

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

**August 15, 2024 Meeting Minutes**

**A. OPENING**

Chairperson Downing called to order the August 15, 2024 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 Downing 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](http://www.nebraska.gov) on August 9, 2024. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. In accordance with the Open Meetings Act, at least one copy of all reproducible written material for this meeting, either in paper or electronic form, was available for examination and copying by members of the public. The material in paper form was available on the table in a public folder, and the material in electronic form was available on the Board's website in Public Meeting Material ([https://appraiser.ne.gov/board\\_meetings/](https://appraiser.ne.gov/board_meetings/)). A copy of the Open Meetings Act was available for the duration of the meeting. For the record Bonnie Downing of Dunning, Nebraska, Cody Gerdes of Lincoln, Kevin Hermsen of Gretna, Nebraska, Rodney Johnson of Norfolk, and Derek Minshull of North Platte, Nebraska were present. Also present were Director Tyler Kohtz, Business Programs Manager Karen Loll, Licensing Programs Manager Allison Nespore, and Education Program Manager Kashinda Sims, who are headquartered in Lincoln, Nebraska.

**ADOPTION OF THE AGENDA**

Chairperson Downing reminded those present for the meeting that the agenda cannot be altered twenty-four hours prior to the meeting except for emergency items according to the Open Meetings Act. Board Member Johnson moved to adopt the agenda as printed. Board Member Hermsen seconded the motion. With no further discussion, the motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes 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 Minshull seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Kirk Manker, John Ferris, and David Nebel appeared before the Board from 9:30 a.m. to 10:04 a.m.

Board Member Minshull moved to come out of executive session at 11:01 a.m. Board Member Hermsen seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Break from 11:01 a.m. to 11:14 a.m.

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

Chairperson Downing welcomed all to the August 15, 2024 meeting of the Nebraska Real Property Appraiser Board. The Chairperson then recognized Roger Morrissey as the only member of the public in attendance.

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF JULY 18, 2024 MEETING MINUTES**

Chairperson Downing asked for any additions or corrections to the July 18, 2024 regular meeting minutes. With no discussion, Board Member Downing called for a motion. Board Member Minshull moved to approve the July 18, 2024 meeting minutes as presented. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

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

### **1. REAL PROPERTY APPRAISER AND AMC COUNTS AND TRENDS**

#### **a. Real Property Appraiser Report**

Director Kohtz presented seven charts outlining the number of real property appraisers as of August 15, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. There was no further discussion.

#### **b. Temporary Real Property Appraiser Report**

Director Kohtz presented three charts outlining the number of temporary credentials issued as of July 31, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. Board Member Johnson inquired if there is trend towards more reciprocal real property appraiser applications. Director Kohtz referenced the chart titled, "Real Property Appraiser by Classification Credentialed thought Reciprocity – Five Year Trend" on page I.1 and responded that the number of applications for credentialing through reciprocity were trending upward. Board Member Gerdes commented on the emergence of national appraisers working with national lenders. Director Kohtz asked for any other questions or comments. There was no further discussion.

**c. Supervisory Real Property Appraiser Report**

Director Kohtz presented two charts outlining the number of supervisory real property appraisers as of August 15, 2024 to the Board for review. The Director reported that trends were stable and indicated that he had no specific comments. Director Kohtz asked for any questions or comments. There was no further discussion.

**d. Appraisal Management Company Report**

Director Kohtz presented two charts outlining the number of AMCs as of August 15, 2024 to the Board for review. The Director reported that two more AMCs have not renewed or have surrendered since the last meeting and that trends were continuing as they had been. Board Member Gerdes inquired if the loss in the number of registered AMCs is due to consolidation and asked what the numbers were at the high. The Director responded that a combination of industry consolidation and attrition from the market due to high interest rates have caused the decline. LPM Nespor indicated that there is more consolidation than attrition taking place. Director Kohtz also informed the Board that the number of registered AMCs was in the low 100s prior to implementation of the AMC Rule, and after, the number was consistently in the 90s until the mortgage loan industry cooled. Director Kohtz asked for any additional questions or comments. There was no further discussion.

**2. DIRECTOR APPROVAL OF APPLICANTS**

**a. Real Property Appraiser Report**

Director Kohtz presented the Real Property Appraiser Report to the Board for review showing real property appraiser applicants approved for credentialing by the Director, and the real property appraiser applicants approved to sit for exam by the Director, for the period between July 10, 2024 and August 6, 2024. The Director asked for any questions or comments. There was no further discussion.

