

SENATE BILL REPORT

SHB 1677

As Reported By Senate Committee On:
Education, March 28, 1995

Title: An act relating to requiring school districts to obtain an appraisal before purchasing real property.

Brief Description: Requiring school districts to obtain an appraisal before purchasing real property.

Sponsors: House Committee on Education (originally sponsored by Representatives Koster, Campbell, Radcliff, Sheldon, Brumsickle, Stevens, McMahan, Smith, Clements, McMorris, Sherstad and Robertson).

Brief History:

Committee Activity: Education: 3/21/95, 3/28/95 [DP].

SENATE COMMITTEE ON EDUCATION

Majority Report: Do pass.

Signed by Senators McAuliffe, Chair; Pelz, Vice Chair; Finkbeiner, Gaspard, Hochstatter, Johnson and Rasmussen.

Staff: Susan Mielke (786-7422)

Background: Current state law does not require school districts to obtain appraisals prior to buying real estate.

Current law does require that school districts obtain a market value appraisal by three licensed real estate brokers or professionally designated real estate appraisers prior to selling real property.

State law provides that a "licensed real estate broker" is an individual who buys, sells, advertises, and negotiates the sale and purchase of real estate. While brokers often complete informal market appraisals, state law does not require that they have extensive experience in real estate valuation.

According to state law, a "professionally designated real estate appraiser" is an individual who is regularly engaged in the business of providing real estate valuation, who is deemed qualified by a nationally recognized real estate appraisal educational organization, and who is required to adhere to specified standards of professional practice.

Summary of Bill: School districts are required to have a market value appraisal of real property prior to buying real property. The appraisal must be conducted by a professionally designated real estate appraiser selected by the district's board of directors.

When selling real property, current law is amended to require that the market value appraisal be conducted only by professionally designated real estate appraisers. In addition, only one appraisal is required.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: School districts pay too much for real estate that they buy. If school districts were required to get an appraisal by a qualified appraiser prior to buying property, fewer taxpayer dollars would be wasted.

Testimony Against: None.

Testified: Representative John Koster, prime sponsor.