

**NEVADA COMMISSION OF APPRAISERS OF REAL ESTATE  
MEETING  
JULY 23, 2024, MINUTES**

**VIA IN PERSON AND WEBEX VIRTUAL MEETING  
JULY 23, 2024**

Nevada State Business Center  
3300 W. Sahara Avenue  
4<sup>th</sup> Floor, Tahoe Room  
Las Vegas, Nevada 89102

VIDEO CONFERENCE TO:  
Nevada Division of Insurance  
1818 East College Parkway  
Suite 103  
Carson City, Nevada 89706

**1) Commission/Division Business:**

- A) President Wright called the meeting to order at 9:02 A.M.  
Introduction of Commissioners in Attendance: John Wright, Larry Michael Gandy Jr., Scott Krueger, Timothy O'Brien, and John Ivey, a quorum was established.

Commission Counsel: Chief Deputy Attorney General, Rosalie Bordelove.

**B) Introduction of Division Staff in Attendance**

Sharath Chandra, Administrator; Charvez Foger, Deputy Administrator; Shareece Bates, Administration Section Manager; Rebecca Bruce, Appraisal Program Manager; James Silva, Compliance Audit Investigator; Kelly Valadez, Commission Coordinator; and Maria Gallo, Commission Coordinator.

Phil Su, Senior Deputy Attorney General, and Christal Keegan, Deputy Attorney General, representing the Division.

Joseph Ostunio, Deputy Attorney General and Arjan Luhar, Intern, Attorney General's Office.

**2) Public Comment**

Terry Farr stated he has two items that he would like to discuss. Mr. Farr stated because there is a shortage of appraisers, he would therefore like the Commission to increase the number of interns an appraiser can supervise from two interns to three, to align with the national average. Mr. Farr stated he is an adjunct professor at UNLV and the "Real Estate Valuation" course does not receive any credit for basic appraisal principles and basic appraisal procedures, even though UNLV has AQB approval. Mr. Farr stated that any real estate student that takes the "Real Estate Valuation" course should receive credit to satisfy the 60 hours credit in appraisal principles and appraisal procedures.

Scott DiBiasio, with the Appraisal Institute, inquired about the status of Nevada approving Practical Application of Real Estate Appraisal (PAREA). Mr. DiBiasio stated the topic has been up for discussion for quite some time and it has been over a year since the Administrator talked about convening a workshop. Mr. DiBiasio stated that PAREA has been in the marketplace for almost a year

and has been successful and there is a waiting list for the Appraisal Institutes PAREA program. Mr. DiBiasio stated some participants will be finishing up their program and sitting for their exams. Mr. DiBiasio stated the program is proving to be much more difficult than anticipated, which is a good thing, because it shows that the participants are being challenged. Mr. DiBiasio stated he wanted the Commission to move this issue forward so that PAREA can be offered in the state of Nevada.

**3) FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING RESPONDENT'S PETITION FOR MOTION TO MODIFY REVOCATION ORDER:**

**A. NRED v. THOMAS L. WITHERBY**, for possible action

Case No. 2020-492, AP21.045.S

License No. A.0001528-CR (REVOKED)

Parties Present

Christal Keegan, Deputy Attorney General was present representing the Division.

Ellsie Lucero, Esq., was present representing the Respondent.

Thomas Witherby, Respondent, was present virtually.

Preliminary Matters

Ms. Keegan stated that this is Mr. Witherby's motion, and the parties have fully briefed their arguments however, the State has a pending "Motion to Dismiss" because the Commission lacks jurisdiction in this matter. Ms. Keegan stated she wanted the Commission to consider the jurisdictional issue first because that would decide whether to proceed to hear the merits of the petition. Ms. Keegan stated the State filed a "Supplement" where the relevant laws are cited to assist the Commission.

