



MEMO FROM THE NEBRASKA REAL PROPERTY APPRAISER BOARD

February 16, 2024

Nebraska Real Property Appraiser Board Legislative Update – LB1417

By Tyler Kohtz, Director

Each legislative session, the Nebraska Real Property Appraiser Board (“Board”) follows legislative bills introduced by the Nebraska State Legislature that may have an impact on the real property appraiser profession or agency operations.

On Thursday, January 22, 2024, LB1417 was introduced. If passed, effective July 1, 2025, the Board of Abstracters and Appraisers is created, which would assume all of the duties of the Abstracters Board of Examiners; the Real Property Appraiser Board; and the board of appraisers in sections 72-224.03, 72-225, 72-240.14, and 72-240.19. On this same date, the Real Property Appraiser Board as it currently exists is terminated.

The Nebraska Real Property Appraiser Board (“Board”) held a meeting on January 22, 2024 to discuss LB1417. After discussion of LB1417, the Board moved to authorize Director Kohtz to draft a letter to Senator Brewer and Governor Pillen requesting clarification of the intent of LB1417 and to bring attention to the potential impact of this bill. The letters requested by the Board were sent to Governor Pillen and Senator Brewer on January 23, 2024. Specifically, the following was identified as it relates to LB1417:

- The Board consists of five members; one member who is a certified real property appraiser from each of the three congressional districts, and two members at large. The two at large members includes one representative of financial institutions and one licensed real estate broker. This makeup ensures that the 700 real property appraisers credentialed, and the 75 appraisal management companies registered in the State of Nebraska, have adequate representation in the body that governs their profession.
- The appraiser community is directly tied to the banking and real estate communities. These three professional communities intertwine through a regulatory framework and a shared responsibility to protect the public from undue harm as it relates to real property. This relationship is why the Board’s makeup also includes a financial institution representative and a broker representative.

Board Members

Chairperson of the Board

Bonnie M. Downing, Dunning
Certified General Appraiser
3rd District Representative
Term Expires: January 1, 2025

Vice-Chairperson of the Board

Cody Gerdes, Lincoln
Certified General Appraiser
1st District Representative
Term Expires: January 1, 2026

Board Member

Kevin P. Hermesen, Gretna
Certified General Appraiser
2nd District Representative
Term Expires: January 1, 2027

Board Member

Rodney Johnson, Norfolk
Certified General Appraiser
Licensed Real Estate Broker Rep
Term Expires: January 1, 2028

Board Member

Derek Minshull, North Platte
Financial Institutions Rep
Term Expires: January 1, 2029



