

# NORTH DAKOTA REAL ESTATE APPRAISER QUALIFICATIONS AND ETHICS BOARD

Minutes -March 27, 2019  
Board Meeting - Bismarck ND

Chairperson Timian called the meeting to order at 9:00 AM. Roll call was taken.

Board Members present:

Chairperson Tim Timian

Joe Sheehan

Corey Kost

Kathy Maier

Brock DesLauriers

Staff Present:

Jodie Campbell

David Campbell

Allyson Hicks, Legal Counsel

Joe Ibach, Staff Investigator/Reviewer

**Public Comment Period:** No comments.

**Minutes:** Board members reviewed the minutes of November 25 and December 15, 2018 and January 14 and 28, 2019 meetings. Brock DesLauriers moved for approval of the minutes with corrections noted. Kathy Maier seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Corey Kost, Joe Sheehan and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

**Board Reviewer/Investigator:** Board members discussed the review process/review format with Board Reviewer/Investigator, Joe Ibach.

- Develop a USPAP compliant checklist.
- All reviews should go through the Investigative Reviewer prior to being submitted to the Board (there may be exceptions).
- As part of work product review, the Reviewer/Investigator provides a review for USPAP compliance and recommendation.
- As part of an investigation, the Reviewer/Investigator provides a summary of the investigation as well as a recommendation. Should a review be required, a review for USPAP compliance and a recommendation. Board members should be provided a copy of the reports and investigations should they want to review the information provided to the Reviewer.
- Allow Board Reviewer/Investigator up to six weeks review time (there may be exceptions).
- Provide to Board members two weeks prior to a Board meeting.

Discussion turned to sending the Board Reviewer/Investigator to the AARO conferences.

Brock DesLauriers moved to send Joe Ibach, Board Investigator to AARO conferences. Kathy Maier seconded the motion. Chairman Timian called for the vote. Brock DesLauriers, Corey Kost, Kathy Maier, Joe Sheehan and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

**Update on Legislation:**

SB 2075 ND Appraiser Board AMC legislation has passed.

SB 2306 appears to be moving forward.

SB 2353 does not appear to be moving forward, further studies are being considered

**Proposed Rules:**

The proposed changes to Title 101, Appraiser Rules and Regulations, have been approved for legality by the ND Attorney General by letter dated March 26, 2019. The Rules must go before the Administrative Rules Committee; upon approval from the Administrative Rules Committee, the Rules will go into effect July 1, 2019.

**Applicants:**

Dwight Krueger is making application for certified residential via reciprocity with Minnesota. Mr. Krueger indicated in his application of disciplinary action taken against him in Minnesota in 2017. A copy of the Consent Order was provided. Board members reviewed the information. NDCC 43-23.3-18 allows the board to request work product from an applicant via reciprocity, if the applicant has a history of disciplinary action.

After review of the information, the Board determined a review of work product is necessary. Corey Kost moved to table Dwight Krueger's application for certified residential and request Mr. Krueger provide an experience log for the past 12 months. Two reports will be selected from the log, one of which must include all three approaches to value. The reports will be reviewed by the Board Reviewer for compliance with USPAP. Upon receipt of the

reports and completed reviews, the Board will re-consider Mr. Krueger's application for certified residential. Brock DesLauriers seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Dennis Danzl is making application for apprentice. Review of Mr. Danzl's application indicates he meets the education and supervisory requirements for the apprentice level. Discussion took place.

Kathy Maier moved to approve Mr. Danzl's application for apprentice. Corey Kost seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Eddy Mitzel is making application for licensure and was present for discussion. Review of Mr. Mitzel's application indicates he meets the education and experience hour requirements for licensure. Reports were reviewed by an independent reviewer.

Discussion took place. The Board noted issues not addressed in the reviews. Overall, the issues relate to reporting. Some the issues discussed included: 1) Site value support/analysis is not summarized in report; 2) No adjustments were made for seller paid concessions –adjustments should be market based – not properly analyzed; 3) No analysis was provided for the contract sale; 4) The subject's pending sale was not adequately summarized; 5) The only sales that support the concluded value are larger, with no explanation-red flag; 6) Marketing time is not adequately supported; 6) No support for value conclusions; and 7) Reconciliation should be more in depth.