**b. Education Activity and Instructors Report**

Director Kohtz presented the Education Activities and Instructors Report to the Board for review showing education activities and instructors approved by the Director for the period between July 10, 2024 and August 6, 2024. The Director remarked that he had no specific comments and asked for any questions or comments. There was no further discussion.

**3. 2024-25 NRPAB GOALS AND OBJECTIVES + SWOT ANALYSIS**

Director Kohtz presented the 2024-25 NRPAB Goals and Objectives and SWOT Analysis to the Board for review and provided a status update. The Director brought attention to the goal to work with the Banking, Commerce and Insurance Legislative Committee's Legal Counsel to draft a bill for introduction to add language to the Real Property Appraiser Act and the Appraisal Management Company Registration Act, allowing the use of a conditional dismissal in lieu of disciplinary action under Laws, Rules, and Guidance Documents section and reported that he met with the Committee Legal Counsel and requestion drafts are currently being prepared.

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The Director then moved to the goal to adopt Title 298 changes to harmonize Title 298 with the changes made to the Nebraska Real Property Appraiser Act and Appraisal Management Company Registration Act in 2024, address the Board's PAVE Dashboard regulations review, add fee schedule, and incorporate changes made to the Real Property Appraiser Qualification Criteria Effective January 1, 2026 and CAP Guidelines effective September 17, 2023 and informed the Board that an updated draft is on the agenda for the Board's consideration. Director Kohtz then guided the Board to the goal under Compliance to obtain a second special assistant attorney general for compliance matters and indicated that this goal is in progress. Next, the Director informed the Board that the goals under Administration, to explore a credit card payment option for online applications and explore the use of Federal grant money for development of online temporary real property appraiser credential application and NRPAB Database interface, are in progress. Finally, Director Kohtz indicated that the 2025-27 Biennial Budget Request addressing agency issues discussed at strategic planning is on the agenda under Section J for consideration. Chairperson Downing thanked Director Kohtz for the update.

## **J. FINANCIAL REPORT AND CONSIDERATIONS**

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

The receipts and expenditures for July were presented to the Board for review in the agency Budget Status Report. Director Kohtz brought attention to the Acctg & Auditing Services expense of \$1,128.00 and reported that this expenditure is for the annual Department of Administrative Services accounting services assessment charged to the Board. The Director then reported that the expenditures for the month of July totaled \$30,459.91, which amounts to 5.90 percent of the budgeted expenditures for the fiscal year; 8.49 percent of the fiscal year has passed.

The Director then turned the Board's attention to revenues and reported that revenues started strong, specifically for the qualifying education course fees and continuing education renewal fees, new certified residential real property appraisers, and renewal fees for the certified residential and certified general classifications. Director Kohtz then informed the Board that the investment income of \$3,575.06 includes two months to correct the technical issue that prevented the May investment income from being distributed to agencies. Board Member Gerdes inquired if the funds had just been in the wrong account. The Director and LPM Nespore clarified that the State has a liability account that holds the funds until distribution is made. The technical issue prevented the funds from being moved from the liability account to the Board's revenue account. Board Member Minshull questioned if there was a loss of interest due to the funds not being in the correct account. Director Kohtz indicated there was not as the interest is generated from the cash fund balances. The Director then reported that the revenues for the month of July were \$30,946.56, which amounts to 8.23 percent of the projected revenues for the fiscal year. The Director reiterated that 8.49 percent of the fiscal year has passed.

Director Kohtz then moved to the Budget Status Report for the Appraiser Fund and brought attention to the object code account 521100 for the Postage Expense of -\$3.43. The Director explained that a negative expenditure sometimes happens at the beginning of a new fiscal year when a journal entry is used to distribute an encumbered expense from the previous fiscal year between the Appraiser Fund and the AMC Fund. The Director then reported that the Real Property Appraiser Fund expenditures for the month of July totaled \$19,724.34, which amounts to 5.63 percent of the budgeted expenditures for the fiscal year. The Real Property Appraiser Fund revenues were \$19,968.63, which amounts to 7.63 percent of projected revenues for the fiscal year. Director Kohtz then moved to the AMC Fund and reported that the AMC Fund expenditures for the month of July were \$10,735.57, which amounts to 6.46 percent of budgeted expenditures for the fiscal year. The AMC Fund revenues were \$10,997.93, which amounts to 9.62 percent of the projected revenues for the fiscal year. Chairperson Downing thanked the staff for labeling each Budget Status Report.

