

**NEBRASKA REAL PROPERTY APPRAISER BOARD
CONFERENCE ROOM "F", LOWER LEVEL
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

January 16, 2014 Meeting Minutes

Swearing in of new Board Member Larry Saxton took place prior to the start of the meeting.

A. OPENING

Chairman Philip Barkley called to order the January 16, 2014 meeting of the Nebraska Real Property Appraiser Board at 9:09 a.m., in conference room "F" located on the lower level of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

B. NOTICE OF MEETING

Chairman Barkley 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 in the January 14, 2014 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this state, as required by the Open Meetings Act. 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 Philip Barkley, Tom Kubert, Marc Woodle, Chris Langemeier, and Larry Saxton were present. Also present were Director, Tyler Kohtz, Compliance and Licensing Specialist, Joya Weir, and Staff Assistant, Gail Parris.

ADOPTION OF THE AGENDA

Chairman Barkley 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 Kubert moved to adopt the agenda as printed. Board Member Langemeier seconded the motion. With no further discussion, the motion carried with Woodle, Langemeier, Saxton, Kubert and Barkley voting aye.

C. ELECTION OF OFFICERS

Board Member Kubert praised Board Member Barkley's leadership during the past year, and moved to nominate Philip Barkley as Chairman of the Board for 2014. Board Member Langemeier seconded the motion. With no further discussion, the motion carried with Saxton, Woodle, Langemeier and Kubert voting aye. Barkley abstained.

Board Member Langemeier expressed appreciation for the job Board Member Kubert did as the Vice-Chairman in 2013, and moved to nominate Tom Kubert as Vice-Chairman of the Board for 2014. Board Member Woodle seconded the motion. With no further discussion, the motion carried with Saxton, Langemeier, Woodle and Barkley voting aye. Kubert abstained.

The Nebraska Real Property Appraiser Board will meet in executive session for approval of applicants and enforcement matters.

Board Member Kubert moved that the Board go into executive session for the purpose of reviewing applicants for credentialing, applicants for appraisal management company registration, investigations, and other sensitive matters. A closed session is clearly necessary to prevent needless injury to the reputation of those involved. The time on the meeting clock was 9:14 a.m. Board Member Woodle seconded the motion. The motion carried with Langemeier, Kubert, Woodle, Saxton and Barkley voting aye.

Break from 9:44 a.m. to 10:00 a.m.

Adam Musiel appeared before the Board.

Break from 10:54 a.m. to 11:03 a.m.

William G. Blake appeared before the Board.

Break from 12:22 a.m. to 12:29 a.m.

Board Member Kubert moved to come out of executive session at 12:29 p.m. Board Member Langemeier seconded the motion. The motion carried with Saxton, Woodle, Langemeier, Kubert and Barkley voting aye.

G. WELCOME AND CHAIR'S REMARKS

Chairman Barkley welcomed newly appointed Board Member, Larry Saxton, to the Board, and expressed optimism for the Board's future with Mr. Saxton's addition. The Chairman spoke about the dedication of the Board and its staff, and indicated that the Board has made many improvements over the last two years. There were no public members in attendance.

H. BOARD MEETING MINUTES

1. APPROVAL OF DECEMBER 19, 2013 MEETING MINUTES

Chairman Barkley asked for any additions or corrections to the December 19, 2013 minutes. Board Member Kubert indicated that the action for 12-24 under Section D on Page 8 should state "Hold," and that the action for 13-27 on the same page should begin with "Open investigation 13-27." In addition, the action for 13-26 under Section D on Page 9 should include the word "appraisal" between "a" and "report" on the second line. Finally, the fourth line under Section E on Page 9 should read "The Board discussed the response received concerning inquiry I13-7. Director Kohtz informed the Board that these actions will be corrected. With no further discussion Board Member Kubert moved to adopt the minutes as amended. Board Member Langemeier seconded the motion. The motion carried with Woodle, Langemeier, Saxton, Kubert and Barkley voting aye.

