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

September 19, 2019 Meeting Minutes

A. OPENING

Chairperson Ben Hynek called to order the September 19, 2019 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 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 on the State of Nebraska Public Calendar found at www.nebraska.gov on September 9, 2019. 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, 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, and Thomas Luhrs of Imperial, Nebraska were present. Also present were Director Tyler Kohtz and Business and Licensing Specialist Allison Nespor who are both headquartered in Lincoln, Nebraska. Board Member Wade Walkenhorst of Lincoln, 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 Luhrs moved to adopt the agenda as printed. Board Member Mustoe seconded the motion. With no further discussion, the motion carried with Mustoe, McCormick, Luhrs, 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 McCormick seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

Board Member Luhrs moved to come out of executive session at 9:31 a.m. Board Member Mustoe seconded the motion. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

G. WELCOME AND CHAIR'S REMARKS

Chairperson Hynek greeted the public and said, "As always, welcome, and less is more." Diane Moore and Roger Morrissey were members of the public in attendance.

H. BOARD MEETING MINUTES

1. APPROVAL OF AUGUST 15, 2019 MEETING MINUTES

Chairperson Hynek asked for any additions or corrections to the August 15, 2019 meeting minutes. With no further discussion, Chairperson Hynek called for a vote. Board Member Mustoe moved to adopt the August 15, 2019 meeting minutes as presented. Board Member Luhrs seconded the motion. The motion carried with Mustoe, McCormick, 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 September 19, 2019. The Director informed the Board that he had no comments, and then 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 August 31, 2019. The Director informed the Board that he had no comments, and 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 September 19, 2019. The Director informed the Board that he had no comments, and then 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 September 19, 2019. The Director informed the Board that he had no comments, and then asked for any questions or comments. There was no further discussion.

J. FINANCIAL REPORT AND CONSIDERATIONS – SEPTEMBER 2019

1. APPROVAL OF AUGUST RECEIPTS AND EXPENDITURES

The receipts and expenditures for August 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 of \$17,250.48, and informed the Board that the majority of this expenditure is attributed to the online renewal application with electronic payment. The Director moved on to the Publication and Print Expense of \$575.13, and indicated that this includes the quarterly copy services charges for April through June. Finally, Director Kohtz informed the Board of two Administrative Services assessments paid during the month of August, which includes \$1,077.00 for the annual accounting and auditing assessment, and \$174.00 for the annual purchasing assessment. The Director then turned attention to revenues, and declared that the Board has received a good number of early renewal applications. For Certified General Renewals, \$2,200.00 in revenues were received, and for Certified Residential Renewals, \$550.00 in revenues were received. The Director asked for any questions related to the Budget Status Report. There was no further discussion.

Director Kohtz then brought attention to the General Ledger for August. The Director informed the Board that he had no comments, and then asked for any questions or comments. 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 \$40,160.00 in expenditures and \$12,174.30 in revenues were reported. The Director then remarked that the cash balance for the AMC fund is \$244,081.85, the Appraiser Fund is \$266,440.09, and the overall cash balance for both funds is \$510,521.94. Director Kohtz asked for any questions related to the graphs. There was no further discussion.

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

2. PER DIEMS

Director Kohtz informed the Board that he had no per diem requests for this meeting, and 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. With no comments, the Chair proceeded to Education.

L. CONSIDERATION OF EDUCATION-INSTRUCTOR REQUESTS

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

NEW QUALIFYING EDUCATION ACTIVITIES

The Moore Group

Residential Sales Comparison and Income Approaches (1192492.04) / 30 Hours – Bradford Moore

Residential Site Valuation and Cost Approach (1192493.04) / 15 Hours – Bradford Moore

Statistics, Modeling, and Finance (1192494.04) / 15 Hours – Bradford Moore

NEW CONTINUING EDUCATION ACTIVITIES

Appraisal Institute

Online Understanding and Appraising Residential REOs (2192411.02) / 4 Hours – Larry Wright

Application & Interpretation of Simple Linear Regression (2191495.02) / 14 Hours – Mark Smeltzer

The Moore Group

Considerations for Green Home Appraisals (2191491.04) / 7 Hours – Bradford Moore

McKissock LLC

Commercial Land Valuation (2192496.03) / 4 Hours – Dan Bradley

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

M. UNFINISHED BUSINESS

1. FBI CRIMINAL JUSTICE INFORMATION SECURITY AUDIT

Director Kohtz informed the Board that the FBI Criminal Justice Information Security Audit took place on August 22, 2019, and presented the FBI Information Technology Security Audit Noncriminal Justice Agency Policy Assessment to the Board for review. The Director went through the report, noting that the Board was in compliance in all assessed areas. The Director asked for any questions or comments. There was no further discussion.