Rosalie Bordelove stated there are pending motions and that can be addressed as you go. Ms. Bordelove stated her advice to the Commission is, there was some miscommunication from the past meeting on how procedurally to handle this request. Ms. Bordelove stated the Commission retains jurisdiction over its licensees and over discipline the Commission issued, and her advice is not to make any modifications to the existing order. Ms. Bordelove stated there is a plea for leniency in front of the Commission as a discretionary function, the Commission can choose to modify discipline in a new Order. Ms. Bordelove stated if the parties are not in agreement the Commission can hear their arguments on that issue. Ms. Bordelove stated procedurally the Commission should treat this as a motion to modify the discipline in a new Order in a plea for leniency.

Ms. Lucero stated she does not have a problem with this preceding as a "Motion for Leniency" and a new Order.

Ms. Keegan stated she did have some questions for Commission Counsel before deciding if the State will oppose the motion. Ms. Keegan stated it was her understanding that the Commission cannot act on an item that was not listed on the agenda. Ms. Keegan stated a "Motion for Leniency" was not on the agenda.

Ms. Bordelove stated that in her opinion, the Commission can hear this Motion because the Commission has jurisdiction over its licensees. Ms. Bordelove stated that if the parties wish to brief this further, this issue can be delayed again. Ms. Bordelove stated this issue occurs in many Boards, where the licensee returns asking for leniency in their discipline because they cannot work.

Ms. Keegan stated it is not the State's preference to delay this case any further and see an expeditious resolution to this case and is prepared to move forward.

Ms. Lucero stated her client has spent significant resources on this matter and she is also prepared to move forward.

Ms. Lucero stated she wanted to call Mr. Witherby as a witness and had additional evidence she wished to present that was not originally submitted with the original Commission Order. Ms. Lucero stated the additional evidence was the deed to the property showing that the property was sold at the price that Mr. Witherby appraised the property for, showing there was no harm done to the Complainant. Ms. Lucero stated the discipline imposed is not appropriate for the lack of harm in this manner and is asking for some leniency because of the impact of the severity of the discipline imposed on the Respondent. Ms. Lucero stated she wanted Mr. Witherby to speak about how the severity of discipline that was imposed has affected his ability to work.

Respondents Witness

Mr. Witherby testified.

Mr. Witherby was cross-examined by Ms. Keegan

Mr. Witherby was re-examined by Ms. Lucero

Closing Statements

Ms. Keegan gave a closing statement.

Ms. Lucero gave a closing statement.

Ms. Keegan stated that Mr. Witherby has not paid anything towards his fine that was due on April 08, 2024.

The Commissioners questioned Mr. Witherby, Ms. Lucero, and Ms. Keegan.

The Commissioners deliberated over what action to take towards the Motion for Leniency.

Commissioner O'Brien moved that in Case # 2020-492, the Commission issue a new Order that the Respondent pay the fees and costs of \$3,897.22 payable within 36 months and this order does not modify any other parts of any previous Orders. Seconded by Commissioner Gandy. Motion carried.

**4) FOR POSSIBLE ACTION: DISCUSSION AND DECISION REGARDING RESPONDENT'S PETITION FOR RE-HEARING:**

**A) NRED v. BRADLEY W. CORN**, for possible action

Case No. 2021-512, AP21.038.N

License No. A.0005827-CR (INACTIVE)

Parties Present

Phil Su, Senior Deputy Attorney General was present representing the Division.

Richard Blower, Esq., was present virtually representing the Respondent.

Bradley Corn, Respondent, was present virtually.

Preliminary Matters

Mr. Blower stated the Commission issued a finding based on a default, and a Petition for Re-Hearing was filed by the Respondent in a timely manner. Mr. Blower stated the petition outlined that the Respondent had attempted to connect with Mr. Su, however, was unable to do so until the morning of the hearing. Mr. Blower stated the Respondent was then informed the Commission had found him in default. Mr. Blower stated there was a misunderstanding or miscommunication about the Respondent's need to appear at the April meeting, and there are sufficient grounds to request a re-hearing.

Respondent's Witness

Mr. Corn testified.

Mr. Corn was cross-examined by Mr. Su.

The Commissioners questioned Mr. Su and Mr. Corn.

