

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

**July 20, 2017 Meeting Minutes**

**A. OPENING**

Chairperson Chris Langemeier called to order the July 20, 2017 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 Langemeier 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 in the July 17, 2017 edition of the *Lincoln Journal Star*, a legal newspaper of general circulation in this state, as required by the Open Meetings Act. The agenda was kept current in the Nebraska Real Property Appraiser Board office and on the Board's website. Materials generally used by the Board for this meeting were available in the public folder for inspection by the public, and in accordance with the Open Meetings Act a copy of the Open Meetings Act was available for the duration of the meeting. For the record, Board Members Chris Langemeier, Benjamin Hynek, David Bloxham, Gary McCormick, and Christopher Mustoe were present. Also present were Director Tyler Kohtz, Compliance and Education Officer Grant Krieger, and Business and Licensing Specialist Allison Nespor.

**ADOPTION OF THE AGENDA**

Chairperson Langemeier 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 Hynek moved to adopt the agenda as printed. Board Member Mustoe seconded the motion. With no further discussion, the motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

***The Nebraska Real Property Appraiser Board will meet in executive session for review of applicants and enforcement matters.***

Board Member Hynek 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. Chairperson Langemeier asked for a second. Board Member Bloxham seconded the motion. The time on the meeting clock was 9:02 a.m. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

Board Member Hynek moved to come out of executive session at 9:56 a.m. Board Member Mustoe seconded the motion. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

Break from 9:56 a.m. to 10:05 a.m.

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

Chairperson Langemeier welcomed all to the meeting and informed guests of the start of the public section of the meeting. The Chairperson indicated that he is glad to be back after missing the June meeting as he was out of town. Roger Morrissey and Diane Moore were the only members of the general public in attendance.

## **H. BOARD MEETING MINUTES**

### **1. APPROVAL OF JUNE 15, 2017 MEETING MINUTES**

Chairperson Langemeier asked for any additions or corrections to the June 15, 2017 meeting minutes. Board Member Hynek requested that "all" be added between the words "on" and "credential," and the words "that reside in another jurisdiction" be removed from Subsection 1 of Section O of the minutes on page H.4. Director Kohtz informed the Board that this change will be made. With no further discussion, Chairperson Langemeier called for a vote. Board Member Hynek moved to adopt the June 15, 2017 meeting minutes as amended. Board Member Mustoe seconded the motion. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

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

### **1. APPRAISER COUNT REPORT**

Director Kohtz presented seven charts outlining the number of appraisers as of July 20, 2017, and provided a brief summary on appraiser count trends. The Director then asked for any questions or comments. There was no further discussion.

### **2. CREDENTIAL RENEWAL REPORT**

Director Kohtz presented two charts outlining the credential renewal counts through June 31, 2017. Director Kohtz summarized each chart and provided an overview of the 2017-18 credential renewals for the end of the fiscal year. The Director informed the Board that the total renewal counts exceed projections and that the certified residential and licensed residential credentials exceeded projections; however, the certified general and trainee credentials did not meet projections. Director Kohtz also indicated that the reasons that both the certified general and trainee credential renewals came in below projections had been discussed in detail during the previous meetings, so he would not cover them again. The Director then asked for any questions or comments. There was no further discussion.

### **3. TEMPORARY PERMIT REPORT**

Director Kohtz presented three charts outlining the number of temporary permits issued as of June 30, 2017, and asked for any questions or comments. There was no further discussion.

### **4. SUPERVISORY APPRAISER COUNT REPORT**

Director Kohtz presented two charts outlining the number of supervisory appraisers as of July 20, 2017, and asked for any questions or comments. There was no further discussion.

### **5. AMC COUNT REPORT**

Director Kohtz presented two charts outlining the number of AMCs as of July 20, 2017, and asked for any questions or comments. There was no further discussion.