2. FBI NATIONAL IDENTITY SERVICES AUDIT

Director Kohtz informed the Board that the FBI National Identity Services Audit took place on August 21, 2019. The Director indicated that as far as he knows, the Board's program is in great shape. Agent Stout requested that the Board utilize the FBI's standard privacy statement, but then later said that the Board's privacy statement is acceptable. Agent Stout also brought attention to the Board's authority to conduct background checks, and informed staff that the FBI only has one approved authority on record. Director Kohtz then declared that this issue is the State Patrol's, not the Board's, as the Board has the appropriate statutory authorization to conduct background checks. The Director then asked for any questions or comments. There was no further discussion.

3. ONLINE APPRAISER RENEWAL APPLICATION SUBMISSION PORTAL WITH ELECTRONIC PAYMENT

Director Kohtz reported that the Online Appraiser Renewal Application Submission Portal with Electronic Payment is currently in the testing phase. Director Kohtz requested that BLS Nespor provide a review of the progress in the DEV database. BLS Nespor provided a glimpse of the updated Appraiser Login, the renewal application in Appraiser Login, the Renewal Application Interface in the database, and the EFW Payment Interface. The Director asked for any questions or comments. There was no further discussion.

4. RENEWAL SEASON TEMPORARY EMPLOYEES

Director Kohtz informed the Board that the job posting has closed for the two positions and staff will begin the interviewing and hiring process next week. The Director asked for any questions or comments. There was no further discussion.

N. NEW BUSINESS

1. OPEN 3RD CONGRESSIONAL DISTRICT CERTIFIED REAL PROPERTY APPRAISER REPRESENTATIVE POSITION

Board Member McCormick's term as the 3rd Congressional District Certified Real Property Appraiser representative expires on December 31, 2019. Director Kohtz informed the Board that it is time to begin advertising for the position, and that he intends to follow the same procedures as for previous openings. Director Kohtz mentioned that he will keep the Board up to date regarding any communication with the Governor's office and applicants for the open position. Director Kohtz requested approval for a Memo From the Board concerning the soon to be open 3rd Congressional District Certified Real Property Appraiser position. With no further discussion, Board Member Mustoe moved to approve the Memo From the Board to notify appraisers of the open 3rd Congressional District Certified Real Property Appraiser position. Seconded by Board Member Luhrs. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

O. LEGISLATIVE REPORT AND BUSINESS

1. NEBRASKA REAL PROPERTY APPRAISER ACT UPDATE DRAFT

Director Kohtz presented the September 19, 2019 draft of the Nebraska Real Property Appraiser Act with updates to include the 2020-2021 Edition of USPAP to the Board for consideration. The Director informed the Board that the majority of changes are definition updates, but a small amount of clean-up work was included as well. Director Kohtz summarized the changes as the Board reviewed the draft. Specifically, Director Kohtz brought attention to the following changes:

- The definitions found in Neb. Rev. Stat. § 76-2207.17 and N.R.S. § 76-2207.22 are updated to harmonize the act with the 2020-2021 Edition of USPAP.
- "2018" is changed to "2019" in N.R.S. § 76-2207.30 to reference the 2020-2021 Edition of USPAP.
- The definitions of "Appraisal practice" in N.R.S. § 76-2205.01 and "Real property appraisal activity" in N.R.S. § 76-2215 are combined to simplify language, and this change is reflected throughout the draft. The new term that encompasses both of these definitions is "Real property appraisal practice." N.R.S. § 76-2205.01 was stricken.
- Subsections 1, 2, and 3 are stricken from the definition of "Real property appraiser" found in N.R.S. 76-2216. The language of the three subsections was already included in other sections, or is added to other sections where appropriate for clarity.
- The definition of "Scope of work" found in N.R.S. § 76-2216.03 is stricken. This definition is not referenced in the Act or in the Board's administrative rules.
- The Director commented that he planned to speak with Mr. Marienau about the mirrored language found in N.R.S. § 76-2220 and N.R.S. § 76-2246. If any change is made, this will be brought to the Board's attention.
- Subsections 13, 14, 15, and 16 are stricken from N.R.S. § 76-2238 as this language duplicates what is already found in USPAP. The Director remarked that these subsections are the only duplication of USPAP Rules, so for the purpose of consistency and clarity, these sections are stricken.
- "Directly or indirectly for another, offers, attempts, agrees to engage in, or" is added to N.R.S. § 76-2246 as a result of the change to the definition of "Real Property Appraiser" previously mentioned.