The Commissioners deliberated regarding Respondent's Petition for Re-Hearing.

Commissioner Kruger moved in Case # 2021-512 to grant Respondent's Petition for Re-Hearing and set aside the default ruling. Seconded by Commissioner Gandy. Motion carried.

**5) DISCUSSION AND POSSIBLE ACTION REGARDING ADVISORY REVIEW COMMITTEE INFORMAL CONFERENCE RECOMMENDATION:**

**A) NRED v. BONNIE M. ARCELLA**, for possible action

Case No. 2022-36, AP22.018.S

License No. A.0207063-CR (ACTIVE)

Rebecca Bruce read the proposed discipline into the record.

President Wright stated he did not think the Commission could recommend a specific class or course they could only recommend the topic of the class. President Wright stated the Commission should not show preference to one provider when recommending education for discipline, the topic should be generic i.e. adjustments.

Ms. Bordelove stated the Commission could give conditional approval with changes that say "or similar" regarding the type of class to take with the required number of hours. Ms. Bordelove stated the Respondent would also have to agree to the changes or the case would have to come back before the Commission.

President Wright stated all the time he was a part of AARC they were counseled not to recommend a specific class by a specific provider and to keep the topic more generic so the Respondent could select the class they thought was more beneficial.

President Wright moved to accept the AARC recommendation for Case # 2022-36, apart from on page 2 where it lists the classes that they all still be a minimum of 4 hours each, however the course or courses "of similar content" approved by the Division can be utilized, subject to agreement by the Respondent. Seconded by Commissioner Krueger. Motion carried.

**6) Commission/Division Business:**

**A) Discussion Regarding the Administrators report.**

Sharath Chandra stated the Division is gearing up for the next legislative session to seek approval for self-funding and are also continuing to work on the technology project, so the Division can process more transactions online. Mr. Chandra stated that being self-funded makes the Division more stable instead of relying on the general fund, which budgets can fluctuate depending on if there is a crisis. Mr. Chandra stated the Division will work on Appraisal regulations and start a temporary file with LCB and after the legislative session the Division will make it permanent. Mr. Chandra stated there is a running list of regulations that need to be addressed such as the number of interns, PAREA, education and experience requirements. Mr. Chandra stated that lining up with federal guidelines will streamline the process of becoming licensed and open the pool of appraisers. Mr. Chandra stated there may be enough time to have a regulation draft scheduled for the next Commission meeting. Mr. Chandra stated a special meeting could also be called just to go through a regulation workshop.

President Wright stated he thought Nevada and one other state had not yet adopted PAREA.

Mr. Chandra stated the Division wanted to have an informed opinion before Nevada adopted PAREA. Mr. Chandra stated other states adopted PAREA during that time, now we are left behind, but the Division is looking to address PAREA and other regulatory issues soon.

Commissioner O'Brien stated that 2 Commissioners appointments run out at the end of this year, and another runs out in the middle of next year. Commissioner O'Brien asked what the timeline is for filling these vacancies and recruiting to fill these vacant positions.

Mr. Chandra stated that the Division is looking to receive some recommendations however it is ultimately the Governors discretion on who gets appointed to the Boards and Commissions. Mr. Chandra stated the Division wanted to get this process started early because it does take time for processing paperwork for appointments by the Governor.

Commissioner O'Brien stated he wanted to make sure there was a plan in place because, potentially there could be a Commission meeting without a quorum if the Commission vacancies are not filled in a timely manner.

#### **F) Discussion regarding valuation of short-term rentals.**

Mr. Chandra stated there has been some great public comment and some back-up information on this item. Mr. Chandra stated he wanted the Commission to discuss this matter on very general terms and just educate the Division on what issues are out there regarding short-term rentals. Mr. Chandra stated, the Division can do some research and consult with the Attorney General's Office and come back with some recommendations.