## **I. FINANCIAL REPORT AND CONSIDERATIONS – JULY 2017**

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

Director Kohtz summarized the expenditures and revenues for the fiscal year end, which ended with \$360,383.67 in expenditures and \$349,541.47 in receivables. As of the end of June, expenses amount to 72.88 percent of the budgeted expenditures. Director Kohtz also noted that revenues finished at 112.05 percent of the budgeted revenues for the fiscal year. The Director then broke down expenditures by operations, encumbrances, and one time funded projects to give to Board a sense of its base expenditures for the fiscal year. The Director reported that the base expenditures for the fiscal year, which does not include encumbrances or one time projects, ended at \$323,496.80 and 83% of the base appropriation of \$389,172.00.

Director Kohtz then provided some specific details to the Board, and informed the Board that because no work was completed on the database project the data processing expenses were significantly below budget, awards expenses finished at 181% of budget because of the board member recognition plaque, legal services finished slightly above budget, and other contractual services finished at 56.92% of budget due to the slow start for new applications and the low number of new investigations. The Director informed the Board that legal services and other contractual services can fluctuate from year to year. Director Kohtz then turned attention to revenues, and informed the Board that it had a very good year with regard to revenue. New credential and renewal revenues exceeded projections across the board, and AMC revenues were also strong with new AMC registrations and AMC renewals exceeding projections. The Director asked for any questions regarding the 2016-17 fiscal year. There was no further discussion.

The receipts and expenditures for June were reviewed by the Director by line item with the Board in the Budget Status Report. Director Kohtz brought attention to awards expense and informed the Board that the amount of \$334.00 includes the board member recognition plaque and Board Member McCormick's nameplate. The Director asked for any questions related to the Budget Status Report. There was no further discussion.

The Director then brought attention to the General Ledger for June, and informed the Board that the payments to the Department of Corrections were for the board member recognition plaque and the nameplate. The Director then asked if the Board had any questions pertaining to the General Ledger. There was no further discussion.

Director Kohtz then 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 \$22,674.08 in expenditures and \$12,849.25 in revenues were reported.

Board Member Hynek moved to accept and file the June 2017 financial reports for audit. Board Member Mustoe seconded the motion. The motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

## **2. FY 2017-18 BUDGET**

Director Kohtz presented the final Fiscal Year 2017-18 Budget to the Board for consideration. The Director informed the Board that the budget did not change from the budget that was discussed at the 2017 strategic planning meeting. Director Kohtz indicated that a few revenue projections were adjusted upward to account for revenues that exceeded expectations established in May when the strategic planning meeting was held. The Director finished by informing the Board that the general expenses applied to both the Appraiser Fund and AMC Fund will be moved back to the seventy percent, thirty percent split as discussed during the strategic planning meeting. The Director asked if the Board had any questions or recommendations. With no further discussion, Board Member Hynek moved to approve the Fiscal Year 2017-18 Budget as presented. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

## **3. PER DIEMS**

Chairperson Langemeier indicated that Board Member Mustoe is eligible for a per diem payment in the amount of \$100.00 for representing the Board at a June 27, 2017 advisory meeting with applicant CG17003. Board Member Hynek moved to approve the per diem payment as requested for Board Member Mustoe. Board Member McCormick seconded the motion. The motion carried with Hynek, Bloxham, McCormick, and Langemeier voting aye. Mustoe abstained.

## **K. GENERAL PUBLIC COMMENTS**

Chairperson Langemeier asked for any public comments. With no comments, the Chair proceeded to Unfinished Business.

## **L. EDUCATION: None**

## **M. UNFINISHED BUSINESS**

### **1. BOARD MEMBER RECOGNITION**

Director Kohtz informed the Board that the plaque has been received and installed in the waiting area of the office.

### **2. USPAP BOOK HOLDING ACCOUNT**

Director Kohtz informed the Board that no response has been received to date.

