

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

**February 19, 2015 Meeting Minutes**

**A. OPENING**

Chairman Thomas Kubert called to order the February 19, 2015 meeting of the Nebraska Real Property Appraiser Board at 9:04 a.m., in conference room "A" located on the lower level of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

**B. NOTICE OF MEETING**

Chairman Kubert 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 February 16, 2015 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 Thomas Kubert, Marc Woodle, Larry Saxton, and Sandra Gutwein were present. Board Member Christopher Langemeier was absent and excused. Also present were Director, Tyler Kohtz, and Compliance and Education Specialist, Anthony Dreesen, and Business and Licensing Specialist, Jayme Kienholz-Howsden.

**ADOPTION OF THE AGENDA**

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

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

Board Member Woodle 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 9:07 a.m. Board Member Saxton seconded the motion. The motion carried with Woodle, Saxton, Gutwein, and Kubert voting aye.

Break from 10:21 a.m. to 10:35 a.m.

Board Member Woodle moved to come out of executive session at 10:52 a.m. Board Member Saxton seconded the motion. The motion carried with Gutwein, Saxton, Woodle, and Kubert voting aye.

## **G. WELCOME AND CHAIR'S REMARKS**

Chairman Kubert welcomed the general public, board members and staff, and then brought special attention to Business and Licensing Specialist Kienholz-Howsden's first meeting. Diane Moore was the only member of the Public in attendance.

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF JANUARY 22, 2015 MEETING MINUTES**

Chairman Kubert asked for any additions or corrections to the January 22, 2015 minutes. With no discussion, Member Kubert brought attention to the action for the NAIFA course titled "Defensible Appraisal Practice" on Page 4 under Section M. Chairman Kubert indicated that the action should include the course number "C21528," and the number of hours, 7, the course is approved for. Director Kohtz informed the Board that this correction will be made. Board Member Saxton moved to adopt the January 22, 2015 meeting minutes as amended. Board Member Woodle seconded the motion. The motion carried with Woodle, Saxton, Gutwein, and Kubert voting aye.

## **I. DIRECTOR'S REPORT**

Director Kohtz presented twelve charts outlining the number of appraisers and AMCs as of February 19, 2015. The Director summarized each chart and reported the number of appraisers as follows: 67 total Licensed, 63 resident and 4 reciprocal; 216 total Certified Residential, 178 resident and 38 reciprocal; 373 total Certified General, 242 resident and 131 reciprocal; and 0 Registered for a total of 656 appraisers. The total number of appraisers is up 9 from January 2015, and down 4 from February 2014. The Director also informed the Board that there are 54 Trainees, which is equal to January, and up 16 from February 2014.

In addition, the Director addressed the number of temporary permits issued. There were 13 permits issued in January compared to 17 permits issued in December. As of January 31, 2015, 13 temporary permits have been issued for the calendar year. Finally, Director Kohtz reported 113 AMCs registered, and one new AMC application has been submitted since the last meeting.

Director Kohtz finished by welcoming new Business and Licensing Specialist Kienholz-Howsden, and thanking Compliance and Education Specialist Dreesen for all of his hard work during the past month while the Board was short staffed.

## **J. NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION PRESENTATION**

Chairman Kubert introduced Frank Daley, Executive Director of the Accountability and Disclosure Commission, the state agency which regulated personal financial disclosure and conflicts of interest, political committee organization, campaign financing, and lobbying as would apply to state and executive branch officials. Mr. Daley expressed appreciation to the Board for the invitation to provide information about some of the more important laws and rules and regulations that apply to Board members as state government officials. He explained to the Board that not knowing the conflict of interest laws, and the laws applicable to Board or Commission members, makes appointees particularly vulnerable in the environment in which Board members operate. With the intention of presenting the basic information of what applies and how it applies, Mr. Daley gave each Board member a summary of the accountability laws and how they apply to Board members. Mr. Daley followed the outline of his handout as he covered and expanded on each topic.