Commissioner O'Brien stated the intent of having this issue on the agenda is for educational purposes and recently Fannie Mae has provided some guidance on the issue. Commissioner O'Brien stated that prior to the guidance being issued, the main concern was that some licensees were instructing or requiring appraisers to do a valuation that may not have been appropriate. Commissioner O'Brien stated now that there is guidance in the industry and investor world, if a complaint comes into the Division, the Division has the Fannie Mae guidance to utilize.

Kelly Wade, certified residential appraiser, stated he did some research on short term rentals and agrees with the written comments submitted by Patrick Egger. Mr. Wade stated none of the government-sponsored enterprise's (GSE's) want to do loans on "condotel's". Mr. Wade stated that appraisers must

turn down those assignments and educate the client. Mr. Wade stated on the Clark County website and the surrounding municipalities, all state that short term rentals must have a business license. Mr. Wade stated doing an appraisal for these short-term rentals is complex because you are asked to analyze the rental income which is separate from the residence and that is separate from the “bundle of rights”. Mr. Wade stated the business license is not attached to the property, and it cannot be transferred, the business license is attached to the individual. Mr. Wade stated the AMC’s need to be educated because they are not always aware of the local statutes. Mr. Wade stated that performing an appraisal on a short-term rental may also be a violation of USPAP because it is an unacceptable assignment condition.

Commissioner Krueger stated appraisers can appraise the properties, however the appraiser must have the appropriate license to complete the assignment and be competent, which goes to any assignment the appraisers undertake.

Mr. Wade stated the property can be appraised as a single-family residence, but it cannot be appraised using short-term rental income. Mr. Wade stated the problem is that the business license does not transfer, the buyer of the house does not get those rights.

Commissioner O’Brien stated the original intent to add this issue to the agenda was because of feedback from the appraisers in the North about being instructed to do something they felt was inappropriate and now there is guidance and industry feedback.

**B) Discussion regarding the Disciplinary Report.**

Shareece Bates presented this report. The Commission was provided with the report in the meeting packet.

**C) Discussion regarding Appraisal Program Manager’s report on compliance caseload.**

Rebecca Bruce presented this report. The Commission was provided with the report in the meeting packet.

**D) For possible action: Discussion, nomination, and election of officers for FY ’25 pursuant to NAC 645C.200.**

President Wright moved to nominate Commissioner Gandy for President. Seconded by Commissioner Krueger. Motion carried.

Commissioner Krueger moved to nominate Commissioner O’Brien for Vice-President. Seconded by President Wright. Motion carried.

Commissioner O’Brien moved to nominate Commissioner Krueger for Secretary. Seconded by Commissioner Gandy. Motion carried

**E) For possible action: Discussion and possible action to approve the minutes for the April 23, 2024, meeting.**

Commissioner O’Brien moved to approve the minutes for the April 23, 2024, meeting. Seconded by President Wright. Motion carried.

**7) FOR POSSIBLE ACTION: DISCUSSION AND DECISION ON DATE, TIME, PLACE, AND AGENDA ITEMS FOR UPCOMING MEETING(S) INCLUDING SETTING THE MEETING CALENDAR FOR 2025.**

The next CARE meeting: October 8-10, 2024  
Meeting Calendar for 2025.

- January 21-23, 2025
- April 22-24, 2025
- July 22-24, 2025
- October 7-9, 2025

**8) PUBLIC COMMENT:**

President Wright thanked Division staff and the AG's office for keeping the Commission in-line and helping the Commission move forward.

**9) FOR POSSIBLE ACTION: ADJOURNMENT**

The meeting was adjourned at 12:20 PM

Minutes Prepared by: \_\_\_\_\_  
Maria Gallo, Commission Coordinator

To Be Approved By Commission

FILED

JUL 08 2024

NEVADA COMMISSION OF APPRAISERS

Maria Gallo

July 3, 2024

Maria Gallo  
Commission Coordinator  
Nevada Real Estate Division  
3300 W Sahara Avenue, Suite 350  
Las Vegas, NV 89102

Attn: Appraisal Commission

Per the request for comments regarding “short-term rentals and using the income approach (including the income from the short-term rental operation) in developing the market value conclusions for the property,” I would like to submit the following observations and comments. Due to a prior appointment, I cannot present my comments in person. Therefore, I am hopeful these can be read, entered into the record, or otherwise accepted by the State and the Appraisal Commission.

