

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

**June 21, 2018 Meeting Minutes**

**A. OPENING**

Chairperson Ben Hynek called to order the June 21, 2018 meeting of the Nebraska Real Property Appraiser Board at 2:02 p.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 Hynek 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 June 18, 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 Benjamin Hynek of Lincoln, Nebraska, Christopher Mustoe of Omaha, Nebraska, Gary McCormick of North Platte, Nebraska, David Hartman of Omaha, Nebraska and Thomas Luhrs of Imperial, Nebraska were present. Also present were Director Tyler Kohtz, Compliance and Education Officer Grant Krieger, and Business and Licensing Specialist Allison Nesper, who are all headquartered in Lincoln, Nebraska.

**ADOPTION OF THE AGENDA**

Chairperson Hynek 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 Mustoe moved to adopt the agenda as printed. Board Member McCormick seconded the motion. With no further discussion, the motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek 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 2:03 p.m. The motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

Board Member Luhrs moved to come out of executive session at 2:59 p.m. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

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

Chairperson Hynek welcomed the guest to the meeting and declared, "Less is more, so let's keep going." Roger Morrissey was the only member of the general public in attendance.

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF MAY 17, 2018 MEETING MINUTES**

Chairperson Hynek asked for any additions or corrections to the May 17, 2018 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the May 17, 2018 meeting minutes as presented. Board Member Hartman seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

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

### **1. APPRAISER COUNT REPORT**

Director Kohtz presented seven charts outlining the number of appraisers as of June 21, 2018, and 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 May 31, 2018. The Director then asked for any questions or comments. There was no further discussion.

### **3. SUPERVISORY APPRAISER COUNT REPORT**

Director Kohtz presented two charts outlining the number of supervisory appraisers as of June 21, 2018, and asked for any questions or comments. There was no further discussion.

### **4. AMC COUNT REPORT**

Director Kohtz presented two charts outlining the number of AMCs as of June 21, 2018, and asked for any questions or comments. There was no further discussion.

## **J. FINANCIAL REPORT AND CONSIDERATIONS – JUNE 2018**

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

The receipts and expenditures for May were reviewed by the Director by line item with the Board in the Budget Status Report. Director Kohtz brought attention to the data processing expense, and informed the Board that CIO has resumed working on the database project; approximately \$3,000.00 of the \$4,065.69 expenditure is for this project. The Director then moved to the publication and print expense in the amount of \$397.80, and indicated that the increase is due to the quarterly copier service charges under the new contract for the new copier. Director Kohtz finished by informing the Board that the \$515.00 expenditure under conference registration is for his AARO conference attendance. As of the end of May, expenses amount to 63.51 percent of the budgeted expenditures for the fiscal year; 91.78 percent of the fiscal year has passed. Revenues are currently at 95.62 percent of the projected revenues for 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 May, and informed the Board that he had no comments. The Director 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 \$26,287.45 in expenditures and \$14,674.74 in revenues were reported.

Board Member Mustoe moved to accept and file the May 2018 financial reports for audit. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

## **2. 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.

## **K. GENERAL PUBLIC COMMENTS**

Chairperson Hynek asked for any public comments. Roger Morrissey appeared before the Board and brought up turnaround times and costs concerning alternative forms and ways of doing things, such as desktop appraisals and evaluations. Mr. Morrissey indicated that other states are regulating these things, and asked if there is anything in the Nebraska rules and laws specific to these things mentioned. Chairperson Hynek responded, "Not other than the normal USPAP requirements." Mr. Morrissey then asked about appraisals completed from available data or using inspections by non-appraisers. Board Member Mustoe indicated that using data or inspections by non-appraisers is allowable if USPAP is followed correctly. If the appraiser is not able to verify the data provided by the source, he or she can always use an extraordinary assumption. Director Kohtz added, if an appraiser follows the standards of USPAP, he or she will be compliant with Nebraska law. Chairperson Hynek reiterated that it is important to disclose the source of the information in the report. The Chairperson continued by saying that the laws in Nebraska allow for enough flexibility to allow an appraiser to provide multiple services without being boxed in by regulations. Board Member Mustoe asked Mr. Morrissey if he has been paying attention to the Q&As being released by The Appraisal Foundation. Mr. Morrissey indicated that he has reviewed them. Board Member Mustoe stated, "The Q&As in USPAP are fluid; it is a good thing to have our eyes open towards the future." Chairperson Hynek indicated that the profession will not be around if it doesn't embrace some of the changes occurring in the market today; especially on the residential side. Mr. Morrissey ended the conversation by asking, "How much do you want to pay for a refinance?" Board Member Mustoe agreed with this question.