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- The Board employs a staff of four that carries out the mission, vision, and duties of the Board. Through the Board's primary functions, the Board ensures that the citizens of Nebraska are protected and served, and also that the appraisal business community is highly qualified through education, experience, and examination. In addition, the Board strives to maintain compliance with federal requirements set forth in Title XI. The staff's knowledge and understanding of the complex regulatory framework and ability to carry out the responsibilities of the Board in an effective and efficient manner is an asset to the State of Nebraska. Because of the Staff's hard work and dedication, the Board's successes include:
 - o No issues identified in the Nebraska State Auditor's Attestation Report concerning its last audit of the Board's finances (2020).
 - o The Banking, Commerce, and Insurance Committee recommended no changes in the Real Property Appraiser Act other than continued timely amendments to maintain compliance with the always changing national requirements during its 2020 review of the Board's occupational regulations pursuant to the Occupational Board Reform Act.
 - o The State Patrol and the FBI found no issues with the Board's background check program during its last two reviews of the Board's CHRC program (2019, 2023).
 - o The Board's Appraiser Program and AMC Program received an "Excellent" rating from the Appraisal Subcommittee during its last two compliance reviews (2019, 2023).
- The Board's regulatory structure is a very important part of the Board's mission. Title XI requires each state to prescribe appropriate standards for the performance of real estate appraisals in connection with federally related transactions. In addition, real estate appraisals are to be performed in accordance with generally accepted uniform appraisal standards, known as USPAP, and are to be performed by an individual whose competency has been demonstrated, and whose professional conduct is subject to effective state supervision. Appraisal Subcommittee ("ASC") monitors the requirements established by state appraiser regulatory agencies for compliance with the requirements of Title XI. The ASC is authorized by Title XI to take action against a non-complying state appraiser regulatory program if the policies, practices and procedures in place are inconsistent with the requirements of Title XI. In order to best serve the citizens of the State of Nebraska, it is important that this concentration of knowledge and understanding is not diluted. Terminating this Board would cause undue harm to the public as all the institutional knowledge would be lost and the State of Nebraska's relationship with the financial and appraiser communities would also be damaged.
- The Board takes its administrative responsibilities very serious, which is why it reviews its statutes, regulations, policies, and procedures each year during its strategic planning meeting for effectiveness, clarity, and applicability. The Board's goal is to remove barriers to entry into the real property appraiser profession as they are identified, and allow the real property appraiser profession to operate with minimal government intrusion outside of what is required by the Appraisal Subcommittee and Title XI. Furthermore, the intent of the Board's regulatory program is to be educational in practice when possible.
- The Board also takes its fiscal responsibilities very seriously. During the past twelve years, the Board has identified cost savings through the increased use of technology and program evaluation to not increase any fees. In addition, the Board's budget has only increased by an average of approximately 2% per year from FY 12 to FY 24.

Director Kohtz spoke with Governor's Policy and Research Office ("GRPO") on January 29, 2024. The Director reiterated that the Board shares the same goal to operate with efficiency and effectiveness in a way that best serves the citizens of Nebraska. The Director expressed the Board's preference to maintain its current independence as it exists, but also offered concepts and information for the Governor's consideration. The GRPO expressed a willingness to work with the Board. Director Kohtz followed up with the GRPO on February 14, 2024, which indicated that there are no updates since their last communication.

The Board discussed LB1417 at its meeting on February 15, 2024 and recommended that Director Kohtz draft a Memo From the Board to notify the appraiser community of any updates since the last memo was sent.

The hearing for LB1417 has been set by the Nebraska Legislature's Government, Military, and Veterans Affairs Committee for February 29, 2024 at 1:30 p.m. in Room 1507 at the Nebraska State Capitol. Public hearings are where citizens have an opportunity to have their views incorporated into the official committee record. Testimony can be offered in person before the committee or in writing. Testimony is more impactful in person and the Board encourages you to testify in person if you are able to.

If you wish to testify in person before the committee, you will need to fill out the sign-in sheet at the witness table (Identify a position: Proponent = for bill; Neutral = no position, but offer information; Opponent = against bill), orally identify yourself and spell your last name for the record, and state who, if anyone, you represent as you begin your testimony. It is important to remember that committee proceedings are transcribed verbatim. Also, the committee chairperson determines the rules for testifying and whether there will be a time limit on testimony. The length of time spent on each bill varies and depends largely on the number of people testifying, the length of their testimony and the number of questions asked by committee members. It is strongly recommended that you bring fifteen written copies of your testimony as well to distribute to the committee members, just in case you are unable to complete your testimony during the time allotted. If auxiliary aids or reasonable accommodations are needed for you to attend a hearing, please call the Office of the Clerk of the Legislature, (402) 471-2271, or if you have a hearing or speech impairment, please call the Ombudsman's Office at (402) 471-2035 or 800-742-7690. Advance notice of seven days is needed when requesting an interpreter.

Written testimony may also be submitted at: https://nebraskalegislature.gov/bills/view_bill.php?DocumentID=55542 (select the button that says, "Submit Comments Online For LB1417"). The deadline to submit and verify a comment for the hearing record for LB1417 is Thursday, February 29, 2024 at 8:00 AM Central Time.