

State Board of Appraisers, Abstracters, and Home Inspectors
Department of Labor and Licensing
900 West Capitol Avenue, Suite 400, Little Rock, AR 72201
Board Meeting
Thursday, May 9, 2024

The regular meeting of the State Board of Appraisers, Abstracters, and Home Inspectors was held on May 9, 2024, at 10:00 a.m. at the offices of the Arkansas Department of Labor and Licensing, 900 W. Capitol Avenue, 4th Floor Board Room, Little Rock, Arkansas. This meeting was also available through ZOOM.

I. Call to Order

Chairman Brian Hester, called the meeting to order at 10:00 am.

II. Introduction of Guests

Brian introduced and welcomed Chris Caldwell, State Auditor. Other guests attending: Lacie Kirchner, ADLL Managing Attorney.

III. Roll Call and Declaration of a Quorum

Susan Miller, Business Operations Manager, called roll.

Board Members present: Michael Griffino, Sara Hawkins, Brian Hester, Julie Matthews, Scott McKennon, Sara Stephens, and Daniel Storlie.

Board Members absent: Laney Briggs, Wally Loveless, and Jim Pender

- a. Excused and Unexcused absences – Brian asked for a motion from the Board to record at each future board meeting those board members who are excused and not excused from any or all board meetings. After a short discussion, Laney Briggs and Wally Loveless absences were excused and Jim Pender’s absence was unexcused.

Scott McKennon motioned to excuse both Laney Briggs and Wally Loveless. Jim Pender’s absence was unexcused. 2nd by Sara Stephens. The motion carried.

Staff Present: Diana Piechocki, Director; Susan Miller, Business Operations Manager; Devin Parker, Administrative Analyst; and Armistead Reasoner, Administrative Specialist III.

Assistant Attorney General: Michael Bynum

IV. Adoption of the Meeting Agenda

Scott McKennon motioned to adopt the meeting agenda. 2nd by Julie Matthews. The motion carried.

V. Approval of board minutes for the March 7, 2024, meeting

Scott McKennon motioned to approve the board minutes. 2nd by Sara Stephens. The motion carried.

VI. Chairman's Report – Brian Hester, Chairman

- a. Election of Officers – Brian asked the Board to decide how often board members could be elected, re-elected or reappointed. The options presented were once a year (in January) or two to three times a year.

Scott McKennon motioned to wait and hold elections once a year, beginning in January 2025. 2nd by Sara Stephens. The motion carried.

VII. New Business

- a. Proposed Rules – Lacie Kirchner (ADLL Managing Attorney) asked the board to adopt the proposed rule changes as presented. This will move the proposed rules to the public comment phase of the rule change procedure. The Governor's Office and the Department of Labor and Licensing senior leadership have previously approved the proposed rule changes. Board members asked clarifying questions related to the proposed rule changes. These questions were answered by Lacie, Diana, or board members.

Scott McKennon motioned to adopt the rule changes as presented and to move them to the public comment phase of the rule change process. 2nd by Sara Hawkins. The motion carried.

- b. AMC Fees for 2024 set a \$500 – Diana asked the board to vote on the AMC \$500 fees for 2024.

Julie Matthews motioned to approve the AMC fees at \$500. 2nd by Sara Stephens. The motion carried.

VIII. Committee Reports

- a. Education Committee Report – Sara Stephens, Vice-Chair
 1. Appraiser Course Approval
 - a. American Society of Farm Managers and Rural Appraisers (ASFMRA)
 1. Class/Synch: AS051 – *Appraising Agricultural Land in Transition* – 8 CE Instructor(s): Jaxson Love
 2. Class/Synch: AS052 – Introduction to Native American Real Estate Appraisal – 4 CE Instructor(s): Thomas Young
 3. Class/Synch: AS053 – Principles of Permanent Planting Valuation – 8 CE Instructor(s): Ben Slaughter
 4. Class/Synch: AS054 – The Appraiser as an Expert Witness – 8 CE Instructor(s): Wade Druin
 5. Class/Synch: AS055 – Farm and Ranch Succession, Estate, and Continuity Planning – 8 CE Instructor(s): Richard Edmunds, Fred Hepler, Sean Minahan

6. Class/Synch: AS056 – Rural Sales Analysis and Verification – 8 CE
Instructor(s): Jill Berg, Brian Gatzke, Paul Reisch
7. Class/Synch: AS058 – Appraising Ag Facilities: Poultry Seminar – 8 CE
Instructor(s): Stacy Jackson

Scott McKennon motioned to approve the ASFMRA courses. 2nd by Sara Hawkins. The motion carried.