## **L. EDUCATION**

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

### **NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS**

#### **The Appraisal Institute**

Online 2018-19 7-hour Equivalent USPAP Update Course (2182102.02) / 7 Hours – Craig Harrington

Review Theory General - Synchronous (2182422.02) / 30 Hours – Robert Moorman

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

Board Member Mustoe moved to correct the number of hours from 14 to 27 for the Online General Appraiser Income Approach Pt. 1 continuing education activity approved by the Board on June 20, 2013. The motion was seconded by Hartman, and carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

**M. UNFINISHED BUSINESS:** No discussion.

**N. NEW BUSINESS:** No discussion.

**O. LEGISLATIVE REPORT AND BUSINESS:** No discussion.

**P. ADMINISTRATIVE BUSINESS**

**1. GUIDANCE DOCUMENTS:** No discussion.

**2. INTERNAL PROCEDURAL DOCUMENT**

**a. 201715: Violation of Time Requirements in Neb. Rev. Stat. § 76-2236 (2)**

Director Kohtz presented amended Internal Procedure 201715 titled “Violation of Time Requirements in Neb. Rev. Stat. § 76-2236 (2)” to the Board for consideration. The Director informed the Board that Board Member Mustoe brought attention to the needed changes, which includes removing the seven-hour report writing update course, and changing the statute reference to reflect the current version of the Real Property Appraiser Act. Chairperson Hynek asked for a motion. Board Member Mustoe moved to adopt the amended Internal Procedure 201715 as presented. The motion was seconded by Luhrs, and carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

**3. FORMS AND PROCEDURES:** No discussion.

**Q. OTHER BUSINESS**

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

**2. CONFERENCES/EDUCATION:** No discussion.

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

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

**5. APPRAISAL SUBCOMMITTEE**

**a. Notice and Request for Comment – Proposed Information Collection – Reporting Information for the AMC Registry**

Director Kohtz informed the Board that the Appraisal Subcommittee has published a notice and is requesting comments for the proposed information collection and reporting information for the AMC Registry. The Director guided the Board to page Q.2 of the packet, and informed the Board that the information to be collected can be found at the top left of the page. Director Kohtz asked for any comments or questions regarding the information to be collected by the ASC. There was no further discussion.

**b. ASC 2017 Annual Report**

Director Kohtz informed the Board that the ASC 2017 Annual Report is available in the Board Member Portal for review.

**6. THE APPRAISAL FOUNDATION**

**a. AQB Public Meeting; September 28, 2018 – Raleigh, N.C.**

Director Kohtz informed the Board that the next AQB public meeting is on September 28, 2018 in Raleigh, N.C. There was no further discussion.

**b. ASB Public Meeting; October 19, 2018 – Washington, D.C.**

Director Kohtz informed the Board that the next ASB public meeting is on October 19, 2018 in Washington, D.C. There was no further discussion.

**c. Board of Trustees Meeting; November 8-10, 2018 – Palm Springs, CA**

Director Kohtz informed the Board that the next Board of Trustees meeting is on November 8-10, 2018 in Palm Springs, CA. There was no further discussion.