I. DIRECTOR'S REPORT

Director Kohtz presented twelve charts outlining the number of appraisers and AMCs as of January 16, 2014. The Director summarized each chart and reported the number of appraisers as follows: 72 total Licensed, 69 resident and 3 reciprocal; 208 total Certified Residential, 171 resident and 37 reciprocal; 359 total Certified General, 244 resident and 115 reciprocal; and 6 Registered for a total of 645 appraisers. The total number of appraisers is down 50 from December 2013, and up fifteen from January 2013. Director Kohtz informed the Board that the decrease, due to nonrenewal, is fifteen less than the decrease at the end of last year, and the total number of appraisers is close to the 658 projected for the end of the renewal period. The Director went on to say that he anticipates that this gap between the actual number and projected number will close during January. Director Kohtz also indicated that there are 25 Trainees, which is up 9 from December 2013, and up 18 from January 2013.

In addition, the Director addressed the number of temporary permits issued. There were 17 permits issued in December 2013 compared to 3 permits issued in November 2013. 156 temporary permits were issued during the 2013 calendar year, which represents a 4% increase over the 150 temporary permits issued in 2012. Finally, Director Kohtz reported 105 AMCs registered, and no new AMC applications have been submitted since the last meeting.

Director Kohtz ended the Director's Report by welcoming new board member, Larry Saxton, and expressing his gratitude for the opportunity to work for Mr. Saxton.

J. FINANCIAL REPORT – JANUARY 2014

The receipts and expenditures for December were reviewed by the Director by line item with the Board. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$32,533.52 in expenditures and \$92,028.42 in revenues were reported. As of the end of December, expenses amount to 37.62 percent of the budgeted expenditures for the fiscal year; 50.41 percent of the fiscal year has passed. Considerations were made for expenditures for monthly obligations. Finally, Director Kohtz presented three charts outlining the Agency twelve month expenses and revenues, historic cash balance, and twelve month cash balance.

Board Member Kubert moved to accept and file the December 2013 Budget Status reports for receipts and expenditures for audit. Board Member Saxton seconded the motion. The motion carried with Langemeier, Woodle, Saxton, Kubert and Barkley voting aye.

Director Kohtz presented the invoice for the 2014 AARO dues, and asked if the Board would like to renew its AARO membership. Board Member Kubert made the motion to renew the Board's AARO membership for 2014 and pay the required dues. The motion was seconded by Woodle, and carried with Langemeier, Saxton, Woodle, Kubert and Barkley voting aye.

K. GENERAL PUBLIC COMMENTS

Chairman Barkley asked for any public comments. With no comments, the Chair proceeded to education.

L. EDUCATION

Staff Assistant Parris informed the Board that the correct course number for the Residential Narrative Report Writing course is C21402 and not C21402-I. Board Member Kubert moved to approve the following education requests as amended:

1. New Continuing Education Requests

A. National Association of Independent Fee Appraisers, Inc.

1. National USPAP Update 2014-2015. / 7 hours / (C21401)
2. Residential Narrative Report Writing / 7 hours / (C21402)

Seconded by Woodle. Chairman Barkley called for the vote. The motion carried with Saxton, Woodle, Langemeier, Kubert and Barkley voting aye.

Board Member Kubert moved to take the following actions on instructor requests:

2. Instructor Requests

A. National Association of Independent Fee Appraisers, Inc.

- I. Michael Orman – *Approved with advisory letter***
 - a. National USPAP Update 2014-2015 (C21401)**
 - b. Residential Narrative Report Writing (C21402)**

B. American Society of Farm Managers & Rural Appraisers, Inc.

- 1. James Cannon - *Approved***
 - a. USPAP Update 2014-2015 (C21401)**

Seconded by Woodle. With no further discussion, Chairman Barkley called for the vote. The motion carried with Langemeier, Saxton, Woodle, Kubert and Barkley voting aye.

M. UNFINISHED BUSINESS

1. COUNTY APPRAISER CONTRACTS UPDATE: No update.

- 2. NEW CREDENTIAL UPDATE:** The Board discussed LB733 introduced by Senator Schumacher on January 9, 2014. The purpose of LB733 is to adopt the Mass Assessment Act for valuation of real property for ad valorem taxes. Board Member Kubert indicated that this bill is not in the best interests of the public and credentialed real property appraisers. The bill duplicates already existing government, puts unnecessary burden on the Department of Revenue, the board structure is not equitable and is overly controlling of the appraiser member, the program structure is not self-sustainable, and it would exempt contractors providing appraisal services to counties for ad valorem purposes from the Real Property Appraiser Act. Board Member Kubert made a motion to oppose LB733. Board Member Saxton seconded the motion. With no further discussion, Chairman Barkley called for the vote. The motion carried with Langemeier, Saxton, Woodle, Kubert and Barkley voting aye.