As required by the State of Nevada AB363, Clark County and the cities of Las Vegas, North Las Vegas, Henderson, and others have implemented ordinances, procedures, regulations, etc., concerning Short-Term Rentals (STRs) within their jurisdictions. While the policies and procedures vary (for the application and operation of a STR) between the entities, there are fundamental consistencies, as required by AB363.

Specifically:

- A business license is required and issued to the property owner (not the property itself).
- The owner must meet all requirements (stringent background check) like a hotel operator.
- The license to operate an STR is not attached to the property. The license is strictly associated with a specific individual, who must be the property owner, an individual, not a corporation or other business entity, trust, manager, etc.
- In most cases, the property owner must also apply for a type of Use Permit. While the Use Permit is associated with the property, it is not automatically transferable to a new owner (without the owner requalifying, background checks, licensure, etc.).
- The property must be within an area zoned for STR and not excluded. For example, each of the entities has areas that are excluded from this use (Summerlin, Town Center, Skye Canyon, Inspirada, Cadence, etc.) or



limitations as to the buildings (only SFRs and Condo, with some multi-family permitted under certain conditions), with other exclusions.

- There are also distance exclusions with minimum distances between STRs and minimum distances between STRs (650+/- to 1,000+/- feet) and existing resort hotels (2,500+/- feet).
- Most entities classify (by definition) this use as a “commercial use” within a residential area.
- Most entities require approval letters from Homeowner Associations stating the HOA documents permit such a use.
- All required building inspections to confirm the residence meets all building codes, health and safety requirements, etc., including existing signs, smoke alarms, carbon monoxide detectors, and fire extinguishers, must be connected to public sewer systems.
- Must have a State Business license.
- All require the owner to have liability insurance (minimum of \$500,000 for most, with Henderson requiring \$1,000,000).
- Each requires the collection and monthly payment of “transient lodging tax” to the State. This automatically removes the property's eligibility for the primary residential tax cap permitted in NRS 361.
- Per Clark County, there is a limitation (1% of the total housing units) on the number of STR licenses issued annually. For example, in Clark County, in 2023, the number of housing units was 941,953. This means the total number of STRs permitted would be 9,419.
- The license is annual and not automatically renewed.

The above is a summary of many inconsistencies between the governing political entities that distinguish the operation of a short-term rental (less than 31 consecutive days) and its income from the STR of the rooms or property to transients) from a traditional owner's rental of property (on a year-round basis) and the appraiser's income approach to value. The operation of a STR is akin to the operation of a private daycare service, where the property owner watches the neighbor's children.

Private daycare operations in a home require a use permit and license. The daycare operators use the home as a safe place to watch the children. The income from the daycare service is not income to the home itself (like monthly rent is) but rather income to the business operation of the daycare and is reported as such to the State and IRS as business income.

Conversely, the income approach to value is applicable when a 1 to 4-unit property is held for investment income. This entails renting the property on a longer-term basis, usually 6 months, and usually 1 year or longer. STRs are typically vacation

rentals, ranging from a few days to a week or more, but limited to a maximum of 31 consecutive days for any tenant. For the appraiser to complete the income approach, the property is compared to physically similar homes in the area, which are also rented annually.

In such cases., the appraiser identifies the property's market rent and extracts the gross rent multiplier from similar properties to produce a value indication for the subject property based upon its stabilized rent over a long time (generally one year) as evidenced by the rentals of many similar properties in the area. Market demand can be estimated by observing the number of available rentals in the area, the absorption rate, marketing times, concessions, etc.