### **3. FEDERAL TRADE COMMISSION VS. LOUISIANA REAL ESTATE APPRAISER BOARD**

Director Kohtz brought attention to Executive Order Number 17-16 issued by the Louisiana Governor, and informed the Board that the order didn't exactly express confidence in the Louisiana board. The order requires the Louisiana board to seek approval from the Division of Administrative Law prior to filing an administrative action or finalizing a settlement, and the board must seek approval from the Commissioner of Administration for any proposed regulation related to AMC compliance. The Director finished by saying that there is likely more to the story that will be revealed through public records if the matter goes to hearing. Chairperson Langemeier commented that it is a good thing that Nebraska takes a more cautious approach concerning customary and reasonable fees.

## **N. NEW BUSINESS**

### **1. INTERAGENCY ADVISORY ON THE AVAILABILITY OF APPRAISERS**

Director Kohtz presented a document from the federal bank regulatory agencies titled “Interagency Advisory on the Availability of Appraisers” to the Board for review. The Director informed the Board that the advisory reiterates what is already found in Title XI; this is not new information. The Director continued by says that it is unclear why these federal agencies would release this advisory; it almost seems like they are sending a message to those who complain about appraiser shortages. Board Member Bloxham asked if the waiver in place would still require the use of credentialed appraisers only. Director Kohtz responded that he believes that it does; it is his belief that the waiver would be to state licensing requirements, but one must still be a recognized appraiser to work under the waiver. Board Member Bloxham read the following from the advisory, “Section 1119 of Title XI authorizes the Appraisal Subcommittee, after making certain findings and with the approval of the FFIEC, to grant temporary waivers of any requirement relating to certification or licensing of individuals to perform appraisals under Title XI . . . .” Director Kohtz indicated that he has never thought of it this way, but if you adhere to the plain language, it does say that any requirement could be waived. The Board agreed that this could become a problem if a temporary waiver is granted by the ASC, and agreed that it would be a good idea to monitor the situation in which it is used, if used, and how the waiver is designed.

### **2. RECOGNITION OF THE PASSING OF CURRENT/FORMER CREDENTIALLED APPRAISERS**

Director Kohtz presented a Memo to the Board summarizing the Board’s history since 2012 concerning the recognition of appraisers or staff who have passed. The Director informed the Board that he and Board Member Mustoe had an email conversation regarding this topic, and both felt that it would be a good topic for the Board to discuss. Board Member Mustoe added that he has passed around a handout showing what the Appraisal Institute does for appraisers who have passed. Mustoe continued by saying many of these individuals give a large portion of their lives to the profession, and it would be a nice thing for the Board to recognize them. Board Member Bloxham asked if this is something the Board should be doing. Board Members Langemeier and Hynek agreed that they don’t have strong feelings either way. Board Member Mustoe indicated that it doesn’t have to be a big presentation, but something simple, like a spot in the newsletter. Director Kohtz indicated that it would fit nicely in the “Coming and Going” section. Board Member Bloxham expressed concern with the idea of staff seeking out news of deceased appraisers. Board Member Mustoe agreed, and felt that only those reported to the Board should be included in the newsletter. Chairperson Langemeier recommended that the newsletter section use the same language as the Appraisal Institute’s recognition. Director Kohtz informed the Board that the agency will begin including a section in the newsletter recognizing those appraisers who have passed.

## **O. LEGISLATIVE REPORT AND BUSINESS**

### **1. REAL PROPERTY APPRAISER ACT USPAP UPDATE DRAFT**

Director Kohtz presented the initial draft of the Nebraska Real Property Appraiser Act with the 2017-18 USPAP updates to the Board for consideration. The Director summarized all changes as the Board reviewed the draft. Specifically, Director Kohtz brought attention to the new emphasis on appraisal review in the USPAP update, and informed the Board that definitions and references throughout the Act have been changed to reflect this new emphasis; the draft includes some other minor definition changes to remain in sync with USPAP; the real property associate credential and references to it have been removed; the date specific language has been removed to the extent possible; and the final sentence in 76-2222 was removed as it is a repetitive phrase found earlier in the provision; the Nebraska law review was removed; the reciprocity requirements were updated to reflect the Board's position that the minimum should be the Real Property Appraiser Qualifications Criteria, and not the higher standards of the State of Nebraska; and the report writing update continuing education requirement was removed. Director Kohtz finished by informing the Board that he considered ways to add language indicating that a law cannot be out of compliance with the requirements of Title XI, but was unable to put together language that he felt would be acceptable to the Legislature, or that he was comfortable with. With no discussion, Board Member Bloxham moved to approve draft as submitted to send to bill drafting for REQ and authorize Director Kohtz to work towards a finished product with Bill Marienau. Seconded by Mustoe, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

