

**REAL PROPERTY APPRAISER BOARD
MAIN LEVEL, ROOM “Y”
NEBRASKA STATE OFFICE BUILDING
301 CENTENNIAL MALL SOUTH, LINCOLN, NE**

19 May 2011

OPENING

Chairman Brad Moore called to order the May 19, 2011 meeting of the Nebraska Real Property Appraiser Board at 9:00 a.m., in Room “Y” located on the Main Level of the Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.

NOTICE OF MEETING

Chairman Moore 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 e-mail. Publication of official notice of the meeting appeared in the May 16, 2011 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this State, as required by the public meeting law. 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, Bradford Moore, Philip Barkley, Tom Kubert, and David Hartman were present. Board Member Gregg Mitchell was absent and excused. Director Kitty Policky was also present.

ADOPTION OF THE AGENDA

Chairman Moore 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. Vice Chairman Barkley moved to adopt the Agenda as printed. Board Member Kubert seconded the motion. With no further discussion, the motion carried with Barkley, Kubert, Hartman, and Moore voting aye.

The Nebraska Real Property Appraiser Board will meet in executive session for approval of applicants and enforcement matters. The change to the Agenda was advertised prior to the meeting under the requirements of the Open Meetings Act...

APPLICANTS & ENFORCEMENT

Vice Chair Barkley moved that the Board go into executive session for the purpose of reviewing applicants for credentialing and consideration of written complaints and disciplinary action. A closed session is clearly necessary to prevent needless injury to the reputation of the individual or individuals relating to the issues of qualifying applicants and relating to the alleged violations of performance in real property appraisal practice. The time on the meeting clock was 9:06 a.m. Board Member Kubert seconded the motion. The motion carried with Kubert, Hartman, Barkley, and Moore voting aye.

Vice Chairman Barkley moved to come out of executive session at 10:04 a.m. Board Member Kubert seconded the motion. The motion carried with Hartman, Barkley, Kubert, and Moore voting aye.

Vice Chair Barkley moved to take the following action for the Appraiser Trainee applicant:
ST209 / Approved. Continuing Education due date November 30, 2013.

Vice Chair Barkley moved to take the following action for the Licensed Residential Upgrade applicant:
L593 / Hold as Standard 3 Compliance Reports not completed by Board meeting.

Board Member Kubert seconded the motion. Motion carried with Barkley, Kubert, Hartman, and Moore voting aye.

Vice Chair Barkley moved to take the following enforcement actions:

- 09-07 Hold. Notify Legal Counsel proceed to Notice of Hearing. Contract Hearing Officer.
- 09-09 Hold. Notify Legal Counsel proceed to Notice of Hearing. Contract Hearing Officer.
- 09-25 Hold until Cases #09-07 & #09-09 are completed.
- 09-26 Hold. Signed Stipulation & Order. Credential inactive effective 3/25/2011 until terms of Consent Agreement has been met. Stipulation and Order to inactivate credential for violation of §76-2238(18).

Board Member Hartman seconded the motion. Motion carried with Hartman, Barkley, and Moore voting aye. Board Member Kubert abstained.

Vice Chair Barkley moved to take the following enforcement actions:

- 10-03 Issued Stipulation and Order to inactivate credential for violation of §76-2238(18). Terms of Consent Agreement to 15-hour National USPAP & General Report Writing & Case Studies have been met with the submission of completion documents. CLOSE
- 10-19 Hold / Respondent has not submitted fee for State Treasurer costs for processing check for insufficient funds. Violation of §76-2238(21).
- 11-04 Informal 8:00 a.m. 5/19/2011. Consent Agreement to successfully complete a 30-hour General Report Writing & Case Studies; 30-hour Income Approach Part 1; and 15-hour National USPAP. Education due nine months from meeting date; and submit log of appraisals completed 5/1/2011 to 9/1/2011 by 9/12/2011.
- 11-06 Hold Standard 3 Compliance Report not complete.
- 11-07 Hold Standard 3 Compliance Report not complete.
- 11-08 Hold Standard 3 Compliance Report not complete.
- 11-09 Hold Standard 3 Compliance Report not complete.

