

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

January 18, 2018 Meeting Minutes

Swearing in of new Board Member David Hartman took place prior to the start of the meeting.

A. OPENING

Chairperson Chris Langemeier called to order the January 18, 2018 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., 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 Langemeier 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 15, 2018 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 Chris Langemeier, Benjamin Hynek, Christopher Mustoe, Gary McCormick, and David Hartman were present. Also present were Director Tyler Kohtz, Compliance and Education Officer Grant Krieger, and Business and Licensing Specialist Allison Nespor.

ADOPTION OF THE AGENDA

Chairperson Langemeier 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 Hynek moved to adopt the agenda as printed. Board Member Mustoe seconded the motion. With no further discussion, the motion carried with Hynek, Mustoe, McCormick, Hartman, and Langemeier voting aye.

C. ELECTION OF OFFICERS

Board Member Mustoe moved to nominate Ben Hynek as Chairperson of the Board for 2018. Board Member Hartman seconded the motion. With no further discussion, the motion carried with Hynek, Mustoe, McCormick, Hartman, and Langemeier voting aye.

Board Member Hynek moved to nominate Chris Mustoe as Vice-chairperson of the Board for 2018. Board Member McCormick seconded the motion. With no further discussion, the motion carried with Hynek, Mustoe, McCormick, Hartman, and Langemeier voting aye.

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

Board Member Mustoe 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. Chairperson Hynek asked for a second. Board Member McCormick seconded the motion. The time on the meeting clock was 9:04 a.m. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

Break from 9:30 a.m. to 10:00 a.m.

Board Member Hartman moved to come out of executive session at 10:00 a.m. Board Member Langemeier seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

H. WELCOME AND CHAIR'S REMARKS

Chairperson Hynek welcomed all to the meeting. The Chairperson then thanked Board Member Langemeier for his service, and congratulated new Board Member Hartman on his appointment. Roger Morrissey and Diane Moore were the only members of the general public in attendance.

I. BOARD MEETING MINUTES

1. APPROVAL OF DECEMBER 20, 2017 MEETING MINUTES

Chairperson Hynek asked for any additions or corrections to the December 20, 2017 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the December 20, 2017 meeting minutes as presented. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

2. APPROVAL OF AMENDED NOVEMBER 16, 2017 MEETING MINUTES

Director Kohtz brought attention to an error in the heading for Section I on page 3 of the November 16, 2017 minutes. The Director informed the Board that "October" should be "November." With no further discussion, Board Member Langemeier moved to adopt the amended November 16, 2017 meeting minutes as presented. Board Member Mustoe seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

J. DIRECTOR'S REPORT

1. APPRAISER COUNT REPORT

Director Kohtz presented seven charts outlining the number of appraisers as of January 18, 2018, and provided a brief summary on appraiser count trends. Specifically, the Director brought attention to the number of appraisers compared to the previous year. Director Kohtz informed the Board that the number of non-renewals are in line with the previous five years, excluding last year. The trends also show what an unusual year last year was in terms of renewal trends. The Director then asked for any questions or comments. There was no further discussion.

2. TEMPORARY PERMIT REPORT

Director Kohtz presented three charts outlining the number of temporary permits issued as of December 31, 2017, and informed the Board that the number of temporary permits issued at the end of 2017 is comparable to the two previous years. The Director informed the Board that temporary permit issuance continues to be strong. There was no further discussion.

3. SUPERVISORY APPRAISER COUNT REPORT

Director Kohtz presented two charts outlining the number of supervisory appraisers as of January 18, 2018, and informed the Board that two years' worth of data are now included in the five year trend report. There was no further discussion.

4. AMC COUNT REPORT

Director Kohtz presented two charts outlining the number of AMCs as of January 18, 2018, and asked for any questions or comments. There was no further discussion.

5. CREDENTIAL RENEWAL PROGRESS REPORT

Director Kohtz presented two charts outlining the credential renewals progress through January 12, 2018. Director Kohtz summarized each chart, and informed the Board that as of today 88% of projected renewal applications have been received, which is far ahead of the 83% for this time last year. The Director anticipates that the renewal projections will be met as the final applications trickle in during the next few months. Director Kohtz finished by informing the Board that it has been a typical renewal season. There was no further discussion.