Board Member Hynek moved to amend the agenda to consider Agenda Item P, Nebraska Accountability and Disclosure Commission Presentation, prior to Agenda O, number 2, Red Tape Review Executive Order 17-04. Seconded by McCormick, and carried with Hynek, Bloxham, Mustoe, McCormick, and Langemeier voting aye.

Frank Daley appeared before the Board at 11:02 a.m.

### **P. NEBRASKA ACCOUNTABILITY AND DISCLOSURE COMMISSION PRESENTATION**

Director Kohtz introduced Frank Daley, Executive Director of the Accountability and Disclosure Commission, the state agency which regulates personal financial disclosure and conflicts of interest, political committee organization, campaign financing, and lobbying as they apply to state and executive branch officials. Mr. Daley expressed appreciation to the Board for the invitation to provide information about some of the more important laws and rules and regulations that apply to Board members as state government officials. He explained to the Board that not knowing the conflict of interest laws, and the laws applicable to Board or Commission members, makes appointees particularly vulnerable in the environment in which Board members operate; especially in light of recent events that have taken place at various agencies.

With the intention of presenting the basic information of what laws apply and how they apply to board members, Mr. Daley gave each Board member a summary of the accountability laws. Mr. Daley followed the outline of his handout as he covered and expanded on each topic. First topic of discussion addressed the statements of financial interests. Only the Board's executive director is required to submit a statement of financial interest, so Mr. Daley did not provide much detail regarding this requirement.

Mr. Daley then discussed Conflict of Interest. He explained that a person has a conflict of interest as a state public official if faced with taking an official action or making an official decision which could result in a financial benefit or a financial detriment to the official, whether it is to a family or business with which the official is associated. He explained that “business with which you are associated,” has a very broad definition, and noted that as a member of the Board, an association to an entity could become a conflict of interest if something related to that entity comes before the Board for a decision. Mr. Daley went on to explain that a “family member,” is defined as a spouse, child, parent, brother, sister, grandchild, or grandparent by blood, marriage, or adoption. Nebraska law provides a process for dealing with conflicts. He advised that if one believes he or she has a potential conflict of interest, it must be disclosed in writing to the Accountability and Disclosure Commission on the Commission forms. The Commission will respond in writing. If the Commission believes there is a conflict, the Commission will advise what must be done to deal with the situation. “Typically,” he said, “if the Commission finds a conflict of interest exists, the Commission advises the official to abstain from voting on the matters in which the conflict exists.”

Mr. Daley noted that there are exceptions regarding entering into a contract with other government entities, and those exceptions do require steps that will ensure all business dealings and processes are aboveboard and open to public view.

According to Mr. Daley, state law does not prohibit public officials from accepting gifts, but there are guidelines that must be followed. There is a law against receiving gifts from lobbyists and the principals of lobbyists, who are prohibited from giving gifts with a value of more than \$50 per month. He also spoke about prohibition against use of the power of public position for financial gain, including use of any confidential information received as a member of a Board and personal use of Board resources. He added that there is a public perception that the Board members should consider. What may be legal may not be publicly acceptable. Board Member Bloxham asked if accepting a gift from his employer, who could be a principal, would need to be disclosed. Mr. Daley responded that it is possible. Board Member Langemeier informed the Board that it isn’t illegal to accept a gift, it just has to be reported properly. The Board asked Mr. Daley a few more questions regarding this topic.

The final topic discussed by Mr. Daley was that of nepotism, or the act of hiring, promoting, or advancing a family member in state government, including the initial appointment and transfer to other positions in state government; a situation that would probably not be encountered by a member of the Board, but that every public official or employee must be aware of.

