, the fee that the appraiser was paid by the Appraisal Management Company for the performance of the appraisal report.”; and in line 23, after “licensure” insert “in this state”

4. On page 13, in line 7, after “Sec. 15” insert “Each appraisal management company registered in this state, except in cases of non-compliance with the conditions of the engagement, shall make payment of fees to an appraiser for the completion of an appraisal or evaluation assignment within 60 days of the date on which the appraiser transmits or otherwise provides the completed appraisal or evaluation assignment to the appraisal management company or its assignee.”

5. On page 14, line 18, after “dollars” insert “for a first offense and not more than ten thousand for a second or subsequent offense”

6. On page 17, strike beginning with “For” through line 12 through “the” in line 25

7. On page 18, strike lines 1-20

8. Renumber the remaining sections accordingly.

The eight points addressed the Board’s concerns from the January 20th meeting but two issues remained for consideration. Developing a fiscal note for the proposed legislation demonstrated that a biennial renewal registration fee of no more than \$1,000.00 would not be sufficient to support the financial costs of the program. Once the program was established the established costs would permit the Board to make adjustments to the fee structure but the proposed fees addressed in the legislation would not be sufficient to support the establishment or sustainability of an AMC program.

Board Member Hartman contacted Mr. Hallstrom by phone to discuss the need to adjust the fee structure. Mr. Hallstrom felt the fees could be adjusted to cover the demonstrated need for the costs to do business. A verbal confirmation from Mr. Hallstrom would make a change to page 10, in the inserted lines 3-11, the change would appear as follows: 3) a renewal registration fee of no more than ~~one~~ two thousand dollars.

A last request for consideration was simply semantics in changing, under #5, line three . . . “LB410 requiring the proper level of licensure for Standard 3 appraisal reviews . . .” Board members felt there was confusion in using the word “licensure” instead of “credential” as a “licensed” credential is a recognized federal credentialing level. Members felt the word “licensure” should be changed to “credential” to eliminate any possible confusion about the requirements necessary to perform reviews.

Finding the remaining amendments in agreement with all members, Board Member Mitchell proposed a motion that the NRPAB accept the amendments to LB410 as submitted on Friday, January 28, 2011 @ 9:48 AM by Mr. Robert Hallstrom and by verbal commitment at 10:00 AM on Monday, January 31, 2011 by Mr. Hallstrom. The verbal commitment includes changing the fees as follows: 1). application fee of no more than \$350; 2). initial registration fee of no more than \$2,000; 3). a renewal registration fee of no more than \$1,500. With the proposed modifications to the amendments, the board will support LB410. Vice Chair Barkley seconded the motion. With no further discussion, Chairman Moore called for the vote. The motion carried with Kubert, Barkley, Hartman, Mitchell, and Moore voting aye.

Board Member Hartman will communicate the Board's vote of support and minor requests to Mr. Hallstrom prior to the February 1, 2011 scheduled hearing before the Banking, Commerce, and Insurance Committee at 1:00 p.m.

GENERAL PUBLIC COMMENTS

Chairman Moore asked for any public comments. With no comments, the Chairman asked for a motion to adjourn the emergency meeting of the Real Property Appraiser Board.

ADJOURNMENT

Vice Chair Barkley moved to adjourn the meeting. Board Member Kubert seconded the motion. Motion carried unanimously.

At 10:45 a.m. Chairman Moore adjourned the January 31, 2011 emergency meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on February 2, 2011, in compliance with Nebraska Statute §84-1413(5).