First topic of discussion addressed the statements of financial interests. Only the Board's executive director is required to submit a statement of financial interest, so Mr. Daley did not provide much detail regarding this requirement.

*(Continued on Page 3)*

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Mr. Daley then discussed Conflict of Interest. He explained that a person has a conflict of interest as a state public official if faced with taking an official action or making an official decision which could result in a financial benefit or a financial detriment to the official, whether it is to a family or business which the official is associated. He explained that “business with which you are associated,” has a very broad definition, and noted that as a member of the Board, an association to an entity could become a conflict of interest if something related to that entity comes before the Board for a decision. Mr. Daley went on to explain that a “family member,” is defined as a spouse, a child residing in household, or a federal income tax dependent. Nebraska law provides a process for dealing with conflicts. He advised that if one believes he or she has a potential conflict of interest, it must be disclosed in writing to the Accountability and Disclosure Commission on the Commission forms. The Commission will respond in writing. If the Commission believes there is a conflict, the Commission will advise what must be done to deal with the situation. “Typically,” he said, “if the Commission finds a conflict of interest exists, the Commission advises the official to abstain from voting on the matters in which the conflict exists.”

Mr. Daley noted that there are exceptions to entering into a contract with other government entities, and those exceptions do require steps that will ensure all business dealings and processes are on top of the table and open to public view.

According to Mr. Daley, state law does not prohibit public officials from accepting gifts, but there are guidelines. There is a law against receiving gifts from lobbyists and principals, who are prohibited from giving gifts with a value of no more than \$50 per month. He also spoke about prohibition against use of the power of public position for financial gain, including use of any confidential information received as a member of a Board and personal use of Board resources. He added that there is a public perception that the Board members should consider. What may be legal may not be publicly acceptable.

The final topic discussed by Mr. Daley is that of nepotism, or the act of hiring, promoting, or advancing a family member in state government, including the initial appointment and transfer to other positions in state government; a situation that would probably not be encountered by a member of the Board, but that every public official or employee must be aware of.

Mr. Daley affirmed the Commission’s goal is to provide information needed, so that state government officials can comply with state law. Responses are given to all questions by telephone, even “hypothetical” questions. If something more formal is required, the Commission will provide an answer in writing.

Chairman Kubert and members of the Board expressed sincere appreciation to Mr. Daley for his informative presentation.

Break from 11:34 a.m. to 11:43 a.m.

Lunch served to board members and staff at 11:45

## **K. FINANCIAL REPORT AND CONSIDERATIONS– FEBRUARY 2015**

### **1. APPROVAL OF JANUARY RECEIPTS AND EXPENDITURES**

The receipts and expenditures for January were reviewed by the Director by line item with the Board. Director Kohtz provided details related to some specific January expenses. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$27,122.55 in expenditures and \$11,481.90 in revenues were reported. As of the end of January, expenses amount to 57.88 percent of the budgeted expenditures for the fiscal year; 58.9 percent of the fiscal year has passed. Director Kohtz informed the Board that the restricted budget approved in January has had a positive impact on expenditures. For the first time this fiscal year, the percentage of budgeted expenditures expended is less than the percentage of fiscal year that has passed. Finally, Director Kohtz presented three charts outlining the Agency twelve month expenses and revenues, historic cash balance, and twelve month cash balance.

Board Member Saxton moved to accept and file the January 2015 budget reports for audit. Board Member Woodle seconded the motion. The motion carried with Woodle, Saxton, Gutwein, and Kubert voting aye.

### **2. FY14-15 REVISED BUDGET**

Director Kohtz informed the Board that the FY 2014-15 Budget deficit request made to the Legislative Fiscal Office on January 8, 2015 in the amount of \$25,000.00 was approved by the Appropriations Committee. Director Kohtz informed the Board that full funding will be restored to the categories in which funding was reduced in January; a revised budget will be presented to the Board once the appropriations bill is passed by the legislature.

