

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

**February 21, 2019, Meeting Minutes**

**A. OPENING**

Chairperson Ben Hynek called to order the February 21, 2019, meeting of the Nebraska Real Property Appraiser Board at 9:02 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 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 was scheduled to appear in the February 18, 2019 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 David Hartman of Omaha, Nebraska, Benjamin Hynek of Lincoln, Nebraska, Christopher Mustoe of Omaha, Nebraska, and Gary McCormick of North Platte, Nebraska, were present. Also present were Director Tyler Kohtz, Business and Licensing Specialist Allison Nespor, and Administrative Specialist Katja Duerig, who are all headquartered in Lincoln, Nebraska. Board Member Thomas Luhrs of Imperial, Nebraska, was absent and excused.

**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 Hartman seconded the motion. With no further discussion, the motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

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

Board Member Mustoe moved to come out of executive session at 9:48 a.m. Board Member Hartman seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

Break from 9:48 a.m. to 10:29 a.m.

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

Chairperson Hynek stated, "There is a record attendance today, welcome. Less is more, so we'll get started." Roger Morrissey, Meghan Turner, Chase Nelms, and John Ferris, members of the public, were present.

**H. BOARD MEETING MINUTES**

**1. APPROVAL OF JANUARY 17, 2019 MEETING MINUTES**

Chairperson Hynek asked for any additions or corrections to the January 17, 2019 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the January 17, 2019 meeting minutes as presented. Board Member Hartman seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

**I. DIRECTOR'S REPORT**

**1. APPRAISER COUNT REPORT**

Director Kohtz presented seven charts outlining the number of appraisers as of February 21, 2019. Director Kohtz asked for any questions or comments. There was no further discussion.

**2. TEMPORARY CREDENTIAL REPORT**

Director Kohtz presented three charts outlining the number of temporary permits issued as of January 31, 2019. The Director noted that the temporary credential report numbers start over at the beginning of the calendar year, and the previous trends continue into the new year. 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 February 21, 2019. The Director said the numbers are on trend, 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 February 21, 2019. The Director reported that the count dropped by four due to non-renewals. There was no further discussion.

## **J. FINANCIAL REPORT AND CONSIDERATIONS – FEBRUARY 2019**

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

The receipts and expenditures for January were reviewed by the Director by line item with the Board in the Budget Status Report. Director Kohtz guided the Board to the subtotals for all Personal Services expenses. The Director pointed out that these totals were higher in January due to three pay periods during the month compared to the normal two. Director Kohtz then brought attention to an amount of -\$0.66 for publication and print expenses. According to the Director, this amount remained after an awards expense for Board Member Hartman's recognition plaque was moved to the correct account. Director Kohtz moved on to the SOS Temp Service Personnel expenses of \$4,119.83, and stated that these payments are nearly finished, as the Board no longer employs SOS Temp Personnel. The Director then commented on the other contractual services expense of \$3,894.00, which is higher than most months due to the high number background checks required for renewal applications. Additionally, appraiser applicant Standards 3&4 review costs are included in this expense, which exceeded the normal number for the month. 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 January, 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 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 \$37,042.18 in expenditures and \$19,206.81 in revenues were reported. Director Kohtz then remarked that the cash balance for the AMC fund is \$294,982.98, the Appraiser Fund is \$380,531.02, and the overall cash balance is \$675,514.00. The Director asked for any questions related to the graphs. There was no further discussion.

Board Member Mustoe moved to accept and file the January 2019 financial reports for audit. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

### **2. PER DIEMS**

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

### **3. 2019-2021 BIENNIAL BUDGET UPDATE**

Director Kohtz provided an update to the Board regarding its 2019-2021 Biennial Budget Request. The Director presented the Appropriations Committee preliminary recommendation, and information regarding the Board's budget found in the Governor's Executive Budget Recommendations for 2019-2021 Biennium. Director Kohtz placed emphasis on the Committee's recommendation, and informed the Board that its request for salary and health insurance changes, administrative hearing costs, and the Department of Administrative Services assessments were included. The Director then informed the Board that its request for additional funding for database maintenance was not included by the Committee. The Director stated that the agency's budget hearing is scheduled for February 27, 2019, and indicated that he intends to make a request for increased funding for CIO Expenses; the database maintenance request was \$3,800 per year in the Board's 2019-2021 Biennial Budget Request. He explained that the more database additions and changes increase maintenance costs, but the Board has never had funding dedicated to database maintenance. The Director finished by informing the Board that its request for additional funding for board member travel was also not included in the Committee's recommendation. Director Kohtz then declared that the current membership does not come close to utilizing the available funding for travel each month, and that he did not see any reason to pursue additional funding for board member travel at the present time. Director Kohtz welcomed comments from board members, and indicated that these decisions are ultimately up to the Board. Chairperson Hynek said the Director's plan sounded reasonable. There was no further discussion.