Board Member Hartman seconded the Motion. With no further discussion the motion carried with Barkley, Kubert, Hartman, and Moore voting aye.

Vice Chair Barkley moved to take the following enforcement actions:

- 11-02 Hold Standard 3 Compliance Report not complete. Related to #11-05.
- 11-03 Hold Standard 3 Compliance Report not complete. Related to #11-05.
- 11-05 Hold Standard 3 Compliance Report not complete.
- 11-10 Hold Standard 3 Compliance Report not complete.

Board Member Kubert seconded the motion. Motion carried with Kubert, Barkley, and Moore voting aye. Board Member Hartman abstained.

Board took a break at 10:15 a.m.

Board meeting reconvened at 10:27 a.m.

WELCOME GUESTS

Chairman Moore welcomed the guests to the meeting and asked that they please sign the guest log.

APPROVAL OF THE MINUTES FROM APRIL 21, 2011

Chairman Moore asked for any additions or corrections to the April 21, 2011 minutes. Board member Barkley noted two errors requiring change. With no further discussion Board Member Kubert moved to adopt the minutes as amended. Board Member Hartman seconded the motion. The motion carried with Barkley, Kubert, Hartman, and Moore voting aye.

EDUCATION

Vice Chairman Barkley moved to approve the following continuing education seminars and respective instructors as listed:

Continuing Education New:

1. Appraisal Institute, Nebraska Chapter:

- A. "Effective Appraisal Writing" / 7 hours / C2851
Instructor: Dr. Blankenship

2. American Society of Farm Managers & Rural Appraisers, Denver, CO:

- A. "Cutting Edge Technologies & Resources" / 8 hrs. / C21114
Instructor: Barbara Lechtenberg

3. Q10/ Daisley Russ Financial Corporation, Omaha, NE:

- A. "Commercial Real Estate & Capital Markets Update Seminar" / 3 hours / C21115

Instructors:

Heath Bullock, CCIM, SIOR

Greg Cazel, Principal & EVP

Kevin Crowley, SIOR, Managing Broker

Donald A. Dibble, Senior VP, Mortgage & RE Development

Jason Henderson, VP & Omaha Branch Executive, Federal Reserve Bank KC

Dean Holdsworth, Director, Mortgage Loan & RE Investments

Christopher Johns Jr., CRI, Region VP, Mortgage Loans

James W. Maenner, SIOR, CCIM, Vice President CB Richard Ellis/MEGA

Benjamin Meier, Senior Associate, The Lerner Company

Christopher Mustoe, President C. Mustoe Appraisals

Gene Nelsen, MAI, CCIM, President, Nelsen Appraisal Associates, Inc.

Susan Pfeil, Director, Commercial Mortgage

Richard See, General Appraiser, Mitchell & Associates

Jon Weinberg, Director, Mortgage Loans & Real Estate

Board Member Kubert seconded the motion. With no further discussion, Chairman Moore called for the vote. The motion carried with Kubert, Hartman, Barkley, and Moore voting aye.

CHAIRMAN'S REPORT

Chairman Moore had no comments but did state he had some updates he would make during the unfinished business portion of the meeting.

DIRECTOR'S REPORT

Director Policky reported the number of appraisers for May 2011 stands as follows: 93

Registered/Conversion; 87 Licensed Residential; 211 Certified Residential; and 370 Certified General for a total of 761 appraisers. The accounting includes the totals for May 2010 reporting 805 appraisers and the report for May 2009 reporting 832 appraisers. Sixty-three notices were mailed to appraisers

that have not renewed to date. Although a total of 80 appraisers have not renewed, several had notified this office of their retirement or decision not to renew prior to the mailing. The renewal process, although almost complete, is ongoing until June 30, 2011.

Director Policky asked the Board for approval to reimburse Chairman Moore for the registration fee of \$350.00 to the AARO meeting he attended in San Antonio, Texas, April 9-11. The Board has always paid for the registration fee. Vice Chairman Barkley proposed reimbursement for the registration fee of \$350.00. Board Member Kubert seconded the motion. With no further discussion the motion carried with Hartman, Barkley, Kubert, and Moore voting aye.