- b. Appraiser Institute
 1. Class/Synch: AI120 – Impact of Short-Term Rentals (on Real Property Valuation) – 7 CE Instructor(s): Jason Ferris

Sara Hawkins motioned to approve the Appraiser Institute course. 2nd by Scott McKennon. The motion carried.

- c. RCI Career Enhancements
 1. Class: DR027 – Unique Nature and Fundamental Processes Forest Land Valuation in Appraisal Assignments – 7 CE Instructor(s): David Reinold
 2. Class: DR028 – Appraisals for Timberland Estate Tax and Income Tax Purposes – 7 CE Instructor(s): David Reinold

Scott McKennon motioned to approve the RCI courses. 2nd by Daniel Storlie. The motion carried.

2. Appraiser Instructor Additional Approval

a. McKissock, LP

1. MC126 - Class: Appraising 2-4 Unit Residences – Wally Czekalski, Larry McMillen
2. MC124 - Class: Appraising Complex and Stigmatized Residential Properties – Steve Maher, Larry McMillen
3. MC032 - Class: Appraising Condominium Units – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
4. MC057 - Class: Appraising Small Apartment Properties – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
5. MC058 - Class: Bifurcated and Hybrid Appraisal: A Practical Approach – Mel Black, Dan Bone, John Dingeman, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
6. MC071 - Class: Diversify Your Appraisal Practice with Assessment Appeals – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel

7. MC033 - Class: Diversify Your Appraisal Practice with Estate Appraisals – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
8. MC034 - Class: Focus on FHA Minimum Property Requirements – Mel Black, Dan Bone, John Dingeman, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
9. MC059 - Class: Fundamentals of Expert Witness Testimony – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
10. MC098 - Class: Learning from the Mistakes of Others: Appraisal Disciplinary Case Studies – John Dingeman, Steve Maher, Larry McMillen
11. MC066 - Class: Market Disturbances-Market Analysis in Atypical Markets and Cycles – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
12. MC022 - Class: Mortgage Lending Appraisal Requirements: Fannie Mae and Freddie Mac – John Dingeman, Kevin Hecht, Steve Maher, Tony Pistilli
13. MC063 - Class: New Construction Essentials: Luxury Homes – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
14. MC038 - Class: Residential Property Inspection for Appraisers – Mel Black, Dan Bone, John Dingeman, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
15. MC112 - Class: Responding to a Reconsideration of Value (ROV) – Mel Black, Dan Bone, John Dingeman, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
16. MC067 - Class: Supporting Adjustments: The Journey from Analysis to Adjusting – Mel Black, Dan Bone, John Dingeman, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
17. MC060 - Class: Using Appraisal Report Templates Responsibly – Mel Black, Dan Bone, John Dingeman, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel
18. MC070 - Class: Valuation of Residential Solar – Mel Black, Dan Bone, Kevin Hecht, Alan Hummel, Howard Kanter, Rob Luciani, Steve Maher, Greg Stephens, Pam Teel

Scott McKennon motioned to approve the individual instructors. 2nd by Sara Hawkins. The motion carried.

3. Appraiser Individual Credit Request
 - a. Requestor: Shane Anderson (SL-1954)
Credit Requested: 33.5 hrs CE
Provider: International Association of Assessing Officers
Course Title: 201: Appraisal of Land

Delivery Method: Classroom
Date(s) Taken: April 15-19, 2024

Scott McKennon motioned to approve this individual credit. 2nd by Daniel Storlie. The motion carried.

b. Requestor: Kim French (CG-1251)
Credit Requested: 24 hrs CE
Provider: American Society of Farm Managers & Rural Appraisers
Course Title: Agricultural Consulting Principles
Delivery Method: Synchronous Livestream
Date(s) Taken: March 25-27, 2024

Scott McKennon motioned to disapprove credit for the consulting class. 2nd by Sara Hawkins. The motion carried.