Director Kohtz then guided the Board to the MTD General Ledger Detail report for the month of July and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

Director Kohtz presented four graphs showing expenses, revenues, and cash balances. The Director noted expenditures of \$30,459.91 and revenues of \$30,946.56 for the month of July for the Real Property Appraiser program, which includes both the Appraiser Fund and the AMC Fund. The Director once again reported that the Real Property Appraiser Fund expenditures totaled \$19,724.34, the Real Property Appraiser Fund revenues totaled \$19,698.63, the AMC Fund expenditures totaled \$10,735.57, and the AMC Fund revenues totaled \$10,977.93. Director Kohtz remarked that the cash balance for the AMC Fund is \$320,719.70, the Appraiser Fund is \$394,756.89, and the overall cash balance for both funds is \$715,476.59. The Director asked for any questions or comments. There was no further discussion.

Board Member Johnson moved to accept and file the July financial reports for audit. Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

## **2. ASC GRANT REPORT**

BPM Loll provided the ASC grant report to the Board, which included a brief summary of the ASC grant application. According to Loll, the first section in the application includes basic information about the Board and the amount requested for the first year. Page J.25 includes a breakdown of how the \$120,000.00 in funds will be used in the first year. Page J.26 provides support for the Board's intent to renew the grant in the amount of \$120,000.00 for the following two years. Page J.29 provides category use details regarding the requested funds. J.30 through J.38 is the Statement of Work, which provides detail on the Board's intended use of the awarded funds, along with how the projects support compliance with Title XI. Board Member Minshull inquired about competitiveness of the grant program. Director Kohtz responded that the grant program is not competitive.

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Up to \$120,000.00 in funding is available to each state per year within the ASC grant program. If a state's application is approved, the \$120,000.00 is awarded. The Director reminded the Board that part of support for the BPM position was that the position would have the ability to pay for itself. Director Kohtz informed the Board that BPM Loll put a lot of work into this application and will be responsible for keeping the Board on top of the grant requirements. The Director indicated that this is what was meant by the position paying for itself. Without the BPM position, the Board would not have the capacity to carry out these tasks and would have to continue relying on appraiser and AMC fees to pay for these projects. The Board thanked staff for its work on the grant application. Board Member Johnson moved to approve the ASC grant application for submission as presented. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**3. FY 2024-2025 BUDGET CORRECTION – CONFERENCE REGISTRATION TO OTHER OPERATING EXPENSES REALLOCATION**

Director Kohtz presented a correction to the FY 2024-2025 Budget to the Board for consideration. The Director informed the Board that during discussion of the proposed FY 2024-2025 budget at its July 18, 2024 regular meeting, the Board moved to reallocate \$2,221.21 from Travel Expenses to Other Operating Expenses. The proposed budget also included funding for conference registration, which should have been moved to Other Operating Expenses as well. This funding was inadvertently included in the Board's approved FY 2024-2025 budget but was not entered into the Nebraska State Enterprise One Budget System. To correct this oversight, funding in the amount of \$650.00 is to be reallocated from Conference Registration (522200) to Other Operating Expenses (559100). Board Member Minshull moved to reallocate funding in the amount of \$650.00 from Conference Registration (522200) to Other Operating Expenses (559100) to correct oversight in FY 2024-25 budget. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**4. 2025-2027 BIENNIAL BUDGET**

Director Kohtz presented the 2025-2027 Biennial Budget Request, along with a document named, "2025-2027 Biennial Budget Request Highlights" to the Board for consideration. The Director informed the Board that he was not going to go through each document individually but will draw attention to the specifics in the request as detailed in the highlights document. The Director noted that the 2025-2027 Biennial Budget Request Budget is needs based and does not include any wants. The 2025-2027 Biennial Budget Request includes the following:

- Detailed narratives explain the Board's statutory authority, mission, vision, goals, objectives, management processes, services delivery, and budget issues.
- The base appropriation for the Budget Request Issues is \$444,285.00, and the Personal Service Limit is \$243,592.00.