K. FINANCIAL REPORT AND CONSIDERATIONS – JANUARY 2018

1. APPROVAL OF DECEMBER RECEIPTS AND EXPENDITURES

The receipts and expenditures for December were reviewed by the Director by line item with the Board in the Budget Status Report. The Director brought attention to the other contractual services expense and informed the Board that the higher than normal expense is due to the number of criminal history record checks required for appraiser credential renewals and AMC registration renewals. As of the end of December, expenses amount to 35.39 percent of the budgeted expenditures for the fiscal year; 50.41 percent of the fiscal year has passed. Director Kohtz then pointed the Board to the revenues, and informed the Board that the credential renewal revenues continue to creep up. The Director finished by stating that fees for new certified residential real property appraisers and AMC applications will be two areas to keep an eye on during the second half of the fiscal year; both of these revenue categories are below expectations for this point in the fiscal year. The Director asked for any questions related to the Budget Status Report. There was no further discussion.

The Director then brought attention to the General Ledger for December, and pointed the Board to the State Patrol expenditure of \$859.73 on page K.8, and \$226.25 on page K.11. Director Kohtz informed the Board that these are the expenditures attributed to the criminal history record checks required for appraiser credential renewals and AMC registration renewals as previously mentioned. The Director also indicated that the "Purchase Card Transaction" expense shown under postage expense is the annual amount due for postal box rental. Director Kohtz then asked if the Board had any questions pertaining to the General Ledger. There was no further discussion.

Director Kohtz then presented three graphs showing expenses, revenues, and cash balance. For the Real Property Appraiser Program, which includes both the appraiser fund and the AMC fund, a total of \$25,821.84 in expenditures and \$72,491.24 in revenues were reported.

Board Member Mustoe moved to accept and file the December 2017 financial reports for audit. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

2. OFFICE CHAIR REPLACEMENT (FRONT DESK)

Director Kohtz presented a request to replace the office chair at the front desk due to the wear of the current chair. Board Member Hartman moved to approve the request to replace the office chair at \$458.00 as shown. The motion was seconded by Mustoe, and carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

3. GOVERNOR’S FY 2017-19 MID-BIENNIUM BUDGET RECOMMENDATIONS

Director Kohtz presented the Governor’s FY 2017-19 mid-biennium budget recommendations to the Board for review. The Director informed the Board that its budget is not changed in the Governor’s recommendation; however, this could change at any time considering the recent tax receipt reports. Director Kohtz continued by saying that the Legislature’s Appropriation Committee will put its preliminary budget together, and more will be known at that time.

4. PER DIEMS

Director Kohtz informed the Board that he had no per diem requests for this meeting. Chairperson Hynek asked if any board members had a request for the Board to consider. There was no further discussion.

L. GENERAL PUBLIC COMMENTS

Chairperson Hynek asked for any public comments. With no comments, the Chair proceeded to Education.

M. EDUCATION

Board Member Mustoe moved to approve the following education activities and instructors as listed:

NEW QUALIFYING EDUCATION ACTIVITIES AND INSTRUCTORS

Appraisal Institute

15-Hour National USPAP Course (118101.02) / 15 Hours – Thomas Kirby

NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS

Appraisal Institute

Business Practices and Ethics (2181401.02) / 4 Hours – Bonnie Roerig

7-Hour National USPAP Update Course (218101.02) / 7 Hours – Thomas Kirby

American Society of Farm Managers and Rural Appraisers

7-Hour National USPAP Update Course (A114) (2181102.01) / 7 Hours –
Thomas Dobbin, Chris Greenwalt

Mid-West Appraiser Association

Appraisal Report Writing (2171201.08) / 7 Hours – Lynne Heiden

Seconded by Board Member Hartman. Chairperson Hynek called for the vote. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

Board Member Mustoe moved to deny the following education activity as listed:

NEW CONTINUING EDUCATION ACTIVITIES

National Association of Independent Fee Appraisers

Residential Report Writing Skills (2181101.11) / 7 Hours

Seconded by Board Member Hartman. Chairperson Hynek called for the vote. The motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

Board Member Mustoe moved to correct the course number for the McKissock, LLC activity titled “Intermediate Income Approach Case Studies for Commercial Appraisers” from 2171467.03 to 2172467.03. The motion was seconded by Hartman, and carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