c. Requestor: Tracy Gurley (CR-1422)
Credit Requested: 15 hrs CE
Provider: International Association of Assessing Officers
Course Title: 163: Marshall & Swift Commercial
Delivery Method: Classroom
Date(s) Taken: October 23-27, 2023

Sara Hawkins motioned to approve this individual credit. 2nd by Scott McKennon. The motion carried.

d. Requestor: Dennis Poulette (CG-3721)
Credit Requested: 14 hrs CE
Provider: Missouri Appraisers Advisory Counsel
Course Title(s): Commission Presentation (3.5 CE)
Appraisal Bias and Valuation Discrimination (3.5 CE)
Determining Appraisal Adjustments—Opinion Isn't Enough (7 CE)
Delivery Method: Virtual during the MAAC 2024 Virtual Educational Conference
Date(s) Taken: May 2-3, 2024
No completion certificates were provided.

Scott McKennon motioned to approve this individual credit subject to the licensee submitting the completion certificates for all the courses. 2nd by Michael Griffino. The motion carried.

e. Requestor: Bryan Crow (SL-4406)
Credit Requested: 30 hrs QE
Provider: Appraisal Institute
Course Title: General Appraiser Income Approach Part 1

Delivery Method: Classroom
Date(s) Taken: Completed on March 21, 2022
This course was not preapproved at the time it was completed. It is approved, now.

Daniel Storlie motioned to approve this individual credit. 2nd by Scott McKennon. The motion carried.

4. Home Inspector CE Course Approval

a. AHIT

1. Online: HVAC and Moisture Management - 3 CE – HVAC

Instructor(s): Steven O'Donnell

2. Online: Inspecting Solid Fuel Burning Appliances - 2 CE – Alternate Heating Instructor(s): Steven O'Donnell

b. InterNACHI

1. Class: The House as a System; 1000 SE Eagle Way, Bentonville; Date: TBD – 2 CE – Other

Instructor(s): Andrew Kuszak

Scott McKennon motioned to approve the AHIT and InterNACHI courses. 2nd by Sara Hawkins. The motion carried.

b. Finance Committee Report – Sara Hawkins, Treasurer

1. Balances as of: 05/08/2024

NAR000	Appraisers	\$1,326,673.53
SXA0200	Abstractors	\$114,964.94
MHR0200	Home Inspectors	\$714,303.39
	Total	\$2,155,941.86

Sara Hawkins motioned to approve this balance. 2nd by Sara Stephens. The motion carried.

IX. Staff Reports

a. Investigators Report – Diana Piechocki

1. Appraiser Report – Diana Piechocki

Since the last board meeting, we have held nine Jurisdiction Committee meetings and six Probable Cause Hearings. Thanks so much for the hard work from Brian Hester, Sara Hawkins, Scott McKennon, Sara Stephens, and Julie Matthews who participated in the hearings.

Summary of Jurisdiction Committee Meetings

Date Case # Basis/Allegations Recommendation

04/03/2024	23-1124	Errors and Omissions	No Jurisdiction
04/03/2024	23-1125	Errors and Omissions	No Jurisdiction
04/03/2024	23-1127	Errors and Omissions	No Jurisdiction
04/03/2024	24-1129	Violations of USPAP	Jurisdiction
04/03/2024	24-1130	Errors and Omissions	No Jurisdiction
04/03/2024	24-1131	Violations of USPAP	Jurisdiction
04/03/2024	24-1132	Violations of USPAP	Jurisdiction
04/03/2024	24-1133	Violations of USPAP	Jurisdiction
04/19/2024	24-1134	Violations of USPAP	Jurisdiction

Summary of Probable Cause Hearings

<u>Date</u>	<u>Case #</u>	<u>Basis/Allegations</u>	<u>Recommendation</u>
04/19/2024	20-0992	Errors and Omissions	Dismissed
04/19/2024	20-0995	Errors and Omissions	Dismissed
04/19/2024	20-0998	Errors and Omissions	Dismissed
04/19/2024	21-1033	Errors and Omissions	Letter of Caution

04/19/2024 and
05/09/2024 21-1058 Violations of USPAP Consent Agreement¹

¹The consent agreement requires payment of a \$3,000 civil penalty and completion of two corrective education classes through the Appraisal Foundation. These classes do not count toward any continuing education requirements. They are a four-hour Ethics, Competency, and Negligence class and a four-hour Sales Comparison Approach Reconciliation class.