Mr. Daley closed by affirming that the Commission’s goal is to provide information needed, so that state government officials can comply with state law. Responses are given to all questions by telephone, even “hypothetical” questions. If something more formal is required, the Commission will provide an answer in writing. Director Kohtz thanked Mr. Daley, and informed the Board that his office is very easy to work with. The Director then informed the Board that he was working on a matter for Board Member McCormick with the Commission’s legal counsel just this week.

Chairman Langemeier and members of the Board expressed sincere appreciation to Mr. Daley for his informative presentation.

## **O. LEGISLATIVE REPORT AND BUSINESS (continued)**

### **2. RED TAPE REVIEW EXECUTIVE ORDER 17-04**

Director Kohtz presented Executive Order 17-04 issued by Governor Ricketts on July 6, 2017 to the Board for review. The Director informed the Board that the issue orders all code agencies to suspend all rule making efforts until December 31, 2017, and conduct a review of all existing and pending agency regulations. The purpose is remove burdensome regulations to help grow Nebraska. Chairperson Langemeier indicated that the Board does this on its own. Director Kohtz indicated that he read about the Executive Order in the newspaper, and if he had not done so, he would not even know it exists. It also appears that no non-code agencies were notified of the Executive Order. The Director went on to say that he visited with Greg Lemon, the Director of the Real Estate Commission, about the order, and he knew nothing about it. Director Kohtz finished by saying that he recommends that the Board slowly proceed with its Title 298 update, but lie fairly low until December 31st. The Director also said that he does not intend to provide a report of existing rules as requested in the Executive Order as it would take a significant amount of time to prepare a report with the information requested. The Board agreed with the Director's assessment. The Director informed the Board that he would notify it of any additional information related to Executive Order 17-04.

### **3. TITLE 298 DRAFT**

Director Kohtz presented an update draft of Title 298 to the Board for consideration. The Director summarized all changes as the Board reviewed the draft. The Director began on page O.69, and informed the Board that the newly added language is for clarification purposes:

*“Pursuant to NEB. REV. STAT. §§ 76-2230 (1)(e), 76-2231.01 (1)(e), and 76-2232 (1)(e), the Board shall consider the aggregate number of experience hours reported on each experience log submitted by the applicant beginning on the experience log entry indicating the earliest date on which an appraisal was signed and ending on the date the application for credentialing as a licensed residential, certified residential, or certified general real property appraiser credential was signed by the applicant.”*

It has recently come up that the beginning and end time to be utilized is undefined.

Director Kohtz then shifted attention to 002.14 through 002.16 on page O.69, and indicated that these changes are to meet the ASC's request that it be very clear that the representative sampling of an applicant's experience does not include a report selected by the applicant. The Board had some conversation regarding the fourth report, and asked Director Kohtz to remove the fourth, applicant selected, report all together. The Director informed the Board that he will remove this requirement.

Director Kohtz then guided the Board to the following language on page O.71:

*“When making a determination that an applicant may or may not meet the applicable experience requirements, the Board shall consider all information received, including but not limited to experience logs, formal reviews, reports submitted by the applicant, any written responses received, any other details or file memoranda, any subsequent education requested by the Board to be completed by the applicant, and any information obtained during an informal meeting between the Board or its representative(s) and the applicant. A formal review completed to assist the Board with its evaluation of the applicant's experience is not the sole factor in the Board's decision, but a tool utilized by the Board to assist with its decision”*

The Director informed the Board that this language clarifies in Title 298 that a Standard 3 Review Report is only one tool utilized by the Board when evaluating an applicant's experience. This will help prevent some misunderstanding by some applicants.

Director Kohtz then guided the Board to page O.73, and indicated that the non-refundable criminal history record check fee was increased to \$45.25, which is the fee charged by the Nebraska State Patrol.

The Director then moved to page O.80, and informed the Board that the Nebraska law review is removed for compliance with Title XI. The law review was cited by the ASC as being non-compliant with Title XI in the ASC Compliance Review Report for the Board's program.