### **3. 2015-17 BIENNIAL BUDGET REQUEST UPDATE**

Director Kohtz provided the Board a breakdown of the Governor's 2015-17 Biennial Budget recommendations and the Appropriation Committee's preliminary 2015-17 Biennial Budget recommendation. The Governor's budget includes \$16,000.00 for contractual services, \$5,247.00 on FY17 for employee health insurance elections, and \$12,000.00 for temporary staffing; no other requested items were funded. The Appropriations Committee's preliminary budget includes full funding for administrative services projected rates, \$6,000.00 for temporary staffing, and \$15,000.00 for contractual services; no other requested items were funded. Director Kohtz informed the Board that its hearing before the Appropriations Committee is on February 24, 2015, and he intends to ask for full funding for all items outlined in the Board's original request and subsequent request, with the exception of the request of funding for the appraiser profession awareness program and unemployment insurance. The Director also added that he does not expect funding to be approved for the distribution of USPAP books to resident credentialed appraisers. He continued by saying that the Appropriations Committee did not see it as an essential expenditure during the last biennial budget, and the mood is very similar during this biennial budget discussion. Chairman Kubert asked, "What is the cost of distributing these books?" Director Kohtz responded, "The cost totals \$18,000.00; it is a substantial amount of money." Board Member Saxton asked, "Could USPAP be distributed electronically?" Director Kohtz responded, "It could be, and that was also part of the Appropriations Committee's discussion during the last biennial budget cycle." Chairman Kubert and Director Kohtz agreed that the Board should continue this discussion if funding is not approved for the distribution of USPAP books. Director Kohtz asked the Board if it had any other recommendations or concerns. There was no further discussion.

#### **4. 2015 AARO MEMBERSHIP DUES**

Director Kohtz presented the invoice for the 2015 AARO dues, and asked if the Board would like to renew its AARO membership. Board Member Saxton made the motion to renew the Board's AARO membership for 2015 and pay the required dues. The motion was seconded by Woodle, and carried with Saxton, Gutwein, Woodle, and Kubert voting aye.

#### **5. RELOCATION EXPENSES**

Director Kohtz provided estimates to the Board for expenses related to the relocation of the office. The estimates include \$1,750.00 for board meeting room tables and a small conference room/break room table, \$1,200.00 for chairs for the board room and the seasonal employee workstation, \$100.00 for a coffee maker to provide coffee during board meetings, and \$500.00 for office decoration and signage. Director Kohtz informed the Board that he is working to go outside of contract for these purchases to save a substantial amount of money. In addition, the Director informed the Board that Administrative Services has the parts needed for the temporary seasonal employee workstation, so the Board will accrue no additional cost to have this workstation installed. The Board asked Director Kohtz for clarification on a few items. With no further discussion, board Member Woodle made a motion to approve funding for expenses related to the relocation as presented, and approve an additional \$500.00 for contingency. The motion was seconded by Gutwein, and carried with Saxton, Woodle, Gutwein, and Kubert voting aye.

#### **L. GENERAL PUBLIC COMMENTS**

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

#### **M. EDUCATION**

Board Member Saxton moved to take the following actions on education and instructor requests as listed:

##### **Continuing Education Renewal Activities and Instructors**

1. Career WebSchool
  - a. An FHA Single Family Appraisal (C21031-I)/14 Hours- *Approve*
    1. A.M. "Bud" Black- *Approve*
  - b. Residential Appraiser Site Valuation and Cost Approach (C21523-I)/14 Hours- *Approve*
    1. A.M. "Bud" Black- *Approve*
  - c. Residential Market Analysis and Highest & Best Use (C21524-I)/14 Hours- *Approve*
    1. A.M. "Bud" Black- *Approve*
  - d. Residential Report Writing and Case Studies (C21525-I)/14 Hours- *Approve*
    1. A.M. "Bud" Black- *Approve*