- The Board is requesting funding for additional board member travel. As of February 2024, the Board has three members traveling a significant distance to attend meetings and conduct the Board's business. The Board's former Financial Institutions Representative resided in Lincoln, Nebraska and the newly appointed Financial Institutions Representative resides in North Platte, Nebraska. As a result, lodging and vehicle mileage costs have increased. The Board is utilizing carryover funding from FY24 for the difference in costs for FY25. This Budget Request Issue results in an increase to the base appropriation of \$2,161.00 for FY 25-26 and \$2,161.00 for FY 26-27.
- The Board hired an Accountant I employee in January 2024. The Board's budget for FY24 included health insurance funding for the Regular Individual Plan; this employee elected the Family Plan upon hire. Because this position was not filled for the first six months of FY24, the Board utilized funds allocated to this position for the difference in cost between the Regular Individual Plan and the Family Plan. The Board is utilizing carryover funding from FY24 for the difference in cost between the Regular Individual Plan and the Family Plan for FY25. The Board is requesting funding for the difference in cost between the Regular Individual Plan and the Family Plan for the Accountant I position for FY26 and FY27. In addition, the Board is requesting an increase equivalent to 5% for FY26 and FY27 for the difference between the Regular Individual Plan and the Family Plan as per the Enterprise Issue. This Budget Request Issue results in an increase to the base appropriation of \$18,483.00 for FY 25-26 and \$19,407.00 for FY 26-27.
- The Board is requesting additional funding for CIO and technology maintenance. The cost to the Board for Adobe Dreamweaver, Microsoft Exchange, WebEx Premium, and phone service increases for the 2025-2027 biennium. In addition, as the NRPAB Database, Appraiser Login, AMC Login, and the NRPAB website become more detailed with increased functionality, the maintenance costs are also increasing. The Board is not requesting additional funding for CIO and technology maintenance but intends to utilize cost savings from other areas for this purpose. This Budget Request Issue results in an increase to the base appropriation of \$1,700.00 for FY 25-26 and \$1,700.00 for FY 26-27.
- The Board is requesting additional funding for 2025-2027 DAS assessment changes. Administrative Services charges an assessment based on usage of services. The projected rates, as identified in the 2025-2027 Biennium Budget Instructions are based on the agency's actual usage and the agency's usage percentage compared to all state agencies. The assessment was changed for the Nebraska Real Property Board's worker's compensation, rent expense, rent depreciation, accounting, purchasing, contents and inland marine insurance, and state blanket bond projected rates for the 2025-2027 biennium budget period. This Budget Request Issue results in an increase to the base appropriation of \$3,137.00 for FY 25-26 and \$3,658.00 for FY 26-27.

- The “2025-2027 Public Servant Salary Increase” is included as an issue at the Governor’s request to estimate the cost of employee salary increases equivalent to 3% for FY26 and FY27 each. This Budget Request Issue results in an increase to the base appropriation of \$8,060.00 for FY 25-26 and \$16,363.00 for FY 26-27. The Director commented that the increase for the FY 26-27 was an increase over the FY24-25 base, not an increase over FY 25-26.
- It is anticipated that health care costs will change in the next biennium. As requested by the Governor, “2025-2027 Public Servant Health Insurance” is included as an issue to estimate the cost to the agency for employee health insurance with an increase equivalent to 5% for FY26 and FY27 each. This Budget Request Issue results in an increase to the base appropriation of \$2,107.00 for FY25-26 and, FY27: \$4,319.00 for FY26-27.

The Director then informed the Board that the allocation between the two funds for expenditures that apply to both the Appraiser Program and the AMC Registration Program, or that are not cost effective to attempt to separate by program, is a percentage determined by the quarterly employee workload review from the previous fiscal year, and the budget analysis of the past, present, and projected numbers and trends for appraiser credentialing, AMC registrations, education activities, and compliance. Based on the most recent analysis, the AMC/Appraiser Funds allocation for FY25 is 65% Appraiser Fund and 35% AMC Fund. Due to the decline in the number of registered appraisal management companies, the AMC/Appraiser Funds allocation for FY26 and FY27 is projected to be 70% Appraiser Fund and 30% AMC Fund based on the shift in labor and material needs. The Director noted that this is just a projection; the actual split may be different.

Director Kohtz reiterated that the Board strives to provide the most effective and efficient service possible, while maintaining fiscal responsibility. For the past thirteen years, the Board has utilized technology enhancements to better automate processes, staff duty evaluation and reassignment, and streamlined processes and procedures to maintain spending levels. Although the Board will continue to take a measured approach to budget management, a point has been reached where fees must be increased to keep pace with costs as the number of real property appraisers credentialed in Nebraska are stable, resulting in flat revenues; and the number of appraisal management companies are in decline, resulting in declining revenues. The Board is in the process of implementing fee schedules to increase revenues slowly over the next four years based on real property appraiser and appraisal management company count projections, projected revenues, and projected expenditures. The FY26 and FY27 revenues as shown in the 2025-2027 Biennial Budget Request include these fee changes.