### **4. ONLINE APPRAISER RENEWAL APPLICATION SUBMISSION PORTAL WITH ELECTRONIC PAYMENT PROJECT**

Director Kohtz presented a cost estimate prepared by the Office of the Chief Information Officer pertaining to the NRPAB online appraiser renewal application submission portal with electronic payment project. The Director explained the estimate included the database side of the renewal application submission portal, the appraiser side in Appraiser Login, and the electronic payment function. Director Kohtz then reported that he would present an amended FY 2018-19 budget that includes the estimated amounts for the two database projects presented today. Director Kohtz requested approval of the funding for the online appraiser renewal application submission portal with electronic payment project. There was no further discussion. Board Member Hartman moved to approve funding in the amount of \$105,864.70 for the online appraiser renewal application submission portal with electronic payment project. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

### **5. ENFORCEMENT INTERFACE PROJECT**

Director Kohtz presented a cost estimate prepared by the Office of the Chief Information Officer pertaining to the NRPAB Enforcement Interface project. The Director explained that the purpose of the Enforcement Interface is to incorporate all investigative records into the database. Director Kohtz requested approval of the funding for the Enforcement Interface project. There was no further discussion. Board Member Hartman moved to approve funding in the amount of \$17,350.05 for the Enforcement Interface project. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

**6. AMENDED FY 2018-19 BUDGET**

Director Kohtz presented the amended FY 2018-19 Budget to the Board for consideration. The Director said he looked back at first half of the fiscal year to establish expenditures accounts for which the Board's expenditures were below budgeted. This amount became the foundation for reappropriating funds for the two database projects. In addition, an additional \$62,911.34 was added to the budget from FY 2017-18 carryover appropriations, which leaves \$4,356.80 in unallocated carryover funds. Director Kohtz asked for any questions or comments. There was no further discussion. Board Member Mustoe moved to approve the amended FY 2018-19 Budget. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

**7. 2019 AARO MEMBERSHIP DUES**

Director Kohtz presented an invoice for the 2019 Association of Appraiser Regulatory Officials dues, and asked if the Board would like to renew its AARO membership. Board Member Mustoe moved to approve the 2019 AARO membership dues as presented. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

**K. GENERAL PUBLIC COMMENTS**

Chairperson Hynek asked for any public comments. John Ferris from Farm Credit Services of America in Lincoln, Nebraska introduced himself to the Board. Mr. Ferris stated that his office has five trainees going through the application process, and that one was present at the meeting. Mr. Ferris vocalized his support for the Board. Chairperson Hynek thanked Mr. Ferris for his attendance and support.

**L. CONSIDERATION OF EDUCATION-INSTRUCTOR REQUESTS**

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

**NEW CONTINUING EDUCATION ACTIVITIES AND INSTRUCTORS**

**Dynasty School**

Residential Market Analysis and Highest & Best Use (2192404.28) / 14 Hours – Robert Abelson

**McKissock, LLC**

Be Compliant and Competitive with Restricted Appraisal Reports – Live Webinar (2192405.03) / 3 Hours – Dan Bradley, Robert Frazier, Steve Maher, Robert McClelland, Dale Shea

**Appraisal Institute**

How Tenants Create or Destroy Value: Leasehold Valuation and its Impact on Value (2191406.02) / 7 Hours – Gary DeWeese

Online Valuation Resources for Photovoltaic Systems (2192407.02) / 3 Hours – Sandra Adomatis

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

## **M. UNFINISHED BUSINESS**

### **1. NRPAB OFFICE RELOCATION**

Director Kohtz reported the Board's office relocation is complete, and that staff has returned to normal operations. This item can be removed from the agenda.

### **2. OPEN AT-LARGE REPRESENTATIVE OF FINANCIAL INSTITUTIONS POSITION**

Director Kohtz informed the Board that he expects an update from the Governor's office next week. There was no further discussion.

### **3. ONLINE APPRAISER RENEWAL APPLICATION SUBMISSION PORTAL WITH ELECTRONIC PAYMENT**

Director Kohtz informed the Board that most discussion for this item took place under Section J. The Director stated that OCIO is working on the project, but that he has not received any updates since receiving the estimates. Director Kohtz also declared that he has been given a contact name for the Department of Revenue, which is the agency for which the EFT/EFW system was originally built, and after whose system the Board's online payment portal is modeled. There was no further discussion.