##### **Continuing Education Instructors**

1. Appraisal Institute
  - a. Larry Wright - Marketability Studies: Advanced Considerations (C21233) - *Approve*

##### **New Continuing Education Activities and Instructors**

1. Appraisal Institute
  - a. Contract or Effective Rent: Finding the Real Rent (C21519)/4 Hours - *Approve*
    1. Tom Hamilton- *Approve*

2. McKissock, LP
  - a. Appraisals of Owner-Occupied Commercial Properties (C21521-I)/7 Hours- *Approve*
    1. Tracy Martin- *Approve*
  - b. Appraisal of Industrial Incubators (C21522-I)/7 Hours- *Approve*
    1. Tracy Martin- *Approve*

#### **New Qualifying Education Activities and Instructors**

1. The Moore Group
  - a. Basic Appraisal Procedures (QE21520)/30 Hours- *Approve*
    1. Bradford Moore- *Approve*
    2. Diane Moore- *Approve*

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

#### **N. UNFINISHED BUSINESS**

1. **NRPAB STANDARD 3 REVIEW FORM UPDATE:** Compliance and Education Specialist Dreesen provided an update regarding the progress of the 2014-15 USPAP Standard 3 Compliance Review Report form. A discussion about USPAP Standard 1 questions and comments found on the form took place; the Board indicated that references to Standard 1 should be removed. Chairman Kubert indicated that a comment be added to inform reviewers that the review may be used as basis for testimony. With no further discussion, Board Member Woodle made a motion to approve the 2014-15 USPAP Standard 3 Compliance Review Report form as amended. The motion was seconded by Saxton, and carried with Gutwein, Woodle, Saxton, and Kubert voting aye.

#### **O. NEW BUSINESS**

1. **REAL ESTATE COMMISSION PREVAILS IN UNLICENSED PRACTICE LAWSUIT:** Director Kohtz presented a summary explaining a recent disciplinary case for the Real Estate Commission concerning unlicensed practice. The Director indicated that this is a good test for the Real Estate Commission's statutory authority to issue cease and desist orders, which is relevant to the Board because the language in LB139 is modeled after the language in the Real Estate Licensing Act. The federal court ruled to dismiss the lawsuit challenging the Real Estate Commission's authority to regulate unlicensed brokerage practices. There was no further discussion.
2. **NRPAB RELOCATION UPDATE:** Director Kohtz provided an update to the Board regarding the relocation of the Board's office to the first floor of the Nebraska State Office Building. The anticipated move date has been pushed back to April 1, 2015, but it could be moved back even further if work does not move at a quicker pace.

#### **P. LEGISLATIVE REPORT AND BUSINESS**

1. **LEGISLATIVE UPDATE:** Director Kohtz provided an update to the Board regarding legislation introduced during the current session that the Board may have interest in. The following bills were addressed:

**LB51** – This bill requires disclosures prior to joining a risk management pool under the Intergovernmental Risk Management Act. It has no direct impact on the Board, but references all public agencies. The hearing before the Banking, Commerce and Insurance Committee is set for February 24, 2015. No action taken by the Board.