The Director then provided a fiscal summary for the 2025-2027 Biennial Budget Request, and informed the Board that for FY 25-26 the requested budget is \$479,993.00; an increase of \$35,708.00 over the base allocation. The projected expenditures for FY 25-26 are \$414,540.00, and the projected revenues for FY 25-26 are \$393,080.00. The Appraiser Fund balance is expected to be \$353,447.00 at the end of FY 25-26, and the AMC Fund balance is expected to be \$301,929.00 at the end of FY 25-26.



Finally, Director Kohtz informed the Board that FY 26-27 the requested budget is \$491,893.00 an increase of \$47,608.00 over the base allocation. The projected expenditures for FY 26-27 are \$424,885.00, and the projected revenues for FY 26-27 are \$451,361.00. The Appraiser Fund balance is expected to be \$368,343.00 at the end of FY 26-27, and the AMC Fund balance is expected to be \$331,538.00 at the end of FY 26-27.

Director Kohtz then asked for any questions or comments on the 2025-2027 Biennial Budget Request. Chairperson Downing thanked the Director for all the hard work on the 2025-2027 Biennial Budget Request. The Director expressed his appreciation for the recognition. Board Member Johnson moved to approve 2025-2027 biennial Budget Request as presented. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**5. 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 Downing asked for any public comments. Roger Morrissey appeared before the Board and stated he had no comments at this time. With no public comments, Chairperson Downing moved on to Education.

**L. EDUCATION: No discussion**

**M. UNFINISHED BUSINESS:**

**1. BOARD MEMBER COMMUTING/TRAVEL STATUS**

Director Kohtz reported that there was no update for this agenda item and informed board members that they should continue to submit their expense reimbursement requests for board meetings. Chairperson Downing inquired if State Accounting is approving the expense reimbursement requests. Director Kohtz confirmed that State Accounting is still approving expense reimbursement requests. There was no further discussion.

**2. CONSIDERATION OF SECOND SPECIAL ASSISTANT ATTORNEY GENERAL**

Director Kohtz presented the Request for Proposal for Appointment as Special Assistant Attorney General for Nebraska Real Property Appraiser Board to the Board and reported that two attorneys had been contacted for the SAAG position; one did not return his call and the other declined. The Director then informed the Board that a more formal approach would be required since the Board does not have a relationship with any other attorneys. Director Kohtz outlined the requirements and procedures found in the RFP and then invited board members to offer any recommendations they may have. Director Kohtz informed the Board that he would notify SAAG Blake and request a recommendation from him. The Director transitioned to the timeline for the RFP response submissions and recommended that the RFPs responses be submitted on or before November 11, 2024.

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This would allow enough time for attorneys to submit their response to the RFP and the Board could begin its review at the November meeting. The Board agreed with the content in the RFP and also the November 11, 2024 submission date. Board Member Hermsen moved to approve the Request for Proposal for Appointment as Special Assistant Attorney General for Nebraska Real Property Appraiser Board with a November 11, 2024 submission deadline. Board Member Gerdes seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**3. SENATOR, LEGISLATIVE STAFF, AND GPRO OPEN HOUSE/ROUNDTABLE**

Director Kohtz informed the Board that due to the special session of the Nebraska State Legislature, he didn't feel that it was appropriate to bring the concept up during his meeting with the Banking, Commerce, and Insurance Legal Counsel. The Director recommends that the Board remove this item from the agenda and it can be discussed again during the 2025 strategic planning meeting. The Board agreed with the Director's assessment. Board Member Gerdes moved to remove the Senator, Legislative Staff, and GPRO Open House/Roundtable item from the agenda. Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

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

**O. LEGISLATIVE REPORT AND BUSINESS**

**1. TITLE 298 UPDATE**

**a. Summary of Proposed Changes to Title 298\_July 25, 2024 Draft**

Director Kohtz presented the Summary of Proposed Changes to Title 298\_July 25, 2024 Draft to the Board for review. The Director informed the Board that this document was prepared to summarize the changes made in the Title 298\_July 25, 2024 Draft. The Director asked for any questions or comments. There was no further discussion.