Director Kohtz indicated that the next step is working with Bill Marienau, Legal Counsel for the Banking, Commerce, and Insurance Committee, to put together a requisition draft in a bill format. Once the language issues are worked out, the requisition bill will come back to the Board for another review.

Board Member Luhrs moved to approve the Nebraska Real Property Appraiser Act update draft as presented and authorize Director Kohtz to work with the Committee legal counsel to develop a finished product. Seconded by Board Member Mustoe. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

2. TITLE 298 DRAFT

a. AAG Hart Comments to Proposed Changes to Title 298

Director Kohtz presented AAG Hart's comments regarding the proposed changes to Title 298 to the Board for review. The Director then guided the Board to page 0.51, and informed the Board that the recommended updates have been made to Title 298 in a draft copy. Director Kohtz asked for any questions or comments. There was no further discussion.

3. OTHER LEGISLATIVE MATTERS: No discussion.

P. ADMINISTRATIVE BUSINESS

1. GUIDANCE DOCUMENTS

a. 17-06: Investigation of a Grievance When Subject Report is Involved in Litigation (review)

Director Kohtz presented Guidance Document 17-06 titled, "Investigation of a Grievance When Subject Report is Involved in Litigation" to the Board for review. The Director informed the Board that this guidance document was added to the agenda at the request of Board Member Mustoe. Director Kohtz indicated that he could not recall the specifics of their conversation, so he turned the discussion over to Board Member Mustoe. Mustoe expressed concern that when a grievance is filed in which the subject report is involved in litigation, the respondent appraiser is notified, but then must wait for the litigation to be resolved to hear from the Board again. Board Member Mustoe asked if there is a better way to deal with grievances in which the subject report is involved in litigation, particularly where the matter would likely be dismissed anyway. Chairperson Hynek granted public member Roger Morrissey permission to speak. Mr. Morrissey declared that the appraiser would have to notify their professional liability insurance carrier when notified of a grievance filed, even if it is not investigated immediately. Chairperson Hynek remarked that the guidance document could give the impression that an investigation is going on for years if the subject report is involved in litigation; retiring this policy would allow the Board to move investigations faster. Director Kohtz commented that, without this guidance document, the Board could not hold a grievance because the subject report is involved in litigation; the standard investigative procedures would apply. The Director reminded the Board that under the investigative procedures, the Board reviews the grievance and the response from the respondent prior to proceeding with an investigation. This provides the opportunity for the Board to dismiss a matter in which the evidence does not support a potential violation of the Real Property Appraiser Act or USPAP. Board Member Mustoe suggested that a policy be considered that allows the Board to review a grievance in which the subject report is involved in litigation without notifying the respondent, and only if the Board decides to investigate, would the appraiser be notified. Director Kohtz said that a rules change would be required to implement this policy. (Continued on page 8)

(Continued from page 7)

The Board concluded that, while Guidance Document 17-06 does provide notice of the Board's intent to hold a grievance when the subject report is involved in litigation, the guidance document also restricts the Board's ability to proceed with an investigation if substantial evidence exists in support of the alleged appraiser misconduct or wrongdoing, and restricts the Board's ability to dismiss a grievance if sufficient evidence does not exists to proceed with an investigation, regardless of the status of litigation. Board Member Mustoe moved to retire Guidance Document 17-06 titled, "Investigation of a Grievance When Subject Report is Involved in Litigation." The motion was seconded by Board Member Luhrs, and carried with Mustoe, McCormick, Luhrs, and Hynek voting aye. The Board asked Director Kohtz to draft a new guidance document that addresses the Board's concerns.