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

## **O. 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.

**LB77** – This bill was introduced on the Board's behalf to update the Appraiser Act to reduce barriers to entry into the real property appraiser profession, implement the Real Property Appraiser Qualifications Criteria, and maintain compliance with Title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989. This bill has been placed on Final Reading. Director Kohtz reported he anticipated no issues, and the bill could pass as early as next month.

**LB258** – This bill was introduced at the request of the Nebraska Department of Banking and Finance and relates 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. This bill has been placed on final reading.

**LB294** – This is the State's general appropriations bill. The Board's hearing is set for February 26, 2019.

**LB384** – LB 384 changes requirements related to requirements for obtaining a real estate license in Nebraska. The bill amends section 81-885.13 to require an additional six hour pre-license class related to professional standards and professionalism, and an additional twelve hours of post license education related to knowledge and skills related to real estate practice. The bill also changes experience requirements for becoming a designated broker from 2 years to five years, and provides a waiver for those requirements, as well as requiring an additional class for those who wish to become a designated broker and run their own real estate company.

Director Kohtz asked for any questions or comments concerning the legislative report. The Director asked that if there is a bill that is not included on this list that may be of importance to the Board, please contact him to have it added to the list. Chairperson Hynek thanked the Director for his report. There was no further discussion.

**2. TITLE 298 UPDATE**

Director Kohtz informed the Board that he spoke with Natalee Hart from the Attorney General's office last week and was informed that the adopted Title 298 changes have been approved by her office; however, official notice of approval will not be provided until next week. Once this notice is received, the adopted Title 298 changes will be sent to the Governor's Policy and Research Office for review and approval. There was no further discussion.

**3. OTHER LEGISLATIVE MATTERS:** No discussion.

**P. ADMINISTRATIVE BUSINESS**

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

**2. INTERNAL PROCEDURAL DOCUMENTS:** No discussion.

**3. APPRAISER FORMS AND PROCEDURES**

**a. Application for Qualifying Education (IDECC Approval)**

Director Kohtz presented an updated Application for Qualifying Education to the Board for consideration. The Director informed the Board that the application was updated to prepare for the inclusion of online qualifying education. If the application is approved, staff is prepared to begin taking applications for education providers as soon as the Governor signs LB77 and there is an effective date for the legislation. The intent is for the online qualifying education courses to be approved by the Board prior the effective date of LB77, so applicants can begin taking the courses as soon as possible. Director Kohtz asked for any questions or comments. Chairperson Hynek expressed support for this idea. There was no further discussion. Board Member Mustoe moved to approve the Application for Qualifying Education as presented. Board Member Hartman seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

## **Q. OTHER BUSINESS**

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

### **2. CONFERENCES/EDUCATION**

#### **a. Spring AARO Conference; May 3-5, 2019 – Denver, CO**

Director Kohtz indicated that he planned to attend the Spring 2019 AARO Conference, and asked if any board members had interest in attending. No interest was expressed by the members. Director Kohtz asked for approval to attend the conference. Board Member Mustoe moved to approve Director Kohtz for attendance at the Spring 2019 AARO Conference. Board Member Hartman seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

#### **b. TAF 2019 Investigator Training – Level I; April 15-17, 2019 – Kansas City, MO**

Director Kohtz brought attention to the Level I Investigator Training taking place April 15th through 17th, and requested approval for AS Duerig to attend. The Director informed the Board that the training is not only beneficial for investigators, but for support staff as well. This training would help AS Duerig develop a better understanding of USPAP and its relationship to the investigative process. Director Kohtz reminded the Board that The Appraisal Foundation pays all costs of attendance for two attendees from each state. The Director then requested approval for AS Duerig to attend the training. He then indicated that the Board could approve only the first of three training sessions or all three. Chairperson Hynek indicated that future training sessions should be approved as they come closer during the year. Board Member Mustoe moved to approve AS Duerig for attendance at The Appraisal Foundation's 2019 Level I Investigator Training. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

BLS Nespor requested permission to speak, and reminded the Board that the 15-hour USPAP Course is a prerequisite for Level I Investigator Training. Director Kohtz thanked BLS Nespor for the reminder, and asked the Board for approval to complete the prerequisite course for attendance. Chairperson Hynek asked if the USPAP course could be taken online. The Director replied affirmatively. Board Member Hartman moved to approve AS Duerig for completion of the 15-hour online USPAP course before attending the Level I Investigator Training. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