3. NRPAB STANDARD 3 REVIEWER PROGRAM: No update.

N. NEW BUSINESS

- 1. APPRAISER DISCLOSURE STATEMENT:** Director Kohtz presented an Appraiser Disclosure Statement required in the State of Ohio. The statement requires an Ohio appraiser to verify that the work completed by the appraiser was within his or her scope, and that the appraiser acted as a disinterested and unbiased third party. Board Member Woodle indicated that he asked that this be put on the agenda because he found it to be interesting that the State of Ohio requires this. No action was taken.

O. LEGISLATIVE REPORT AND BUSINESS

- 1. 2015 LAW REWRITE UPDATE:** Director Kohtz provided an update to the Board regarding the three bills introduced on January 8, 2014. Senator Gloor introduced LB717 containing the real property appraiser qualifications changes, and Senator Christensen introduced LB684 containing general changes to the AMC Registration Act, along with LB685 containing general changes to the Real Property Appraiser Act. The Director indicated that he has been working on the fiscal notes for the three bills, and plans to have them complete next week. Finally, Director Kohtz thanked Board Member Langemeier for his work pertaining to the bills during the past month. The next step is the hearing for each bill before the Banking Commerce and Insurance Committee. The Director stated that he doesn't expect to receive any information from Bill Marienau regarding the hearing date and times until next week.

P. BOARD POLICIES AND PROCEDURES

1. BOARD POLICIES

- a. CURRENT BOARD POLICIES:** Board Member Kubert asked if Board Policy 02-05, addressing qualifying education instructor requirements, was still applicable. Director Kohtz indicated that the policy is no longer applicable because instructor renewals are now addressed in Title 298. Board Member Kubert also asked if Board Policies 02-10 and 02-11, addressing school mentor programs, are still applicable. The Board discussed these policies, and agreed that the mentoring program is no longer offered by anyone and the language is dated. Board Member Kubert made a motion to retire Board Policies 02-05, 02-10, and 02-11. Board Member Langemeier seconded the motion. With no further discussion, Chairman Barkley called for the vote. The motion carried with Saxton, Woodle, Langemeier, Kubert and Barkley voting aye.

Q. OTHER BUSINESS

- 1. CONFERENCES/EDUCATION:** Director Kohtz informed the Board that he would be speaking at the ASFMRA winter meeting on February 13, 2014. The Director asked if there were any specific topics that the Board would like him to cover during his presentation. The Board agreed that the changes to the trainee requirements and the potential laws changes should be discussed.

Chairman Barkley asked for any interest in attending the 2014 Spring AARO Conference in San Francisco from April 11th through April 13th. As of now, Director Kohtz is the only confirmed attendee. All board members agreed to check their schedules before the meeting next month. Chairman Barkley asked that the 2014 Spring AARO Conference be put on the February meeting agenda for discussion.

- 2. MEMOS FROM THE BOARD:** Director Kohtz presented a draft Memo From the Board titled "Appraisal Foundation Seeks Input From Licensed, Certified Residential, and Certified General Real Property Appraisers Concerning AQB Test Specifications." The Appraisal Foundation asked for an email list of credentialed appraisers to solicit for participation in a survey regarding test specifications. The Board does not release rosters that contain email addresses, so Chairman Barkley recommended that the Board send a memo to inform appraisers of the survey, and give them the opportunity to participate if wanted. A recommendation was also made that a Memo From the Board be drafted to inform appraisers of LB733, and encourage appraisers to speak to their local senator about this bill. Board Member Kubert made a motion to approve the Memo From the Board titled "Appraisal Foundation Seeks Input From Licensed, Certified Residential, and Certified General Real Property Appraisers Concerning AQB Test Specifications" as presented, and to approve the drafting of a Memo From the Board addressing LB733. The motion was seconded by Langemeier, and carried with Woodle, Saxton, Langemeier, Kubert and Barkley voting aye.