N. UNFINISHED BUSINESS

1. ABSTRACTERS BOARD REQUEST FOR NRPAB TO PROVIDE ADMINISTRATIVE SERVICES

Director Kohtz presented a proposal from the Abstracters Board of Examiners for the Board to provide administrative services for the Abstracters Board to the Board for consideration. The Director informed the Board that he received the proposal a few days ago, so he has not had a chance to conduct much research. Director Kohtz indicated that, based on his preliminary assessment, it may be feasible for the Board to provide this service to the Abstracters Board, but he also has many questions that would need to be answered. The Director guided the Board to exhibit A, and indicated that he has no issues with the day to day operations as these functions can be absorbed into the agency’s daily procedures, but there are also many duties that are specialized, or that are executive functions, which will require much more vetting to determine if, or how, this proposal could work. Director Kohtz then moved to exhibit B and informed the Board that he has some concerns regarding the Abstracters Board’s budget and potential risks. Chairperson Hynek indicated that there are too many questions to make a decision today, and recommended that the Board table the discussion to allow the Director enough time to study the feasibility of implementing such an agreement and also the risk involved. Board Member Mustoe moved to table discussion while the Director investigates this matter. The motion was seconded by McCormick, and carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

2. OPEN AT-LARGE LICENSED REAL ESTATE BROKER/CREDENTIALLED APPRAISER POSITION

Director Kohtz informed the Board that another candidate has been added, and asked for any comments related to the appointment. There was no further discussion.

3. OPEN AT-LARGE REPRESENTATIVE OF FINANCIAL INSTITUTIONS POSITION

Director Kohtz welcomed David Hartman. There was no further discussion.

4. REAL ESTATE COMMISSION DATABASE INQUIRY

Director Kohtz informed the Board that there is no update.

O. NEW BUSINESS

1. WAY LETTER

Director Kohtz presented a December 13, 2017 letter from a Nebraska credential holder to the Board for review. In the letter, the credential holder requested that the Board discuss the practice by certain firms of offering an appraisal service discount to customers that utilize the firm for both appraisal and broker services. The Director informed the Board that the Real Property Appraiser Act is mostly silent on the business practice of appraisal firms; however, USPAP has specific language that is relevant to the matter as described. Director Kohtz pointed the Board to Lines 222 through 236 on page 8 in management section of the Ethics Rule found in the 2018-19 Edition of USPAP, and informed the Board that as long as the discount was properly disclosed, there would be no violation of USPAP. The Director continued by saying that the 2018-19 Edition of USPAP offers additional information in the Frequently Asked Questions #32-49 beginning on page 202. Director Kohtz guided the Board through the applicable frequently asked questions. The Board agreed with Director Kohtz's assessment, and concluded that the business practice as described would not be a violation of the Act or USPAP. Board Member Mustoe moved to authorize Director Kohtz to provide a response to the Nebraska credentialed appraiser explaining the Board's position concerning the practice by certain firms of offering an appraisal service discount to customers that utilize the firm for both appraisal and broker services. The motion was seconded by McCormick, and carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

P. LEGISLATIVE REPORT AND BUSINESS

1. CURRENT LEGISLATION

Director Kohtz presented the first legislative report of the current session to the Board for review. The Director informed the Board that he will provide a summary of the critical bills, but will not discuss the less critical bills unless a board member requests discussion.

LB17 – This bill includes the Board's proposed changes to the AMC Registration Act for compliance with the AMC Final Rule, and the Board's proposed change in the Real Property Appraiser Act to address the Appraiser Qualifications Board's July 1, 2016 change concerning supervisory appraiser requirements.

The Director informed the Board that LB17 has been placed on Select File.

LB32 – This bill removes the requirement that the board shall provide to any state employee who is eligible for retirement, prior to his or her selecting any of the retirement options provided by this section, information on the federal and state income tax consequences of the various annuity or retirement benefit options.

The Director informed the Board that LB32 has been indefinitely postponed, and will be removed from the report.

LB36 – This bill provides for review by state agencies of occupational credentials and provides for a critical assessment document. Director Kohtz informed the Board that the requirements include a periodic review of all rules and regulations related to any occupational credentials administered by an agency. The agency is required to provide a report that outlines the effectiveness of and need for each rule or regulation.

The Director reminded the Board that this requirement would place a burden on the agency, but the intent of the bill is understood. The Director finished by stating that LB299 is similar, but much more involved.