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

### **4. QUARTERLY NEWSLETTER**

#### **a. Winter 2019 Edition of The Nebraska Appraiser**

Director Kohtz presented the Winter 2019 Edition of The Nebraska Appraiser to the Board for consideration. Chairperson Hynek expressed support for the newsletter as proposed. Board Member Hartman moved to approve the Winter 2019 Edition of The Nebraska Appraiser. Board Member Mustoe seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

**5. APPRAISAL SUBCOMMITTEE**

**a. ASC Meeting; May 8, 2019 – T.B.D.**

Director Kohtz informed the Board that the next ASC meeting will be held on May 8, 2019, with no location announced yet. There was no further discussion.

**b. ASC August 29, 2019 Meeting Minutes**

Director Kohtz presented the ASC's August 29, 2018 meeting minutes to the Board for review. The Director commented on the joint temporary waiver submission to the ASC from the North Dakota Governor's Office, North Dakota Department of Financial Institutions and North Dakota Bankers Association. Director Kohtz said he did not have any additional information, but that he expects it to be a topic at the AARO Conference. The Director then informed the Board that The Appraisal Foundation was still considering extending the cycle of USPAP to three to four years. Director Kohtz asked for any questions or comments. There was no further discussion.

**6. THE APPRAISAL FOUNDATION**

**a. ASB to Issue Fourth Exposure Draft for 2020-2021 USPAP**

Director Kohtz presented a publication from The Appraisal Foundation titled, "Appraisal Standards Board to Issue Fourth Exposure Draft for 2020-21 USPAP." The Director informed the Board that the publication indicated that The Appraisal Foundation intends to issue a fourth exposure draft for the 2020-2021 Edition of USPAP. Director Kohtz asked for any questions or comments. There was no further discussion.

**b. First-Time Appraisal Test Takers Increased 23 Percent in 2018**

Director Kohtz presented a publication from The Appraisal Foundation titled, "First-Time Appraisal Test Takers Increased 23 Percent in 2018." The Director informed the Board that he had no specific comments, and asked the Board if it had any questions or comments.

**7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: No discussion.**

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

**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:

- T19001 / Approve as Trainee Real Property Appraiser. Send advisory letter.**
- T19002 / Approve as Trainee Real Property Appraiser. Send advisory letter.**
- T19003 / Approve as Trainee Real Property Appraiser. Send advisory letter.**
- T19004 / Requirements for credentialing as a Trainee Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
  
- CR19001R / Requirements for credentialing as a Certified Residential Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CR19002R / Requirements for credentialing as a Certified Residential Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CR19004R / Requirements for credentialing as a Certified Residential Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CR19005R / Requirements for credentialing as a Certified Residential Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CG19001R / Approve as Certified General Real Property Appraiser.**
- CG19002R / Requirements for credentialing as a Certified General Real Property Appraiser approved as submitted. Authorize Director to issue credential upon completion of background check.**
- CR18004 / Education and experience accepted. Approve to sit for exam and authorize Director to issue credential as a Certified Residential Real Property Appraiser upon successful completion of exam.**
- CG18027 / 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.**
- CG18022 / Invite to advisory meeting; assign Board Member Luhrs.**
- CG18024 / 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.**
- CG18025 / Invite to advisory meeting; assign Board Member Hynek.**
- 1384 / Deny.**
- 1385 / Deny.**

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

Board Member Mustoe moved to approve all renewal applications received at the Board's office postmarked between January 16, 2019 and February 19, 2019 with advisory letters contingent on the results of the background check if applicable. Board Member McCormick seconded the motion. The motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye.

**D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY:** No discussion.

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

Board Member Mustoe moved to take the following enforcement actions:

- 18-10 / Proceed with investigation for the alleged violation of Neb. Rev. Stat. §§ 76-2237 and 76-2238 (12), (15), (16).**
- 19-01 / Proceed with investigation for the alleged violation of Neb. Rev. Stat. §§ 76-2237 and 76-2238 (12), (15), (16).**
- 17-04 / Hold.**
- 18-01 / Execute Consent Agreement; signed by Chairperson Hynek.**

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

**F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS:** No discussion.

**R. ADJOURNMENT**

Board Member Mustoe moved to adjourn the meeting. Board Member McCormick seconded the motion. Motion carried with Mustoe, McCormick, Hartman, and Hynek voting aye. At 11:06 a.m., Chairperson Hynek adjourned the February 21, 2019 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on March 4, 2019, in compliance with Nebraska Revised Statute § 84-1413 (5).