2. INTERNAL PROCEDURAL DOCUMENTS

a. 201908: NRPAB Personal Vehicle Use Policy

Director Kohtz presented the internal procedural document 201908 titled, "NRPAB Personal Vehicle Use Policy" to the Board for consideration. The Director explained that the policy was drafted at the request of the Department of Administrative Services. According to DAS, state statutes requires that each person has written approval to use their personal vehicle for state business. The drafted policy would allow the Board to utilize the "NRPAB Personal Vehicle Use Authorization Form" for this purpose. Board Member Mustoe questioned the need for board members to complete the form as they are commuting from their home locations to and from meetings. Director Kohtz informed the Board that commuting is a defined term in the State Accounting Manual, and when a board member uses his or her personal vehicle for travel to and from meetings, he or she is considered to be in travel status, not commuting. Chairperson Hynek expressed concern that the policy and implementing document represented government overreach into private matters. Board Member Luhrs moved to approve the internal procedural document title 201908 as presented. The motion was seconded by Board Member McCormick, and carried with Mustoe, McCormick, and Luhrs voting aye. Hynek voted nay.

b. NRPAB Personal Vehicle Use Authorization Form: No discussion.

3. AMC FORMS, APPLICATIONS, AND PROCEDURES

a. NRPAB Appraisal Management Company Surety Bond (Retire)

Director Kohtz presented the NRPAB Appraisal Management Company Surety Bond to the Board for consideration of retirement. The Director reminded the Board of past discussions regarding the use of this form, and indicated that it took a long time for him to find that the Board formally approved the form for use in the Board's past minutes. Director Kohtz added that the AMC applications have been updated to ensure that any surety bond submitted with an application meets the intent of Neb. Rev. Stat. § 76-3202 (2). The Director asked for any questions or comments. There was no further discussion. Board Member Mustoe moved to retire the NRPAB Appraisal Management Company Surety Bond. Seconded by Board Member Luhrs. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

b. Application for Nebraska Appraisal Management Company Registration

Director Kohtz presented the updated Application for Nebraska Appraisal Management Company Registration to the Board for consideration. Chairperson Hynek asked of the changes are the same in both applications before the Board. Director Kohtz indicated that this is correct. Chairperson Hynek asked to consider both applications at the same time.

c. Application for Renewal of Nebraska Appraisal Management Company Registration

Director Kohtz presented the updated Application for Renewal of Nebraska Appraisal Management Company Registration to the Board for consideration. The Director guided the Board to the amended language concerning surety bond requirements found on pages P.14 and P.19. There was no further discussion. Board Member Mustoe moved to approve the Application for Nebraska Appraisal Management Company Registration and the Application for Renewal of Nebraska Appraisal Management Company Registration as presented. Seconded by Board Member Luhrs. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

Break from 10:24 a.m. to 10:31 a.m.

Q. OTHER BUSINESS

1. BOARD MEETINGS: No discussion.

2. CONFERENCES/EDUCATION

a. Duerig 2019 Investigator Level 3 Report

AS Duerig was not present to report as her flight from Portland, Oregon was delayed. The Board agreed to table this matter until the October meeting.

3. MEMOS FROM THE BOARD: No discussion.

4. QUARTERLY NEWSLETTER

a. Summer 2019 Edition of The Nebraska Appraiser

Director Kohtz presented the Summer 2019 Edition of The Nebraska Appraiser to the Board for consideration. The Director asked for any questions or comments. There was no further discussion. Board Member Mustoe moved to approve the Summer 2019 Edition of The Nebraska Appraiser. Seconded by Board Member Luhrs. The motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye.

5. APPRAISAL SUBCOMMITTEE

a. ASC Meeting; November 13, 2019

Director Kohtz informed the Board that the next ASC meeting is scheduled for 10:00 a.m. on November 13, 2019 in Washington, D.C.

b. ASC May 8, 2019 Meeting Minutes

Director Kohtz presented the ASC May 8, 2019 Meeting Minutes to the Board for review. The Director informed the Board that he had no specific comments. There was no further discussion.

c. ASC July 9, 2019 Meeting Minutes

Director Kohtz presented the ASC July 9, 2019 Meeting Minutes concerning the North Dakota temporary waiver request to the Board for review. The Director informed the Board that the minutes contain nothing that has not already been discussed, but that he found the dialogue and comments made by the members of the public and the committee members interesting. There was no further discussion.