- LB139** – Advanced out of Committee with an 8-0 vote as amended by AM119. Director Kohtz requested that the Board take an official position in support of AM119. Board Member Woodle made a motion to support AM119. The motion was seconded by Saxton, and carried with Saxton, Gutwein, Woodle, and Kubert voting aye. Chairman Kubert thanked Director Kohtz for the guidance through the legislative process.
- LB282** – This bill change provisions relating to closed sessions for public bodies. Specifically, discussions regarding applicants for a public position, other than the four finalists, may be kept in closed session. No action was taken by the Board.
- LB356** – This bill changes provisions relating to the assessment of certain rent-restricted housing projects. A Rent-Restricted Housing Projects Valuation Committee is created by this bill, and one of the sitting members is “An appraiser from the private sector appointed by the Tax Commissioner.” Such appraiser must hold either a valid credential as a certified general real property appraiser under the Real Property Appraiser Act or an MAI designation from the Appraisal Institute. Director Kohtz asked the Board if it has any concerns with this language. Chairman Kubert brought up the fact that the bill does not necessarily require a Nebraska credentialed appraiser. The Board held a brief discussion, and concluded that no action should be taken by the Board.
- LB375** – This bill changes provisions relating to broker's price opinions and comparative market analysis. Specifically, this bill would allow the use of a Broker Price Opinion and Comparative Market Analysis for real property tax appeals. The language in this bill resulted from the discussions between the Nebraska Realtor’s Association and the Board. Director Kohtz recommended that the Board support this bill. Board Member Woodle made a motion to support LB375 and authorize Director Kohtz to testify in support of the bill on behalf of the Board. The motion was seconded by Saxton, and carried with Gutwein, Saxton, Woodle, and Kubert voting aye.
- LB606** – This bill adopts the Office of Inspector General of the Nebraska Correctional System Act, changes provisions relating to the Public Counsel, and mandates a declaration by the Governor of a correctional system overcrowding emergency as prescribed. On the surface, this bill does not appear to impact the Board, but Section 36 changes to definition of rule or regulation to include statements, policies, instructions, guidelines, criterion, or standards of general applicability issued by an agency. This change would eliminate the Board’s ability to adopt board policies to help administer the Real Property Appraiser Act or the AMC Registration Act, which would mean that the Board would likely have to make rule change every time industry changes or challenges causes the Board to evaluate how it is administering each act. This bill would also make all licensing agencies unreasonably unresponsive and liable to inconsistent administration. The Board shared Director Kohtz’s concerns. Board Member Woodle made a motion to oppose LB606 and authorize Director Kohtz to draft a letter to the Judiciary Committee expressing the Board’s position. The motion was seconded by Gutwein, and carried with Saxton, Gutwein, Woodle, and Kubert voting aye.
- LB646** – This bill eliminates provisions for secret ballots for leadership under the Open Meetings Act. Director Kohtz informed the Board that this bill is included for informational purposes only. Although it does impact the Open Meetings Act, it does not impact any procedures of the Board. No action taken by the Board.

2. **TITLE 298:** Director Kohtz presented the drafted Title 298 changes to the board for consideration. Director Kohtz brought attention to specific sections throughout for discussion. The Board agreed that the administrative fees as drafted are acceptable.

Director Kohtz then asked the Board about submission requirements for courses completed in another jurisdiction. Specifically, Director Kohtz asked if the Board had any concerns with removing the documentation submission requirements showing that a course meets or exceeds Nebraska's requirements. Director Kohtz went on to say that the appraiser does not understand what is being asked of them, and the staff has to research the requirements any way. It would be better for staff to be able to control this evaluation with information obtained from within. The Board agreed with this change.

Next the "in lieu of" education for the licensed credential was discussed. Director Kohtz informed the Board that the requirements were modeled after the pre-2015 AQB requirements for the certified residential credential. Board Member Saxton explained, "The requirements are already so cumbersome to become credentialed, is there any reason why the "in lieu of" education requirements should be so detailed?" Board Member Woodle indicated that he supports the requirements as drafted. Board Member Kubert asked, "Could the requirements be made more general?" Director Kohtz responded, "Yes, the requirements can be made more general, but I would like to maintain a standard for the staff to use to evaluate education." Board Member Woodle once again expressed support for the requirements as drafted. Chairman Kubert asked for a motion. Board Member Woodle made a motion to approve the licensed credential "in lieu of" education as drafted. The motion was seconded by Kubert. Chairman Kubert called for a vote. Gutwein – No; Saxton – No; Woodle – Yes; Kubert – No. Chairman Kubert asked Director Kohtz to redraft this section to make the "in lieu of" education requirements more general.