**b. Title 298\_July 25, 2024 Draft**

Director Kohtz presented the Title 298\_July 25, 2024 Draft to the Board for consideration. The Director informed the Board that language had been added for PAREA program real property appraisal practice experience evaluation. Director Kohtz guided the Board through the proposed changes found in Subsections 002.03, 002.09, 002.09A, and 002.12A of Chapter 2. The Director then informed the Board that he is requesting one amendment to the draft before the Board approves it. Director Kohtz brought attention to Subsection 002.06 in Chapter 2 and informed the Board that there need not be a client in a traditional sense in order for an assignment results report to qualify for real property appraisal practice experience. Practicum courses of study were already included in this language. The Director recommended that this language be expanded to clarify that participation in a PAREA program and all other real property appraisal practice experience obtained under Section 002 is also applicable.

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Director Kohtz explained that the existing language could potentially lead a person to believe that non-traditional experience only applies to practicum course of study. The Board agreed with this amendment. The Director reported that the next step is a preliminary review of the draft by the Assistant Attorney General, the Governor's Policy and Research Office, and the ASC. The Board then will have the opportunity to incorporate any recommended changes before setting a hearing date. The Director asked for any questions or comments. With no further discussion, Chairperson Downing requested a motion. Board Member Minshull moved to approve the Title 298\_July 25, 2024 Draft as amended for preliminary review by the Attorney General's Office, the Governor's Policy and Research Office, and the Appraisal Subcommittee. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing asked for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

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

**P. ADMINISTRATIVE BUSINESS:**

**1. GUIDANCE DOCUMENTS**

**a. 24-01: PAREA Program Real Property Appraisal Practice Experience Evaluation**

Director Kohtz presented Guidance Document titled, "24-01: PAREA Program Real Property Appraisal Practice Experience Evaluation" to the Board for consideration. The Director informed the Board that this document clarifies how and when the real property appraisal practice experience obtained through the completion of a PAREA program is evaluated and accepted by the Board. Any applicant for credentialing as a real property appraiser through education, experience, and examination that submits a document evidencing the successful completion of a PAREA program must submit a Real Property Appraisal Practice Experience Log that includes all real property appraisal practice experience obtained through participation in the PAREA program. No supervisory real property appraiser or appraiser-in-charge signature is required for a Real Property Appraisal Practice Experience Log that contains only real property appraisal practice experience obtained through participation in the PAREA program. In accordance with 298 NAC Chapter 2, § 002.03, an applicant's hours of real property appraisal practice experience submitted to the Board for review and determination of acceptability shall demonstrate the applicant's progressive responsibility in the development and reporting of assignment results, which includes analyzing factors that affect value, defining the problem, gathering and analyzing data, applying the appropriate analysis and methodology, arriving at an opinion, and correctly reporting the opinion; and be completed in compliance with the Uniform Standards of Professional Appraisal Practice. 298 NAC Chapter 2, § 002.012A states, "A minimum of three reports will be selected from the real property appraisal practice experience log for review to qualify the real property appraisal practice experience." If one or more of the report selection criteria in section 002.12A.2 cannot be met for real property appraisal practice experience obtained through participation in a PAREA program, the Board may substitute the deficient report criteria with a report criterion met, or require applicant to complete one or more reports for a non-traditional client that rectifies the report criteria deficiencies.

Director Kohtz noted that the first PAREA pilot program participants have completed PAREA and believes the Board will see applicants from the program soon. The Director also indicated that approval of this guidance document will affect language in the applications and real property appraisal practice experience logs, so these documents will be presented for the Board's approval as well. The Director asked for any questions or comments on Guidance Document 24-01. With no further discussion, Chairperson Downing requested a motion. Board Member Hermsen moved to approve Guidance Document 24-01 as presented. Board Member Johnson seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing asked for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

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

**3. FORMS, APPLICATIONS, AND PROCEDURES**

**a. Application for Nebraska Certified General Real Property Appraiser Credential**

LPM Nespor presented an updated document titled, "Application for Nebraska Certified General Real Property Appraiser Credential," to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that this form is updated to include real property appraisal practice experience obtained through participation in a PAREA program and updated fingerprint card submission requirements.

**b. Application for Nebraska Certified Residential Real Property Appraiser Credential**

LPM Nespor presented an updated document titled, "Application for Nebraska Certified Residential Real Property Appraiser Credential," to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that this form is updated to include real property appraisal practice experience obtained through participation in a PAREA program and updated fingerprint card submission requirements.

**c. Application for Nebraska Licensed Residential Real Property Appraiser Credential**

LPM Nespor presented an updated document titled, "Application for Nebraska Certified Residential Real Property Appraiser Credential," to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that this form is updated to include real property appraisal practice experience obtained through participation in a PAREA program and updated fingerprint card submission requirements.