Director Kohtz then directed the Board to page O.81, and indicated that the seven-hour USPAP Update course requirement and the report writing update course requirements are updated to clarify when the evidence of completion should be submitted to the Board's office. The current language is unclear, but the new language requires that the certificate be submitted with the next renewal application submitted to the Board, and it doesn't matter if it is a one or two year renewal.

The Director then guided the Board to page O.90, and informed the Board that the requirement that education providers provide an alphabetical listing of attendees is removed; it is also removed for all types of education activities. The Director pointed the Board to the following added language:

*“No qualifying education activity shall rely upon a textbook as the primary instructional material. Textbooks are permitted to be used as a background reference for an activity; however, textbooks will not be reviewed as the activity. All qualifying education activities must contain sufficient stand-alone instructional materials supporting the specific activity learning objectives.”*

Director Kohtz informed the Board that this language is found in the AQB CAP policies and procedures. The change was also made to all education activities. The comment was made that it appears to be restrictive to say an activity cannot rely on a textbook. Chairperson Langemeier granted public member Diane Moore permission to speak. Ms. Moore said, “A textbook is defined however the education provider defines it. We use course materials.”

The Director moved to page O.91, and informed the Board that “Utilizes The Appraisal Foundation USPAP final examination for the fifteen-hour Uniform Standards of Professional Appraisal Practice course” is also found in the AQB CAP policies and procedures.

Director Kohtz then directed the Board to page O.93, and informed the Board that the language, “The environment provided by the education provider is not appropriate for learning” is also found in the AQB CAP policies and procedures. A question was asked about why should the Board care where a course is held, and what does the Board do with this language. The Director informed the Board that it would likely never become an issue, but if it did, it would give the Board the authority to suspend an education activity if needed. One board member commented that if an education activity is held in the backroom of a gentlemen's club and appraisers attend, why should the Board care. The Board agreed that the language is subjective and should be removed from the draft.

The Director then moved to page O.95, and indicated that the language “At the Board’s request, a transcript of the online or correspondence activity shall be provided to the Board” is also language in the AQB CAP policies and procedures. A board member asked what would the Board do with the transcript. Director Kohtz responded that if an online activity is being provided in a negligent manner, this is a tool that could be used to assist with evaluation of that course. The authority is helpful because the AQB already requires that the education providers keep a transcript.

The Director then guided the Board down the page to subsection 003.01M, and informed the Board that it asked where the list of activities that shall not be approved by the Board came from. Director Kohtz indicated that this language has existed for quite some time in Title 298, but there is no known source of origin. Neither the AQB CAP policies and procedures, nor the real property appraiser qualifications criteria contain language similar to this. The Board requested that this entire subsection be removed from Title 298. Director Kohtz indicated that this will be done.

Chairperson Langemeier asked if there is a need to repeat the language from the AQB CAP policies and procedures. Director Kohtz informed the Board that something cannot just be adopted without including specifics that provide the authority. Board Member Hynek indicated that this is what is done with USPAP. Director Kohtz responded that he makes a good point. The Director indicated that he is unsure of the logistics of how to make it work, but he will look into it before the August meeting. The Director informed the Board that he will also provide a copy of the CAP policies and procedures to the Board, so that it understands what it looks like. Chairperson Langemeier said that the Board would only be looking at qualifying education, since the core curriculum is required to be AQB approved anyway.

Director Kohtz then moved to page O.114, and brought attention to the changes found in subsection 002.06. Director Kohtz informed the Board that these changes are to clarify when the late processing fee is applicable. Currently, it is not defined. The Board asked that “or postmarked” be added to the end of the sentence ending with “Board’s office.” The Director informed the Board that this change will be made.

The Director then indicated that all the changes found in Chapter 8 are to ensure that Title 298 and the investigative procedures as adopted by the Board do not conflict.

Board Member Bloxham asked that the changes made to the draft be tracked in a different color next month, so the Board can see what changes were made. Director Kohtz informed him that he will do this. The Director informed the Board that the draft will be updated with the requested changes for the August meeting.