LB196 – LB196 is a bill introduced at the request of the Nebraska Department of Banking and Finance relating to financial institutions. The bill would provide for the annual re-enactment of the depository financial institutions "wild card" statutes to provide equal rights, powers, privileges, benefits, and immunities for state-chartered banks, credit unions, and savings and loans with their respective federal counterparts. Due to state constitutional restrictions, the statutes are amended annually. (§8-1,140; §8-355; and §21-17,115); (Sections 1, 2, 3). The bill would provide for an emergency clause.

Director Kohtz informed the Board that provisions of LB196 were amended into LB140 by AM437, and LB196 is indefinitely postponed. The Director stated that this bill will be removed from the report.

LB299 – This bill creates the Office of Supervision of Occupational Boards to oversee all occupational licensing entities within the State of Nebraska. This Office, which appears to be under the Governor's control, will have the authority to review and approve legislation, rules and regulations, and actions taken by licensing agencies. This Office will also have the ability to review and overturn disciplinary action taken, license issuance decisions taken, and criminal history decisions taken by a licensing agency. This bill also provides authority to the Office to assess costs to the licensing agencies, and allows the licensing agencies to increase fees to cover such assessment.

Director Kohtz provided a summary of this bill, along with a recap of the events that transpired during the previous session. The Director indicated that he does not believe this bill will move out of committee, but the Board should keep an eye on it.

LB549 – This bill would amend section 81-885.21 of the Nebraska Real Estate License Act which currently provides that, among other things, trust accounts which real estate brokers must maintain for down payments and earnest money deposits may be either interest bearing or non-interest bearing, and further currently provides that on and after July 1, 2017, such trust accounts shall only be non-interest bearing. The bill would repeal this sunset so that such trust accounts would continue to be either interest-bearing or non-interest bearing. This section also currently provides that if a trust account is interest bearing, the interest may be distributed only to tax-exempt nonprofit organizations that promote housing in Nebraska.

The Director informed the Board that LB549 has been indefinitely postponed, and will be removed from the report.

LB551 – LB551 changes real property appraiser qualifications to those proposed by the Appraiser Qualifications Board of The Appraisal Foundation.

Director Kohtz reminded the Board that the AQB failed to adopt changes to the criteria, so this bill has no place to go. The Director indicated that the AQB could adopt criteria changes very soon, but states should have a couple years to implement those changes.

LB611 - This bill requires that any state agency receiving federal funding must provide certain information as required in LB611 to the Department of Administrative Services. AM655 inserts language exempting the University of Nebraska and the Nebraska state colleges from the bill.

The Director informed the Board that this bill was placed on Select File, but it has little impact on the Board.

LB683 – LB683 is a new Real Estate Commission bill introduced during this session that would allow any applicant who is an active duty member of the armed forces or the spouse of an active duty member of the armed forces an exemption from payment of the license fees if the applicant already holds a license in another jurisdiction or was previously licensed in Nebraska within the past three years.

The Director informed the Board that the hearing before the Banking, Commerce and Insurance Committee will be on January 22, 2018. There was no further discussion.

LB736 – LB736 is a new bill introduced during this session that provides that the real estate licensee agency disclosures in section 76-2421 are not required to be given when the property to be leased, purchased, or sold is commercial or industrial property, nor required to be given to a trust represented by another licensee, an attorney, or a licensed trust management organization or business.

The Director informed the Board that the hearing before the Banking, Commerce and Insurance Committee will be on January 22, 2018. There was no further discussion.

LB741 – LB741 is the NRPAB USPAP Update Bill. Along with the changes required for compliance with Title XI, USAP, and the ASC Policy Statements, which include changes to date references and definitions, LB741 includes changes to lessen the burden to obtaining or maintaining a credential, such as removing the required demonstration of general knowledge of Nebraska appraiser law, simplifying the standards for evaluation of a reciprocal applicant's jurisdiction of practice, and removing the report writing update course continuing education requirement. Finally, LB741 includes minor changes to address administration of the Nebraska's Real Property Appraiser Act, and eliminates the provisions relating to the separate credential of real property associate.

Director Kohtz informed the Board that the hearing will take place on January 22, 2018.

LB751 – LB751 is a new bill introduced during this session that changes agency reporting requirements to the Legislative Performance Audit Committee regarding rules and regulations not adopted within the time required pursuant to Section 84-901.01. The agency shall provide an explanation as to why the rules have not yet been adopted.