Board Member Kubert moved that the Board go back into executive session for the purpose of reviewing applicants for credentialing, applicants for appraisal management company registration, investigations, and other sensitive matters. The time on the meeting clock was 1:25 p.m. Board Member Langemeier seconded the motion. The motion carried with Saxton, Woodle, Langemeier, Kubert and Barkley voting aye.

Break from 2:29 p.m. to 2:42 p.m.

Board Member Kubert moved to come out of executive session at 3:12 p.m. Board Member Woodle seconded the motion. The motion carried with Saxton, Woodle, Langemeier, Kubert and Barkley voting aye.

D. CONSIDERATION OF APPLICANTS

1. CREDENTIALING AS NEBRASKA REAL PROPERTY APPRAISER:

Board Member Kubert moved to approve the supervisory appraiser addition for T2013013. Board Member Woodle seconded the motion. Motion carried with Langemeier, Saxton, Woodle, Kubert and Barkley voting aye.

Board Member Kubert moved to take the following actions for the applicants as listed:

- T13019 / Approved as trainee real property appraiser.**
- T13020 / Approved as trainee real property appraiser.**
- T13021 / Approved as trainee real property appraiser.**
- T13022 / Approved as trainee real property appraiser.**
- T13023 / Approved as trainee real property appraiser.**
- T13024 / Approved as trainee real property appraiser.**
- T13025 / Approved as trainee real property appraiser.**
- T13026 / Approved as trainee real property appraiser.**
- T13027 / Approved as trainee real property appraiser.**
- T13028 / Approved as trainee real property appraiser.**
- T13029 / Approved as trainee real property appraiser.**
- T13030 / Approved as trainee real property appraiser.**
- T13031 / Approved as trainee real property appraiser.**

Board Member Woodle seconded the motion. Motion carried with Langemeier, Saxton, Kubert, Woodle and Barkley voting aye.

Board Member Kubert moved to take the following action for credentialing applicant as listed:

- CG13026 / Denied; send letter informing applicant of reason for denial.**

Board Member Woodle seconded the motion. Motion carried with Saxton, Woodle, Langemeier, Kubert, Woodle and Barkley voting aye.

Board Member Kubert moved to take the following actions for credentialing applicants as listed:

CG13016 / Hold
CR13017 / Hold
CG13022 / Hold
CR13015 / Hold
L13002 / Hold
CR13006 / Hold
CR13007 / Approved
CR13014 / Hold
CR13009 / Hold
CG631 / Approved
CR13009 / Hold

Board Member Saxton seconded the motion. Motion carried with Langemeier, Woodle, Saxton, Kubert and Barkley voting aye.

Board Member Kubert moved to take the following action for real property appraiser credential renewal applicant as listed:

CR280113 / Approved; send advisory letter.

Board Member Woodle seconded the motion. Motion carried with Saxton, Woodle, Kubert, Langemeier and Barkley voting aye.

Board Member Kubert moved to take the following action for the temporary permit applicant as listed:

Application 1 / Approved

Board Member Langemeier seconded the motion. Motion carried with Woodle, Saxton, Kubert, Langemeier and Barkley voting aye.

2. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY:

Board Member Kubert moved to take the following action for the AMC renewal applicant as listed:

NE2012011 / Approved
NE2012047 / Approved; send advisory letter.
NE2012007 / Approved

Board Member Saxton seconded the motion. Motion carried with Woodle, Langemeier, Kubert, Saxton and Barkley voting aye.

E. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS:

Vice Chair Kubert moved to take the following enforcement actions:

11-12 / Hold

12-11 / Amend Consent Agreement to remove the 7-Hour Report Writing Update course, and reduce time Respondent is restricted from supervising or training an individual, including co-signing reports, to three months from the execution of the agreement.

12-20 / Hold

12-21 / Request true copy of appraisal report and workfile.

12-27 / Hold

13-06 / Consent Agreement signed by Board Chair.

13-07 / Closed

13-09 / Consent Agreement signed by Board Chair.

13-14 / Hold

13-15 / Hold

13-20 / Dismissed without prejudice; send advisory letter.

Board Member Woodle seconded the motion. Motion carried with Saxton, Langemeier, Kubert, Woodle and Barkley voting aye.