Board Member Minshull moved to approve the Application for Nebraska Certified General Real Property Appraiser Credential, Application for Nebraska Certified Residential Real Property Appraiser Credential, and Application for Nebraska Licensed Residential Real Property Appraiser Credential as presented. Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no further discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**d. NRPAB Applicant Real Property Appraisal Practice Experience Log Cover Sheet**

LPM Nespor presented an updated document titled, "NRPAB Applicant Real Property Appraisal Practice Experience Log Cover Sheet," to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that this form is updated to include real property appraisal practice experience obtained through participation in a PAREA program.

**e. NRPAB Applicant Real Property Appraisal Practice Experience Log**

LPM Nespor presented an updated document titled, "NRPAB Applicant Real Property Appraisal Practice Experience Log," to the Board for consideration. LPM Nespor guided the Board through the changes and informed the Board that this form is updated to include real property appraisal practice experience obtained through participation in a PAREA program.

The Director noted the Board has specific report selection criteria for each classification. Until the Board receives an application with experience obtained through participation in a PAREA program, it is not clear what that experience will look like. There will be at least three reports completed. LPM Nespor indicated that it is likely six reports and at least one 2-4 family residential property report is included. The Director added that the Title 298 update and Guidance Document 24-01 includes language to address this unknown. LPM Nespor remarked that the example logs could be updated to help potential applicants report experience obtained through participation in a PAREA program. The Board agreed that this is a good idea. Board Member Hermsen moved to approve the NRPAB Applicant Real Property Appraisal Practice Experience Log Cover Sheet and the NRPAB Applicant Real Property Appraisal Practice Experience Log as presented, and authorize staff to add examples of real property appraisal practice experience obtained through participation in a PAREA program to the sample logs on the NRPAB website. Board Member Johnson seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no further discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**Q. OTHER BUSINESS**

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

**2. CONFERENCES/EDUCATION:**

**Fall AARO Conference; October 28-30, 2024 – Boston, MA**

Director Kohtz reported that the Fall 2024 AARO Conference would take place October 28-30 in Boston, MA. The Director informed the Board that he plans to attend and asked for permission to attend the conference on behalf of the Board. No board members expressed interest in attending. Board Member Minshull moved to approve Director Kohtz to attend the Fall AARO Conference on October 28-30, 2024 in Boston, Massachusetts, Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and asked for any discussion. With no discussion, Chairperson Downing called for a vote. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

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

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

**5. APPRAISAL SUBCOMMITTEE**

**a. ASC Quarterly Meeting: September 11, 2024 (Online:)**

Director Kohtz presented the Appraisal Subcommittee September 11, 2024 Quarterly Meeting Minutes to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

**b. ASC Staff comments on Concept Paper - Assessment of College Degree Requirements within the Criteria:**

Director Kohtz presented the ASC Staff comments on Concept Paper - Assessment of College Degree Requirements within the Criteria to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

**6. THE APPRAISAL FOUNDATION**

**a. TAF July Newsletter**

Director Kohtz presented The Appraisal Foundation's July Newsletter to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

**b. TAF State Regulator Newsletter**

Director Kohtz presented The Appraisal Foundation's State Regulators Newsletter to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no further discussion.

**c. AQB Q&A\_July 18, 2024**

Director Kohtz presented The Appraisal Qualifications Board Q&A titled, “Guidance on Valuation Bias and Fair Housing Laws and Regulations Course Requirements” issued on July 18, 2024 to the Board for review. The Director indicated that the question was asked if a CE version of the course counts as QE? The answer provided by the AQB is that CE credit hours cannot be used to satisfy qualifying education requirements. However, if an individual seeking to upgrade their credential took a VB-FH 7-hour course during their most recent CE cycle, a state may recognize the CE course as meeting the QE requirement if the student takes and passes the required 1-hour exam component of the 8-hour VB-FH QE requirement. As a result, the student would not need to repeat the course content. Director Kohtz noted that he did not see any issues with the language in the proposed rules. The follow up question asked if the course could include relevant state-specific content. TAF responded that the course could not.