Director Policky closed the report by thanking the Board for their service and assistance.

RECEIPTS AND EXPENDITURES REPORT – APRIL 2011

The receipts and expenditures for April were reviewed by the Director by line item with the Board. A total of \$14,993.02 in expenditures and \$5,801.40 in receivables is reported. Considerations were made for expenditures for monthly obligations. Director Policky informed the Board that the overage in the benefits line is not an overage in the PSL but goes against the total agency budget. A copy of the Budget Status Report, the General Ledger Detail Report and Receipt Journal for April are attached and considered part of these minutes.

Vice Chairman Barkley moved to accept and file the April 2011 Budget Status report for receipts and expenditures for audit. Board Member Hartman seconded the motion. With no further discussion the motion carried with Barkley, Kubert, Hartman, and Moore voting aye.

UNFINISHED BUSINESS

1. LB410 / Rules & Regulations Committee

A committee has been formed to develop the Rules and Regulations to support LB410 and will meet on June 13, 2011 at 10:00 a.m. The members of the committee include Director Policky, Cay Lacey, Diane Moore and Sheila Newell.

Chairman Moore wished to express the Board's appreciation to the members of the committee for their time and knowledge and added how the accumulation of knowledge and experience by the members will be a great asset in formulating the proposed AMC rules and regulations.

2. Department of Revenue/ Property Assessment Division/ Response Hearing Testimony

Chairman Moore opened the discussion of the proposed draft regulations to Title 350 by referring to the testimony in letter form that was developed on the part of several members to Director Ruth Sorensen and Legal Counsel Jon Cannon. Just as a brief history, Chairman Moore highlighted points of the meeting that he and Board Member Tom Kubert had in regard to draft regulation of Title 350, Property Assessment Division of the Nebraska Department of Revenue. The proposed draft regulations add such vernacular as "certified," "appraiser" and "appraisal" to the regulations of assessors. The purpose is to create something called a "mass appraisal credential." Achieving the mass appraisal credential goes through a designation process and not a credentialing process. The proposed hearing testimony before the Board is to be submitted for a public hearing that was held on Friday, March 18th.

The Board submitted written testimony for a hearing and received a reply from the Property Tax Administrator. Several points regarding the draft by the Department were listed in the written testimony and each was noted in the reply. One point regarding the draft regulation, addressed the term "Certified Mass Appraiser." The Department of Revenue agreed to change the term "certified mass

appraisal designation” to “mass appraisal designation” eliminating the “certified.” Another point made by Chairman Moore suggests the draft “ignores’ single property evaluation experience in non-ad valorem assignments. The Property Tax Administrator believes “the experience derived from fee appraisals do not translate to the work expected of an appraiser involved in the mass appraisal of real property.” The Chairman also stated the Board’s expectation that any USPAP violation be forwarded to the Nebraska Real Property Appraiser Board. There was no objection to this request.

NEW BUSINESS

1. SB 2011 Summary of Actions/ Proposed USPAP Changes

Director Policky introduced the Appraisal Standards Board (ASB) “2011 Summary of Actions” to each member of the Board. Several changes to USPAP were proposed and adopted by the ASB on April 18, 2011. Several changes will be incorporated into the 2012-2013 edition of USPAP including, revisions to the definitions of “Client,” “Extraordinary Assumption,” “Hypothetical Condition,” and will include a new definition, “Exposure Time.” There was also the creation of a new “Record Keeping Rule.” A copy of the changes can be found by going to www.appraisalfoundation.org and clicking on the “what’s new” link.

GENERAL PUBLIC COMMENTS

Chair Moore asked for any public comments. With no additional comments, the Chairman proceeded to adjourn the meeting.

ADJOURNMENT

Vice Chairman Barkley moved to adjourn the meeting. Board Member Kubert seconded the motion. Motion carried unanimously.

At 11:38 a.m. Chairman Moore adjourned the May 19, 2011 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Kitty Policky, Director

These minutes were available for public inspection on May 27, 2011, in compliance with Nebraska Statute §84-1413(5).