04/19/2024 22-1077 Violations of State Law & USPAP Consent Agreement²

²The consent agreement requires that the appraiser agrees he no longer qualifies as a supervisory appraiser. To remedy this situation, he must complete a 30-hour Basic Appraisal Principles course, a 30-hour Basic Appraisal Procedures course, a 15-hour USPAP course and an in-person 4-hour Supervisory Appraiser/Trainee Appraiser course.

Complaint Information

So far in 2024 we have received six new complaints with four since the last board meeting.

Julie Matthews motioned to accept the Appraiser Investigator's Report. 2nd by Scott McKennon. The motion carried.

2. Home Inspector's Report – Devin Parker

Since the last board meeting, seven Probable Cause Disciplinary Committee meetings and four Jurisdiction Committee hearings were held. Participating in the meetings were Board Members Brian Hester, Sara Hawkins, Sara Stephens, and Julie Matthews. Lacie Kirchner, ADLL Attorney, Diana Piechocki, Director, and Devin Parker, Administrative Analyst also participated.

Probable Cause Disciplinary Hearings

<u>Date</u>	<u>Case #</u>	<u>Basis/Allegations</u>	<u>Recommendation</u>
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04/03/2024	22-0033 23-0047	Violations of Standards	Consent Agreement ¹
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¹Both complaints are against the same home inspector and were considered together. \$1,000 civil penalty due within the next 30 days. And a Code of Ethics class that does not count toward any continuing education requirements within the next six months.

04/03/2024	22-0042	Violations of Standards	Consent Agreement ²
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²The home inspector must complete a Report Writing Class in either a classroom or online that is at least three-hours in length within the next six months. The class does not count toward any continuing education requirements.

05/03/2024	22-0043	Errors and Omissions	Dismiss
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05/03/2024	22-0051	Errors and Omissions	Dismiss
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05/03/2024	23-0056	Errors and Omissions	Dismiss
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05/03/2024	24-0058	Errors and Omissions	Dismiss
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Jurisdiction Committee

<u>Date</u>	<u>Case #</u>	<u>Basis/Allegations</u>	<u>Recommendation</u>
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05/03/2024	24-0061	Violations of Standards	Jurisdiction
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05/03/2024	24-0062	Violations of Standards	Jurisdiction
05/03/2024	24-0064	Violations of Standards	Jurisdiction
05/03/2024	24-0065	Violations of Standards	Jurisdiction

Scott McKennon motioned to approve the Home Inspector Investigator's Report. 2nd by Sara Hawkins. The motion carried.

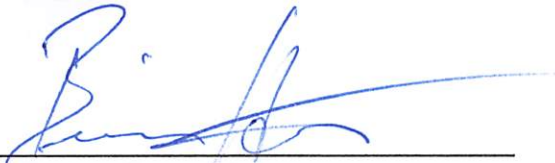
- b. Director's Report – Diana Piechocki
 - 1. FY23 Legislative Assessment
 - i. This assessment is still in progress. The auditors are asking lots of questions, and we are doing our best to answer them.
 - 2. ASC Grant
 - i. We just ended our first three-year term of the grant. We had \$29,000 left at the end of this grant period. The Subcommittee graciously gave us an additional 12 months to spend the \$29,000. The funds will be spent on an ASMRA sales comparison approach course for the Director. In addition, part of the \$29,000 will be spent to employee Dennis Badger as our contract investigator for non-residential complaints.
 - 3. Board Member Appointments
 - i. Steve Guntharp reported to Diana that we are waiting on the Governor's Office regarding appointments.
 - 4. Appraiser Migration to ELP
 - i. Renewals in ELP is going smoothly for appraisers. Devin Parker and Susan Miller have been instrumental in helping appraisers. We did not migrate appraisers into ELP. Appraisers will be invoiced for his or her renewal. We undertake three approvals to ensure appraisers get to keep current license numbers. One advantage to ELP is appraisers can save all continuing education certificates year-after-year.

X. Other Business

- a. Next Board meeting date – July 11, 2024, at 9:00 am.

XI. Adjourn

Scott McKennon moved to adjourn the meeting. 2nd by Sara Hawkins. The motion carried.



Brian Hester, Chairman