Chairman Kubert then brought attention to a couple of sections that still have a reference to the registered credential. Director Kohtz informed the Board that the references were included before the January 1, 2015 requirements went into effect, and all references to the registered credential will be removed.

Director Kohtz next brought attention to the credential applicant evaluation process found in Chapter 2, and asked the Board if it would like to make changes in these sections. The Board agreed that the language should be changed to direct more of the administrative process to the staff. Director Kohtz informed the Board that the language will be redrafted so that the experience logs are evaluated by staff, reports are selected by staff for review, sent for review, then the reports, reviews, and logs are sent to the Board for approval of an applicant's experience, along with his or her education. An applicant will be approved to sit for exam by the Board. Once the applicant completes the exam, a credential will be issued.

Director Kohtz moved to the reciprocity requirements and asked if the Board would like any changes to this section. The Board agreed that the Board should have the ability to select a report for review if needed, but should not be required to select a report for review. Director Kohtz informed the Board that "shall" will be changed to "may" to clarify this.

Director Kohtz brought attention to previous conversations regarding the seven-hour trainee and supervisor course and seven-hour report writing course completed in another jurisdiction. Director Kohtz reminded the Board that it had concerns because the requirements are too specific to allow any courses completed in another jurisdiction to qualify for these requirements. Director Kohtz asked if the Board would like to make the requirement for these two courses to be "of at least seven hours" for those completed in another jurisdiction. The Board agreed. While reviewing



Chapter 4, Section 001.09, Chairman Kubert asked that “or exceeds” be placed between “meets” and “the requirements.” Director Kohtz indicated that he will make the change.

The Board then discussed the AMC renewal requirements. Director Kohtz informed the Board that he would like to change the language in Chapter 6, 002.01C to say the documentation may be requested. The Board agreed with this change.

Finally, the Board discussed “Investigations and Disciplinary Proceedings.” Board Member Kubert asked that “Examination” be added to the list of disciplinary action taken by the Board found in Section 002.08. Director Kohtz asked if there were any concerns about the supervisory appraiser procedures as drafted. The Board agreed that Section 002.09D allow for a “get out of jail free card” for those that submit reports in violation of USPAP, and the Board would prefer that no such ability exists.

Break from 1:46 p.m. to 1:51 p.m.

## **Q. BOARD POLICIES AND PROCEDURES**

### **1. BOARD POLICIES**

**a. Current Board Policies:** No discussion.

**b. New Board Policies:** Director Kohtz presented amendments to Board Policies 12-04, 14-02, and 15-01 to the Board for review. Director Kohtz informed the Board that the amendment for 12-04 concerning the definition of employee was to remove the “full-time” requirement for the employee. This change is the result of conversations held with Larry Dix of NACO, in which Mr. Dix expressed the counties concerns with limiting an employee to full-time status only. Board Member Woodle moved to approve Board Policy 12-04 as amended. The motion was seconded by Saxton, and carried with Gutwein, Saxton, Woodle, and Kubert voting aye.

Director Kohtz then brought attention to Board Policy 14-02 concerning the acceptability of experience obtained in another jurisdiction. Board Member Kubert found an unintended loophole while reviewing this policy. If read correctly, the policy refers to 75% of experience, but does not limit the experience to required experience only. The amendment is intended to allow for only 75% of the required experience to qualify under this policy. Although the Board agreed that this should be corrected, a question arose concerning other language in the policy; specifically, the requirement that the experience should meet all applicable Nebraska laws if it is completed in another jurisdiction. Director Kohtz explained that the law requirement pertains to the circumstances under which the experience was obtained, and the requirements for the experience to be applicable for credentialing. The Board leaned towards removing this language, but was not sure. The Board agreed to hold this amendment for the March meeting.