The Director informed the Board that the hearing before the Executive Board will be on January 24, 2018. There was no further discussion.

LB784 – LB784 is a new bill introduced during this session that prohibits any contractor who has unpaid fines for a violation of the Employee Classification Act from contracting with the state or any political subdivision until such fines are paid.

The Director informed the Board that the hearing before the Business and Labor Committee will be on January 22, 2018. There was no further discussion.

LB814 – LB814 is a new bill introduced during this session that requires the Department of Administrative Services to adopt and promulgate rules that deem any protest of an agency procurement decision a contested case under the Administrative Procedures Act.

There was no further discussion.

LB859 – LB859 is a new bill introduced during this session relating to the cause or circumstances surrounding the death of an employee arising from or related to his or her employment if an investigation is concluded. Access is not required when a family member of the deceased employee is making a request for access to or copies of informant identification, or citizens making complaints, or other information that may compromise an ongoing investigation.

The Director informed the Board that the hearing before the Government, Military, and Veterans Affairs Committee is on January 18, 2018. There was no further discussion.

LB883 – LB883 is a new bill introduced during this session that allows the Attorney General to appoint an independent counsel to prosecute crimes by state officials or employees if the Attorney General has an actual or perceived personal or ethical conflict in the prosecution of an alleged crime.

The Director informed the Board that the hearing before the Judiciary Committee will be on January 31, 2018. There was no further discussion.

LB905 – LB905 is a new bill introduced during this session that defines that the burden is on the County Board of Equalization to show that the assessed value is equitable and in accordance with the law for any protest.

The Director informed the Board that the hearing before the Revenue Committee will be on January 19, 2018. There was no further discussion.

LB944 – The bill makes adjustments to appropriations and reappropriations for state operations, aid and construction programs, provides for transfers, and modifies intent language and earmarks accompanying appropriations approved by the 105th Legislature, First Session, for the current fiscal year ending June 30, 2018 and the next fiscal year ending June 30, 2019.

Director Kohtz informed the Board that it is not currently impacted by LB944, but that could change in the future. There was no further discussion.

LB948 – LB948 is a new bill introduced during this session to clarify requirements for certain agencies to promulgate rules and regulations. Section 71-2221 of the Real Property Appraiser Act appears in Section 24 on page 15 of this bill. The only change is that “pursuant to section 77-1301.01” is stricken on page 17 line 12.

The Director informed the Board that the impact of the change in the Real Property Appraiser Act is unknown; however, it will not be a negative for the Board since the language is already for an exemption to the act.

Director Kohtz finished the legislative report by asking if any members had any other bills that they would like to discuss. There was no further discussion.

2. TITLE 298_AUGUST 17, 2017 DRAFT

Director Kohtz informed the Board that the draft Title 298 recommendations from the Governor’s Policy and Research Office have still not been received. The Director then brought attention to LB17 and LB741, and asked the Board if it is in its best interest to not proceed with the current draft of Title 298 so that the LB17 and LB741 changes can be included. Chairperson Hynek questioned the impact on timing. Director Kohtz informed the Board that the bill should be approved and signed within two to three months. Board Member Langemeier recommended that the Director follow up with Governor’s Policy and Research Office for a recommendation as to how to proceed since it is currently in their hands. The Director informed the Board that he will follow up with Governor’s Policy and Research Office as recommended.

3. OTHER LEGISLATIVE MATTERS

Director Kohtz asked the Board if it had any other legislative matters that it wished to discuss. There was no further discussion.

Break from 10:58 a.m. to 11:08 a.m.

Board Member Langemeier exited the meeting at 11:08 a.m.

Q. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS

Director Kohtz presented proposed Guidance Document 18-01 titled “Reinstatement of Supervisory Appraiser Designation upon Renewal of Real Property Appraiser Credential Obtained After January 1st” to the Board for consideration. The Director informed the Board that the intent of the guidance document is to provide direction as to how a supervisory appraiser status should be addressed when an appraiser does not renew his or her credential by January 1st, and also how the appraiser and any trainee real property appraisers under the supervisory appraiser should be notified of the supervisory appraiser’s status. Director Kohtz finished by stating that Guidance Document 18-01 specifies that the supervisory appraiser status will be the same as the appraiser’s credential status. If the credential is inactive, the supervisory appraiser designation is inactive, if the credential is active, the supervisory appraiser designation is active. The Board agreed that this guidance document makes sense as presented. Board Member Mustoe moved to approve Guidance Document 18-01 as presented. The motion was seconded by McCormick, and carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