Break from 12:15 p.m. to 12:27 p.m.

#### **4. OTHER LEGISLATIVE MATTERS**

Director Kohtz asked the Board if it had any other legislative matters that it wished to discuss. There was no further discussion.

## **Q. BOARD POLICIES AND PROCEDURES**

### **1. GUIDANCE DOCUMENTS**

Director Kohtz presented proposed Guidance Document 17-05 pertaining to the application of “meets or exceeds” related to the evaluation of reciprocal real property appraiser applicants, and Guidance Document 17-06 pertaining to the investigation of a grievance when the subject report is involved in litigation to the Board for consideration. The Director informed the Board that Guidance Document 17-05 expresses the Board’s intent to utilize the real property appraiser qualifications criteria as the minimum for “meets or exceeds” to establish consistent criteria as discussed at the Board’s June meeting, and Guidance Document 17-06 establishes guidance on how grievances are reviewed by the Board when the subject report is involved in litigation as discussed during the 2017 strategic planning meeting. Director Kohtz asked for any comments or recommendations pertaining to Guidance Document 17-05. After a brief discussion, the Board agreed with the content of this Guidance Document.

The conversation then shifted to Guidance Document 17-06, and centered on if or when the complainant and respondent should be notified. The Board agreed that the language “The investigative staff shall also obtain a copy of any other appraisal report involved in the matter being litigated related to the grievance filed” should be removed as the appraiser for the opposing side of the litigation may not have anything to do with a complaint being filed. Board Member McCormick stated, “I don’t want the Board to become the court or influence the court.” The Board requested that the Guidance Document include language that informs the complainant in writing as soon as the grievance is placed on hold to prevent the filing of the grievance from being used against the appraiser on which the grievance was filed. Chairperson Langemeier granted permission to Public Member Roger Morrissey to speak. Mr. Morrissey indicated that he is confused by this conversation since all that matters is whether the report is USPAP compliant or not. Board Member Hynek responded that this is true, but sometimes the Board receives poor reviews or other factors influence the investigation. These types of things can find their way into court proceedings. The Board continued the conversation and determined that no action should be taken on Guidance Document 17-06, so that it can be updated to reflect the conversation.

Board Member Hynek moved to approve Guidance Document 17-05 as presented. The motion was seconded by Bloxham, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

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

### **3. APPRAISER FORMS AND PROCEDURES**

#### **a. Temporary Permit Pocket Card**

Director Kohtz presented the temporary permit pocket card in a letter format to the Board for consideration. The Director reminded the Board that at its strategic planning meeting, it requested that the temporary permit program be administered in a more efficient manner. One of the changes discussed included moving from the carbon copy temporary pocket card to a letter based pocket card. The Board expressed satisfaction with the new temporary permit pocket card format. Board Member Hynek moved to approve the temporary permit pocket card letter as presented. The motion was seconded by Mustoe, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

### **4. CONSIDERATION OF UTILIZING OUT OF STATE APPRAISERS FOR SME PANEL**

Chairperson Langemeier requested that this agenda item be tabled until the August meeting. The Board agreed.

## **R. OTHER BUSINESS**

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

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

**a. Nesor TAF/AARO Level II Investigator Training Report**

Business and Licensing Specialist Nesor attended the TAF/AARO Level II Investigator Training from July 10th through 12th in Tampa, Florida. BLS Nesor reported that the training was very informative and covered investigation planning; looking at the complaint that has come in and setting scope of the investigation. The trainees also looked at what documentation to request and whom to interview, interviewing fundamentals and helpful tips. The training also reviewed personal safety considerations for interviewers. Finally, investigative report writing was covered; specifically, keeping the content to just the facts and letting the attorney draw the conclusions. Side discussions included what various states do with anonymous complaints, conditional or contingent dismissals, and Texas's mentoring program. A member asked about the conditional dismissal, and Director Kohtz reminded the Board that the Attorney General's office has indicated that a conditional dismissal would be a violation of the State Constitution. Chairperson Langemeier thanked BLS Nesor for her report.