Based on the reviews, Kathy Maier moved to approve Eddy Mitzel for licensure. Joe Sheehan seconded the motion. Kathy Maier and Joe Sheehan voted yes to the motion. Corey Kost, Brock DesLauriers and Tim Timian voted no. Motion failed.

Discussion took place. Based on the issues noted by the Board, Corey Kost moved to table Mr. Mitzel's application for licensure and request Mr. Mitzel revise and re-submit one appraisal to meet USPAP requirements, for independent review. Brock DesLauriers seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Lori Gietzen is making application for certified residential and was present for discussion. At the meeting of 9/17/18, the Board tabled Ms. Gietzen's application and requested she revise and re-submit the small income producing appraisal based on issues noted in the review and concerns noted by the Board.

Ms. Gietzen has re-submitted the report. The following concerns were discussed: 1) Inadequate support for site value; a single listing is not adequate support; 2) No reconciliation for the different units of comparison; 3) Work file included GRM data, however, analysis of GRM was not included in report-bring it into the report; and 4) Impact of special assessments on site sales not considered.

Board members encouraged Ms. Gietzen to bring the methodology used into the report. Corey Kost moved to table Ms. Gietzen's application for certified residential and request Ms. Gietzen revise and re-submit this report for review by Board Investigator. Kathy Maier seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

David Nord is making application for certified residential and was present for discussion. Review of Mr. Nord's application indicates he meets the education and experience hour requirements for certified residential. Reports were reviewed by an independent reviewer.

Discussion took place. Board members agreed with the issues noted in the review. Overall, the issues relate to reporting. Data included as part of the work file was not included in the report. Some of the issues discussed included: 1) Contract was not adequately addressed in report; 2) Site value was not adequately summarized in report; 3) No reconciliation of units of comparison; 4) Adjustments not adequately supported (age, condition, bedrooms, bathroom & GBA); 5) Exposure time not supported; 6) Market rent not adequately supported; 7) Lack of analysis of comparable sales; and 8) The appraiser states in the report that functional or external obsolescence does not exist, this comment conflicts with the rental market conclusion.

Based on the issues noted in the reviews and the Board's additional concerns, Corey Kost moved to table Mr. Nord's application for certified residential and request he revise and re-submit the small income producing appraisal to meet USPAP requirements; for independent review. Kathy Maier seconded the motion. Chairman Timian called for the vote. Kathy Maier, Brock DesLauriers, Joe Sheehan, Corey Kost and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Nikki Mertz is making application for certified general and was present for discussion. Review of Ms. Mertz's application indicates she meets the education and experience hour requirements for certified general. At the meeting of 12/15/18, the Board considered a report Ms. Mertz submitted as part of the Board's educational review process. An independent review of her work product indicated compliance with USPAP. Therefore, the Board moved to allow the report to be used as part of the upgrade process to certified general.

Ms. Mertz submitted additional reports for review. Discussion took place. Review of one of the additional reports indicates compliance with the minimum standards set forth in USPAP for certified general. Corey Kost moved to approve Nikki Mertz for certified general upon passage of the certified general exam. Brock DesLauriers seconded the motion. Chairman Timian called for the vote. Corey Kost, Brock DesLauriers, Kathy Maier, Joe Sheehan and Tim Timian all voted yes to the motion. Motion carried.

**Finances:** Staff submitted the current income and expense report, as well as a proposed budget 2019. After review and discussion, Brock DesLauriers moved for approval. Joe Sheehan seconded the motion. Chairman Timian called for the vote. Kathy Maier, Corey Kost, Joe Sheehan, Brock DesLauriers, and Tim Timian all voted yes to the motion. The vote was unanimous. Motion carried.

Chairman Timian called for adjournment.

Respectfully submitted,



Jodie R. Campbell  
Executive Secretary