**d. UPSAP Q&As\_July 15, 2024**

Director Kohtz presented the TAF Appraisal Standards Board document titled, “USPAP Q&As” issued July 15, 2024 to the Board for review. Director Kohtz brought attention to 2024-07 beginning on page Q.13. The first question is, “My client has requested an appraisal assignment that would be used in connection with the acquisition of the property by a federal government agency. In addition to complying with USPAP, I believe the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA or “Yellow Book”) may have requirements I will need to follow. My client has not identified any requirements in addition to USPAP I must follow. If I agree to perform the new assignment, am I required to comply with federal laws, regulations, and follow Yellow Book standards when the client does not specifically make that request?” The Director reported that the answer provided to the question by TAF is, “USPAP requires an appraiser to have knowledge of and comply with all federal, state, or local laws and regulations that are applicable to the assignment as a matter of competency. This means the appraiser must identify assignment conditions.”

**e. TAF Meeting Notice – Forum to Explore Artificial Intelligence\_September 12, 2024**

Director Kohtz presented The Appraisal Foundation’s meeting notice for its forum to explore artificial intelligence to be held on September 12, 2024 to the Board for review and reported that he had no specific comments. The Director asked for any questions or comments. There was no discussion.

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

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

Board Member Johnson moved that the Board to go into executive session. LPM Nespor reminded Board Member Johnson that the reason for the Board entering closed session must be stated. Board Member Johnson withdrew the motion. Board Member Gerdes 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 Hermsen seconded the motion. The time on the meeting clock was 12:20 p.m. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Hermsen moved to come out of executive session at 12:55 p.m. Board Member Minshull seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**C. Credentialing as a Nebraska Real Property Appraiser:**

The Board reviewed applicants L24001, L24002, CR23005, CG23022, CG23036, CG23039 and CG24001. Chairperson Downing asked for a motion on L24001, L24002, CR23005, CG23022, CG23039 and CG24001.

Board Member Gerdes moved to take the following action:

**CG24002 / Deny application for failure to meet the minimum requirements of a degree in real estate from an accredited degree-awarding college or university that has had all or part of its curriculum approved by the Appraiser Qualifications Board as required core curriculum under Neb. Rev. Stat. § 76-2230(1)(b)(ii), and for failure to have no fewer than one thousand hours of experience acceptable to the Board as prescribed by rules and regulations under N.R.S. § 76-2230(1)(c)(i).**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG24001 / Approve applicant to sit for exam and authorize Director to issue a credential as a licensed residential real property appraiser upon providing evidence of successful completion of the National Uniform Licensing and Certification Examination and providing the necessary fees.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.



Board Member Gerdes moved to take the following action:

**CG23005 / Deny application for failure to pass the National Uniform Licensing and Certification Examination within the twelve months following approval of the applicant's education and experience as required under N.R.S. §76-2231.01(1)(g) at the time of application.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG23022 / Deny application for failure to have no fewer than three thousand hours of experience acceptable to the Board as prescribed by rules and regulations under Neb. Rev. Stat. § 76-2232(1)(e)(i).**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Johnson, Minshull, and Downing voting aye. Hermsen abstained.

Board Member Gerdes moved to take the following action:

**CG23039 / Authorized the Director to select, and request that applicant submit, three reports that include improvements with significant contributory value.**

Board Member Minshull seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**CG24001 / Deny request to meet with board members to discuss deficiencies found in the reports.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**D. Registration as an Appraisal Management Company:** No discussion.

**E. Consideration of Compliance Matters**

The Board reviewed compliance matters 23-01, 23-08, 23-12, 24-06, and 24-07. Chairperson Downing asked for a motion on 23-12, 24-06, and 24-07.

Board Member Gerdes moved to take the following action:

**24-06 / Dismiss without prejudice. Send a written advisory to the explaining the difference between an appraisal report and restricted report as defined in USPAP and remind Respondent of the importance of including enough detail in the report to ensure that it is not misleading.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**24-07 / Dismiss without prejudice.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

Board Member Gerdes moved to take the following action:

**23-12 / Execute Consent Agreement. Signed by Chairperson Downing on August 21, 2024. Enter into a contract with a qualified, disinterested third-party certified real property appraiser for completion of a USPAP compliance review of the report submitted in accordance with the terms of the Consent Agreement.**

Board Member Hermsen seconded the motion. Chairperson Downing recognized the motion and called for a vote. Motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye.

**F. Consideration of Other Executive Session Items: No discussion.**

**R. ADJOURNMENT**

Board Member Minshull moved to adjourn the meeting. Board Member Gerdes seconded the motion. The motion carried with Gerdes, Hermsen, Johnson, Minshull, and Downing voting aye. At 1:00 p.m., Chairperson Downing adjourned the August 15, 2024 meeting of the Nebraska Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on August 22, 2024, in compliance with Nebraska Revised Statute § 84-1413 (5).