Typically, the units are rented unfurnished, and there are no licensing requirements, no home inspections required, and no restrictions on the unit type (can include mobile homes, condos, SFRs, etc.) unless some exist within the HOA itself. The rental data (and sales data to develop reliable GRMs) is abundant and available through the local multiple listing services over long periods to provide a historical view of trends and identify any short-term trends influencing the potential value. This permits the appraiser to provide reasonable conclusions as to the longer-term viability of the property viability as a rental and its income stream over time.

Also, unlike STRs, there are no licenses, background checks, home inspections, appearances before the City for Use Permits, license and filing fees, collection of transient lodging taxes, etc. The appraiser does not have to identify if the property has a use permit, is within a particular zone that permits rentals, or is within a set distance to other rentals or resort property, etc., like the strict requirements for STR approval.

When considering the income from STRs, the appraiser must now determine if the use is legal, verify the property ownership and the STR license status of the owner, and determine if the property meets the City/County requirements (some of which vary from entity to entity), including proximity to other STRs or resort properties. In addition, the appraiser would now be required to examine the income records of an existing STR property or project the potential income for a proposed STR, along with estimating expenses, reserves for replacements of short-lived items, related licensing, insurance expenses, and associated costs (marketing, management, etc.).

Completing such a detailed analysis of the income and expenses associated with an income-producing property is well within the normal duties and scope of work for a Certified General Appraiser. However, such a detailed analysis may be foreign to the average Certified Residential or Licensed Appraiser. In the past, I believe the State has issued opinions regarding the appraisal of Condotels, which operate similarly to

STRs, advising residential appraisers on the commercial nature of these operations and ownerships.

STRs present the same pitfalls for Licensed and Certified Residential Appraisers. Therefore, I believe it would be appropriate for the State to consider notifying appraisers, AMC, users of appraisal services, and market participants as to who is or isn't licensed in the appropriate classification to do these types of assignments. In most cases, this is a commercial business operation based on how the various governmental entities view the licensing of the owners (non-transferability, rules, etc.).

As such, while any licensed appraiser (in theory) could complete the "fee simple" valuation, the inclusion of income from the business is a valuation of the going concern (which includes personal property in the form of the furnishings, perhaps the websites, marketing materials, etc.) and would require the services of a business specialist or Certified General Appraiser, in most cases.

An AMC or other entities may attempt to coerce the appraiser into including income from the operation of a STR, as there is no liability on their part. In review, it's more likely the appraiser would be found liable. To that end, I'm hopeful the State will take proactive steps to clarify the issues, take a position as to who can and cannot complete such work, and notify appraisers and users of appraisal services of the State's position.

In the interest of "protecting the public trust," we should consider the lending policies of Fannie Mae, Freddie Mac, FHA, VA, etc. (which differ concerning STRs). In most cases, the loan documents preclude the commercial use of the property. This would not be an issue if the property were free and clear of such mortgages. However, it is more likely the property is secure via a mortgage. Allowing appraisers to participate in the valuation of such STRs by including the income from commercial use would violate the appraisal guidelines of most secondary market participants.

I believe Fannie Mae does have a program for financing STRs. However, they must be financed as an "Air B&B" (investor-owned property) instead of primary owner-occupied property, as the rates, risks, etc., differ. Fannie Mae underwrites investor properties by identifying the income source (generated by the STR) and attributing the income to the borrower. They do not have the appraiser capitalize the income from the STR in the appraisal. Rental income can help investors qualify for loans in such cases. However, that income is other income (to the borrower) and not capitalized in the income approach to value in the appraisal. I do not believe that HUD/FHA or VA finance STRs.

Another issue that potentially places the mortgage companies at risk (and places the appraiser squarely in the line of defendants in a related lawsuit) is the entity's provisions for fining the owners and operators of STRs for violations of the restrictions imposed by each of these cities or counties. For example, the City of Las Vegas fined one homeowner \$180,000 and placed a lien on the property late last year (or early this year).

I do not know what priority such a lien has, but I recall where the Nevada Courts ruled that an HOA lien was superior to a first mortgage, allowing million-dollar homes to be sold for a few thousand dollars. What potential liability would there be for an appraiser if they included business income in the valuation of a home subject to a secondary market mortgage if that home is subject to a lien that now has priority over the mortgage?