**d. First Exposure Draft of Proposed Changes for the 2020-21 Edition of USPAP**

Director Kohtz presented the ASB's first exposure draft of proposed changes for the 2020-21 Edition of USPAP to the Board for review. The Director indicated that this is just the first exposure draft, so the next draft may look completely different. Director Kohtz went on to inform the Board that this current draft includes the removal of the report type, so an appraiser would only have to meet the standards for reporting; major changes to existing definitions and the addition of many new definitions; language is simplified throughout and many of the comments are removed; and "accept" is changed to "agreed to complete" regarding an assignment. The primary goal of the ASB in this draft is to improve clarity and the enforceability of USPAP. There was no further discussion.

**7. IN THE NEWS**

**a. Appraisal Buzz Article – The Sky is the Limit: Legal Considerations for Drone Technology**

Director Kohtz presented an Appraisal Buzz article titled "The Sky is the Limit: Legal Considerations for Drone Technology" to the Board for review. The Director informed the Board that he thought this article provided good information regarding the legal and regulatory considerations, along with the insurance considerations, that must be contemplated by an appraiser wishing to incorporate drone use into his or her business practices. There was no further discussion.

**R. 15-18 NRPAB vs. Smith**

Chairperson Hynek brought attention to the Order to Show Cause and the request for an appraisal log for the period from March 1, 2018 through April 30, 2018 issued to Roger Smith. The Chairperson recognized that no written response has been received from Mr. Smith and Mr. Smith made no appearance at this meeting. Chairperson Hynek asked for a motion to adopt the Order of Suspension. Board Member Mustoe took notice, for the record, of receipt of the Certificate of Service dated June 20, 2018 evidencing that Mr. Smith has received the Order to Show Cause issued by the Board on May 17, 2018, and that Mr. Smith has not provided a written response to the Order to Show Cause, and that Mr. Smith has not appeared before the Board concerning the Order to Show Cause. Board Member Mustoe moved to adopt the Order of Suspension as presented. The motion was seconded by Luhrs, and carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

**C. CONSIDERATION OF APPLICANTS FOR CREDENTIAL AS NEBRASKA REAL PROPERTY APPRAISER**

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

**SA-T2018003 / Approve as Supervisory Appraiser.**

**SA-T2018009 / Approve as Supervisory Appraiser.**

**CG18007 / Education and experience accepted; approve to sit for exam, and authorize Director to issue credential as a Certified General Real Property Appraiser upon successful completion of exam. Send advisory letter.**

**CG18009R / Rescind April 19, 2018 contingent approval of requirements for credentialing as a Certified General Real Property Appraiser and deny.**

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

Board Member Mustoe moved to approve all renewal applications received at the Board's office postmarked between May 16, 2018 and June 19, 2018 with advisory letters contingent on the results of the background check if applicable, and any other fully completed renewal applications postmarked by 5 p.m. on June 30, 2018 with advisory letters contingent on the results of the background check, if applicable, and on all requirements for renewal having been met by the applicant. Board Member Luhrs seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

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

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

Board Member Mustoe moved to take the following enforcement actions:

**18-03 / Dismiss without prejudice.**

**18-01 / Ongoing.**

**17-04 / Hold**

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

Board Member Mustoe moved to take the following post-enforcement actions:

**17-05 / Execute Consent Agreement; Chairperson sign.**

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

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

The Board discussed an anonymous grievance received. Board Member Mustoe moved to reject the grievance as that application is not complete. The motion was seconded by McCormick, and carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

The Board discussed personnel matters. Board Member Mustoe moved to increase the Director's compensation 2.25%, effective July 1, 2018. The motion was seconded by McCormick, and carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye.

**R. ADJOURNMENT**

Board Member Mustoe moved to adjourn the meeting. Board Member Hartman seconded the motion. Motion carried with Mustoe, McCormick, Hartman, Luhrs, and Hynek voting aye. At 3:30 p.m., Chairperson Hynek adjourned the June 21, 2018 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on June 27, 2018, in compliance with Nebraska Revised Statute § 84-1413 (5).