2. INTERNAL PROCEDURAL DOCUMENT: No discussion.

3. FORMS AND PROCEDURES: No discussion.

R. OTHER BUSINESS

1. BOARD MEETINGS

a. 2018 NRPAB Calendar

Director Kohtz presented the proposed 2018 NRPAB calendar to the Board for consideration. With no discussion, Board Member Mustoe moved to approve the 2018 NRPAB calendar as presented. The motion was seconded by McCormick, and carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

Board Member Langemeier rejoined the meeting at 11:18 a.m.

2. CONFERENCES/EDUCATION: No discussion.

3. MEMOS FROM THE BOARD: No discussion.

4. **QUARTERLY NEWSLETTER:** No discussion.

5. **APPRAISAL SUBCOMMITTEE**

a. **ASC Meeting; February 14, 2018 – Washington, D.C.**

Director Kohtz informed the Board that the next ASC meeting will be on February 14, 2018. There was no further discussion.

6. **APPRAISAL FOUNDATION**

a. **TAF Board of Trustees Meeting Summary – November 4, 2017**

Director Kohtz presented TAF Board of Trustees Meeting Summary to the Board for review. The Director informed the Board that he had no specific comments. There was no further discussion.

b. **TAF Seeks Candidates for The Board of Trustees**

Director Kohtz presented a press release from The Appraisal Foundation indicating that it seeks candidates for the Board of Trustees. There was no further discussion.

c. **Appraisal Standards Board**

i. **ASB Q&A: December 2017**

Director Kohtz presented the ASB's December 2017 Q&A's to the Board for review. The Director informed the Board that the ASB took the position that USPAP allows an appraiser to convey an opinion of highest and best use prior to transmitting a report, and also that such assignment results are subject to specific prohibitions stated in the Conduct section of the Ethics Rule and workfile requirements in the Record Keeping Rule; the workfile requirements apply even if the client cancels the assignment. The ASB also took the position that adding an intended user during appraisal development does not change the scope of work. In addition, a new report would be required if the intended user was added after the completion of the assignment. The next position taken by the ASB is related to assignment condition versus client conditions. The question asked about specific conditions, and the ASB responded which conditions would be considered assignment conditions and which would be considered client conditions. The ASB finished the December Q&A with discussion pertaining to extraordinary assumptions and hypothetical conditions. For the specific examples utilized in the question section, the ASB indicated what would be an appropriate use of extraordinary assumption versus a hypothetical condition.

7. **IN THE NEWS:** No discussion.

D. CONSIDERATION OF APPLICANTS FOR CREDENTIAL AS NEBRASKA REAL PROPERTY APPRAISER

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

T18001 / Deny.

CG17030R / Requirements for credentialing as a Certified General Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.

CG17031R / Requirements for credentialing as a Certified General Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.

Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier and Hynek voting aye.

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

Item 4 / Hold

Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier and Hynek voting aye.

Board Member Mustoe moved to approve all renewal applications received at the Board's office postmarked between January 1, 2018 and January 16, 2018 with advisory letters contingent on the results of the background check if applicable. Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

E. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY

Board Member Mustoe moved to take the following action for AMC applicants as listed:

Item 1 / Approve renewal of registration as an appraisal management company.

Item 2 / Approve renewal of registration as an appraisal management company.

Board Member Hartman seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

F. CONSIDERATION OF DISCIPLINARY ACTIONS/ ENFORCEMENT MATTERS

Board Member Mustoe moved to take the following enforcement actions:

17-09 / Dismiss without prejudice; send advisory letter.

17-05 / Ongoing

17-07 / Ongoing

17-08 / Dismiss without prejudice; send advisory letter.

17-04 / Hold

Board Member Hartman seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

G. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS

The Board discussed Inquiry I17-05.

Board Member Mustoe moved to take the following action for other executive session items:

I17-05 / Close; send advisory letter.

Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye.

S. ADJOURNMENT

Board Member Mustoe moved to adjourn the meeting. Board Member Hartman seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Langemeier, and Hynek voting aye. At 11:27 a.m. Chairperson Hynek adjourned the January 18, 2018 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz
Director

These minutes were available for public inspection on January 31, 2018, in compliance with Nebraska Revised Statute § 84-1413 (5).