The STR approval is licensed to the owner and not the property. Therefore, the income produced via the STR is the owner's income resulting from the operation of a "going concern" and not attributable to the property alone. There are strict requirements for the property. The property is not licensed. The individual is licensed. This type of analysis and assignment is beyond the typical scope of work for the appraiser. It requires business valuation services, like the scope of work for a hotel or motel.

What happens when a property is illegally operated as a STR, and the appraiser capitalizes the income in the income approach to value? The Greater Las Vegas Short-Term Rental Association already has a lawsuit with local entities and licensing. Per a September 2023 article, less than 10% of the estimated existing 7,700 STAs had been licensed. Who will provide the appraiser with the required information (income, expenses, etc.), and how will the appraiser verify such data to ensure it is consistent with the market?

Where will appraisers get market data for STRs? When appraising an STR, will the appraiser use normal sales from the same location or be required only to consider the sales of STRs? Is this a complex assignment, and if so, what is required? If the property is residential (but is being operated as a "commercial hotel)," are you creating a misleading report by including the "commercial operations business income" as part of what you are calling a residential property under H&BU?

Many residential lenders will not lend on "condotels" for this very reason. They are operated like hotels, with the units included in a "hotel pool" of available rooms. In some cases, the residential lender will make a loan on high-rise units that are in condos based on the resale value. However, income from the Air B&B operation is excluded. If AMCs and lenders want to use this income, they should engage business appraisers to do the cash flow separately from the residential fee simple

appraisal. I think the AMCs and lenders are looking for a quick and easy solution to their problem and, in doing so, are shifting the liability onto appraisers.

At the very least, there should be required disclosures from the AMC, lender, borrower, etc. (perhaps similar to the Seller's Real Property Disclosure Report) provided to the appraiser, along with specific language and prominent statements within the report itself, clarifying what is and isn't being included in the valuation and what has and has not been verified or what sources the appraiser has relied upon so that a reader or intended use is not misled.

Undoubtedly, there will be "unintended consequences," an occurrence many of us have become familiar with since licensing began in the 1990s, as clients and users of appraisal services attempt to edit long-standing and sound appraisal principles to fit a particular need without consideration of the relevance to the appraisal problem or the impact to the value conclusions being reported.

The true impacts on the values of short-term rentals have yet to be fully understood. These are not standard residential property appraisals. These are complex properties with limited data availability, subject to many restrictions, and with significant potential for fraud and liability beyond that currently known. Protecting the public's trust requires the State of Nevada to examine the issues identified thoroughly, consider the potential liabilities and consequences to all involved, and notify appraisers and users of appraisal services as to the inherent risks involved.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'P. Egger', with a long horizontal flourish extending to the right.

Patrick Egger  
Nevada Certified General Appraiser  
A.0000154-CG  
702-324-6652

Attachments

### Additional Sources of Information on Short-term Rentals

<https://www.fox5vegas.com/2024/01/23/180000-fine-illegal-short-term-rental-las-vegas/>

<https://thenevadaindependent.com/article/few-clark-county-short-term-rental-owners-apply-for-license-amid-legal-battle>

<https://www.steadily.com/blog/airbnb-short-term-rental-laws-and-regulations-in-nevada>

<https://www.proper.insure/regulations/airbnb-laws-nevada/>

<https://www.lasvegasnevada.gov/Business/Planning-Zoning/Code-Enforcement/Short-Term-Rentals>

[https://library.municode.com/nv/clark\\_county/codes/code\\_of\\_ordinances?nodeId=TI7BURE\\_CH7.100SHRMREUN](https://library.municode.com/nv/clark_county/codes/code_of_ordinances?nodeId=TI7BURE_CH7.100SHRMREUN)

<https://www.cityofhenderson.com/government/departments/community-development-and-services/short-term-vacation-rentals>

<https://www.cityofnorthlasvegas.com/business/short-term-rentals>