The amendment for Board Policy 15-01 concerning the employee recognition program was discussed. Director Kohtz explained that the Board’s employee recognition policy must be approved by Administrative Services, and during review, the department made some recommendations. Director Kohtz indicated that the amendment reflects those recommendations. He also made one additional change based on the feedback received from Administrative Services. The award amount of \$100.00 was acceptable to Administrative Services, but the law allows for an award of up to \$500.00. The Director informed the Board that he amended the amount in the policy to reflect the maximum amount, so that the Board does not have to go through this process again if it wishes to issue an award for an amount that exceeds \$100.00. The Board agreed with these changes. Board Member Woodle made a motion to approve Board Policy 15-01 as amended. The motion was seconded by Saxton, and carried with Woodle, Saxton, Gutwein, and Kubert voting aye.

## 2. APPRAISER FORMS AND PROCEDURES

- a. **NRPAB Investigative Procedure Changes:** A discussion took place concerning the recommended changes to the Board's investigative procedures. Board Member Kubert and Director Kohtz outlined the recommended changes and presented the pros and cons. Board Member Saxton was unsure of the reduced role the Board will play in the investigative process under the proposed procedure changes. Board Member Saxton indicated, "Investigations require an expertise, and the board members have that expertise. No offense to staff, but it just does not have what is needed." Board Member Kubert explained the need to remove board members from the process to remove bias from the investigation and ensure that the current legal obstacles are removed. Board Member Saxton indicated that he is unsure of how to accomplish this. Chairman Kubert indicated that this item will be held for the March meeting to give him and Director Kohtz a chance to include the feedback received into the procedures.

## R. OTHER BUSINESS

1. **BOARD MEETINGS:** No discussion.

### 2. CONFERENCES/EDUCATION

- a. **2015 Spring AARO Conference:** Director Kohtz brought attention to the Spring AARO Conference in Nashville, TN to be held from May 1<sup>st</sup> through 3<sup>rd</sup>. Director Kohtz informed the Board that he will be in attendance, and recommended that due to the tight budget, at the most, only one board member attend. Chairman Kubert indicated that the Spring conference is typically lighter than the Fall conference, and felt that Director Kohtz could represent the Board well on his own. There was no further discussion. Board Member Woodle made a motion to approve Director Kohtz for attendance at the Spring AARO Conference. Seconded by Gutwein, and carried with Saxton, Woodle, Gutwein, and Kubert voting aye.

2. **MEMOS FROM THE BOARD:** No discussion.

3. **APPRAISAL SUBCOMMITTEE:** Director Kohtz reminded the Board that the ASC will be at the next meeting, and will be in the office from March 17<sup>th</sup> through 19<sup>th</sup> for the audit. Director Kohtz informed the Board that staff will begin preparation shortly after this meeting.

### 4. APPRAISAL FOUNDATION

- a. **Fifth Exposure Draft of Proposed Revision to the Real Property Appraiser Qualification Criteria and Guide Note 9:** Director Kohtz presented the Fifth Exposure Draft of Proposed Revision to the Real Property Appraiser Qualification Criteria and Guide Note 9 to the Board for review. The Director brought attention to some concerns that he found in this version. First, an applicant should not be eligible for a credential if he or she does not have a clean record for at least five years, two pages later under "Rehabilitation," multiple factors, such as restitution, should be considered while determining if an applicant's background is inconsistent with public trust. Director Kohtz asked, "How are these requirements to be enforced, and how is that enforcement to be evaluated by the ASC?" Director Kohtz went on to say that the gray area created by this language is concerning. There was no further discussion.

Board Member Woodle 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 2:23 p.m. Board Member Saxton seconded the motion. The motion carried with Saxton, Woodle, Gutwein, and Kubert voting aye.

Board Member Woodle moved to come out of executive session at 3:07 p.m. Board Member Gutwein seconded the motion. The motion carried with Saxton, Woodle, Gutwein, and Kubert voting aye.