6. THE APPRAISAL FOUNDATION

a. First Exposure Draft – Practical Applications of Real Estate Appraisal

Director Kohtz presented The Appraisal Foundation's first exposure draft of Practical Applications of Real Estate Appraisal (PAREA) to the Board for review. The Director reported that the document provides an overview of the proposed PAREA program. The program is designed to offer practical experience using computer based learning, video gaming, video tutorials, virtual assistant, and virtual reality training for the Licensed Residential and Certified Residential classifications. Director Kohtz noted that The Appraisal Foundation plans to develop a model PAREA program as soon as the AQB adopts the final criteria requirements for it, and this program would be available via licensing agreements for organizations to offer it. The AQB is proposing that PAREA be eligible for one hundred percent of experience training for the Licensed Residential and Certified Residential classifications, and for generic experience required for the Certified General classification. Director Kohtz reported that participants must successfully complete the entire program to receive credit, and that all qualifying education must be completed before enrollment in PAREA. The Director added that successful completion of PAREA will be noted on a certificate of completion. PAREA participants will be required to produce a number of USPAPcompliant appraisal reports. The Director asked the Board if it had any discussion, questions, or comments. There was no further discussion.

b. Concept Paper – Evaluation Standards in USPAP

Director Kohtz presented a concept paper from The Appraisal Foundation titled, "Evaluation Standards in USPAP" to the Board for review. The Director reported that the Appraisal Standards Board is seeking feedback on the concept of developing standards for evaluations in future editions of USPAP. The paper outlines several aspects of evaluations, and includes the following questions: Is an evaluation an appraisal? Who may perform appraisals/evaluations? Who enforces standards for appraisals? Who is allowed to perform evaluations? Director Kohtz noted that the ASB would like to receive input on several topics as listed on page Q.85 by October 11, 2019. The Director asked for any questions or comments. There was no further discussion.

c. TAF Condemns Raising Residential Real Estate Appraisal Threshold

Director Kohtz presented a statement from The Appraisal Foundation titled "The Appraisal Foundation Condemns Raising Residential Real Estate Appraisal Threshold" to the Board for review. The Director informed the Board that The Appraisal Foundation President David Bunton expressed concern regarding action taken by the Federal Deposit Insurance Corporation to exempt residential real estate transactions of \$400,000.00 or less from appraisal requirements. The Director asked for any questions or comments. There was no further discussion.

7. ASSOCIATION OF APPRAISER REGULATORY OFFICIALS: No discussion.

8. IN THE NEWS

a. Appraisal Buzz Article – Waived Appraisals and their Liability

Director Kohtz presented the Appraisal Buzz article titled "Waived Appraisals and their Liability" to the Board for review. The Director informed the Board that he had no specific comments, but that he found the article interesting. There was no further discussion.

C. CREDENTIALING AS A NEBRASKA REAL PROPERTY APPRAISER

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

T19013 / Approve as Trainee Real Property Appraiser. Send advisory letter.

CR19011R / Approve as Certified Residential Real Property Appraiser.

CG19020R / Approve as Certified General Real Property Appraiser.

CG19021R / Approve as Certified General Real Property Appraiser.

1498 / Approve for temporary Certified General Real Property Appraiser credential. Send advisory letter.

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

D. REGISTRATION AS AN APPRAISAL MANAGEMENT COMPANY

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

NE2019004 / Approve for Registration as an Appraisal Management Company.

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

E. CONSIDERATION OF COMPLIANCE MATTERS

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

19-15 / Dismiss without prejudice. Send advisory letter.

17-04 / Ongoing.

18-01 / Request Board selected report from submitted log for review.

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

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

R. ADJOURNMENT

Board Member Luhrs moved to adjourn the meeting. Board Member Mustoe seconded the motion. Motion carried with Mustoe, McCormick, Luhrs, and Hynek voting aye. At 10:44 a.m., Chairperson Hynek adjourned the September 19, 2019 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz Director

These minutes were available for public inspection on October 3, 2019, in compliance with Nebraska Revised Statute § 84-1413 (5).