Board Member Woodle moved to take the following enforcement actions:

12-24 / Hold

12-29 / Hold

12-31 / Send appraisal report and workfile for Standard 3 review.

13-18 / Amend Consent Agreement to remove the 15-Hour USPAP course, the 30-Hour General Appraiser Report Writing and Case Studies course, and reduce the quarterly log submission requirement to six months beginning three months after the execution of the agreement. The Respondent shall select and submit one report, along with a Standard 3 review for the selected report, to the Board with each log submission.

13-19 / Amend Consent Agreement to remove the 15-Hour USPAP course, the 30-Hour General Appraiser Report Writing and Case Studies course, and reduce the quarterly log submission requirement to six months beginning three months after the execution of the agreement. The Respondent shall select and submit one report, along with a Standard 3 review for the selected report, to the Board with each log submission.

13-27 / Hold

Board Member Langemeier seconded the motion. Motion carried with Saxton, Woodle, Langemeier and Barkley voting aye. Kubert abstained.

Vice Chair Kubert moved to take the following enforcement actions:

12-06 / Hold

13-10 / Hold

13-13 / Hold

13-23 / Hold

13-24 / Offer Consent Agreement requiring Respondent to complete and successfully pass examination for a 15-Hour Statistics, Modeling, and Finance course, pay \$500.00 for costs associated with investigation within 60 days of execution of agreement, and submit a quarterly log for one year beginning three months after the execution of the agreement. Respondent shall be responsible for any costs associated with any appraisal reports selected from the logs and sent for Standard 3 review, and all submissions must be compliant with Nebraska law and the current edition of USPAP.

13-25 / Offer Consent Agreement requiring Respondent to complete and successfully pass examination for a 15-Hour Statistics, Modeling, and Finance course, pay \$500.00 for costs associated with investigation within 60 days of execution of agreement, and submit a quarterly log for one year beginning three months after the execution of the agreement. Respondent shall be responsible for any costs associated with any appraisal reports selected from the logs and sent for Standard 3 review, and all submissions must be compliant with Nebraska law and the current edition of USPAP.

13-26 / Hold

Board Member Woodle seconded the motion. Motion carried with Saxton, Langemeier, Woodle and Kubert voting aye. Barkley abstained.

Vice Chair Kubert moved to take the following enforcement actions:

13-21 / Offer Consent Agreement requiring Respondent to complete and successfully pass examination for a 15-Hour USPAP course, a 30-Hour General Appraiser Market Analysis and Highest and Best Use course, pay \$750.00 for costs associated with investigation within 60 days of execution of agreement, and submit a quarterly log for one year listing all work pertaining to properties within Nebraska beginning three months after the execution of the agreement. Respondent shall be responsible for any costs associated with any reports selected from the logs and sent for Standard 3 review, and all submissions must be compliant with Nebraska law and the current edition of USPAP.

Board Member Saxton seconded the motion. Motion carried with Langemeier, Saxton, Kubert and Barkley voting aye. Woodle abstained.

F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

The Board discussed the second response received concerning inquiry I13-15.

An appraisal discovered by a board member during routine business was discussed by the Board. The appraisal was prepared by an individual that does not hold a credential issued by the Board. This matter has been assigned inquiry number I14-1.

Vice Chair Kubert moved to take the following actions for the above mentioned matters:

- I13-4 / Hold**
- I13-6 / Hold**
- I13-7 / Hold**
- I13-15 / Closed**
- I14-1 / Send letter of inquiry and carbon copy the Indiana Real Estate Appraiser Licensure and Certification Board.**

Board Member Langemeier seconded the motion. Motion carried with Woodle, Saxton, Langemeier, Kubert and Barkley voting aye.

R. NEXT MEETING DATE – FEBRUARY 20, 2014, LOWER LEVEL “F” NSOB

S. ADJOURNMENT

Board Member Woodle moved to adjourn the meeting. Board Member Langemeier seconded the motion. Motion carried with Saxton, Woodle, Kubert, Langemeier and Barkley voting aye.

At 3:29 p.m. Chairman Barkley adjourned the January 16, 2014 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on January 31, 2014, in compliance with Nebraska Statute §84-1413 (5).