**C. CONSIDERATION OF APPLICANTS AS NEBRASKA REAL PROPERTY APPRAISER:**

Board Member Woodle moved to take the following actions for the applicant as listed:

- T15001 / Approve as Trainee Real Property Appraiser**
- T15001 (SA) / Approve as Supervisory Appraiser**
- T2014041 (SA) / Approve as Supervisory Appraiser**
- CG15007R / Requirements for credentialing as a Certified General Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CG15008R / Requirements for credentialing as a Certified General Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CG15009 / Approve to sit for exam and staff select three reports and send for review.**
- CG14021 / Send redacted copy of Standard 3 review for Dodge Street report, request written response within 10 days of receipt, and invite to advisory meeting. Board Member Kubert assigned. Director Kohtz authorized to respond to applicant's email request.**
- CR14024 / Hold**
- CG14041 / Send redacted copy of Standard 3 reviews, request written response within 10 days of receipt, and invite to advisory meeting.**
- CR14025 / Send redacted copy of Standard 3 reviews, request written response within 10 days of receipt, and invite to advisory meeting.**
- CG14037 / Send redacted copy of Standard 3 reviews, request written response within 10 days of receipt, and invite to advisory meeting.**
- CR14022 / Inform applicant of experience approval.**
- CR14026 / Hold**
- CR14017 / Inform applicant of experience approval.**

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

Board Member Woodle moved to approve all renewal applications received at that Board's office postmarked between January 20, 2015 and February 17, 2015 with advisory letters. The motion was seconded by Saxton, and carried with Gutwein, Saxton, Woodle, and Kubert voting aye.

**D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY: None**

**E. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS:**

Vice Chair Woodle moved to take the following enforcement action:

- 15-01 / Dismiss without prejudice.**

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

Board Member Woodle moved to take the following enforcement actions:

- 13-18 / Dismiss without prejudice.**
- 13-23 / Close**
- 13-24 / Hold**
- 13-25 / Hold**
- 13-26 / Request appraisal report and workfile from log.**
- 14-15 / Hold**
- 14-16 / Hold**
- 14-17 / Hold**
- 14-18 / Hold**
- 14-19 / Hold**
- 14-20 / Hold**
- 14-22 / Hold**
- 14-23 / Hold**
- 14-24 / Hold**
- 14-26 / Hold**
- 14-27 / Hold**
- 14-34 / Send redacted copy of Standard 3 review, request written response within 10 days of receipt, and invite to informal meeting. Board Member Saxton appointed as Investigating Board Member.**

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

Board Member Saxton moved to take the following enforcement actions:

- 13-21 / Hold**
- 14-32 / Hold**
- 14-33 / Hold**
- 14-35 / Hold**

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

**F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS:**

Appraisal reports submitted to the Board for verification of experience by applicants for credentialing were discussed by the Board. The appraisal reports were found to contain USPAP deficiencies during Standard 3 review process, and the Board agreed to open an inquiry for each supervisory appraiser to gather more information concerning the subject appraisal reports and associated Standard 3 reviews. Inquiry numbers I15-1, I15-2, I15-3, I15-4, I15-5, I15-6, I15-7, I15-8, I15-9, and I15-10 were assigned.

Vice Chair Woodle moved to take the following actions for other executive session items:

- I14-32 / Hold**
- I14-33 / Hold**
- I15-1 / Open inquiry; send redacted copy of Standard 3 review, request written response within 10 days, and invite to informal meeting.**
- I15-2 / Open inquiry; send redacted copy of Standard 3 review, request written response within 10 days, and invite to informal meeting.**

- I15-3 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-4 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-5 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-6 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-7 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-8 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-9 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**
- I15-10 / Open inquiry; send redacted copy of Standard 3 review, and request written response within 10 days.**

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

**S. ADJOURNMENT**

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

At 3:17 p.m. Chairman Kubert adjourned the February 19, 2015 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on March 5, 2015, in compliance with Nebraska Revised Statute §84-1413 (5).