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

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

### **5. APPRAISAL SUBCOMMITTEE**

**a. ASC 2016 Annual Report**

Director Kohtz informed the Board that the ASC 2016 Annual Report is available in the Board Member Portal for review.

**b. July 12, 2017 ASC Meeting Cancelled:** No discussion.

**c. ASC Meeting; September 13, 2017 – 1850 K Street NW, Washington, D.C.:** No discussion.

### **6. APPRAISAL FOUNDATION**

**a. The Appraisal Foundation May 20, 2017 Board of Trustees Meeting**

Director Kohtz presented The Appraisal Foundation's May 20, 2017 Board of Trustees meeting summary to the Board for review. There was no discussion.

**b. The Appraisal Foundation Seeks Candidates for the AQB and ASB:**

Director Kohtz presented The Appraisal Foundation's notice that it is seeking candidates for the AQB and ASB to the Board for review. There was no discussion.

**c. AQB National Uniform Licensing and Certification Examination Content Outline:**

Director Kohtz presented the AQB National Uniform Licensing and Certification Examination Content Outline to the Board for review. There was no discussion.

**d. AQB Public Meeting; September 8, 2017 – Minneapolis, Minnesota:** No discussion.

## 7. IN THE NEWS

### a. **Bloomberg Business Week Article: The Next Job Humans Lose to Robots: Real Estate Appraisers**

Director Kohtz presented the Bloomberg Business Week article titled “The Next Job Humans Lose to Robots: Real Estate Appraisers” to the Board for review. The Director informed the Board that Board Member Bloxham provided the article. Board Member Bloxham informed the Board that he found the article to be interesting. He went on to say that the article is correct about data sources becoming increasingly accurate, but he doesn’t think it will wipe out the profession entirely. He thinks the answer will be a combination of technology and human insight. Bloxham stated, “Appraisers will need to leverage advances in technology and become more efficient, especially in metropolitan areas.” Chairperson Langemeier thanked Board Member Bloxham for this insight.

## C. **CONSIDERATION OF APPLICANTS AS NEBRASKA REAL PROPERTY APPRAISER**

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

**CG17017R / Approve as a Certified General Real Property Appraiser.**

**CG17018R / Approve as a Certified General Real Property Appraiser.**

**CG17019R / Approve as a Certified General Real Property Appraiser.**

**CR17005 / Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam. Send advisory letter.**

**CG17012 / Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam.**

**CG17003 / Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam. Send advisory letter.**

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

**Item 1 / No discussion.**

Board Member Hynek moved to correct applicant number used in the motion at the June meeting from CG2017015R to the CG17015R. Seconded by Mustoe, and carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye.

Board Member Hynek moved to take the following actions for the applicant as listed:

**CG16004 / Education and Experience accepted; approve to sit for exam, and authorize Director to issue credential upon successful completion of exam.**

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

**D. REGISTRATION AS APPRAISAL MANAGEMENT COMPANY**

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

**NE2017006 / Approve for registration as an Appraisal Management Company.**

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

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

Board Member Hynek moved to take the following enforcement actions:

**17-02 / Ongoing.**

**15-18 / Approve amended SME contract to include hearing costs for SME to appear as expert witness on behalf of the Board.**

**16-02 / Subject Matter Expert Services Contract executed and signed by Board Chairperson.**

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

**F. CONSIDERATION OF OTHER EXECUTIVE SESSION ITEMS**

Personnel matters were discussed.

**S. ADJOURNMENT**

Board Member Hynek moved to adjourn the meeting. Board Member Mustoe seconded the motion. Motion carried with Hynek, Bloxham, McCormick, Mustoe, and Langemeier voting aye. At 1:22 p.m. Chairperson Langemeier adjourned the July 20, 2017 meeting of the Real Property Appraiser Board.

Respectfully submitted,

Tyler N. Kohtz  
Director

These minutes were available for public inspection on July 28, 2017, in compliance with Nebraska Revised Statute §84-1413 (5).