

SENATE BILL REPORT

ESHB 1860

As Reported By Senate Committee On:
Financial Institutions & Housing, March 30, 1995
Ways & Means, April 3, 1995

Title: An act relating to real estate appraisers.

Brief Description: Regulating real estate appraisers.

Sponsors: House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Goldsmith and Robertson).

Brief History:

Committee Activity: Financial Institutions & Housing: 3/30/95 [DPA].
Ways & Means: 4/3/95 [DPA].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale and Smith.

Staff: Traci Ratzliff (786-7454)

Background: In 1988, the federal Office of Management and Budget issued a directive to federal agencies to require state certified appraisals for certain federally-related transactions by July 1, 1991. In 1989, a state certification program was enacted by the Legislature to allow Washington appraisers to perform appraisals for these transactions.

There are three levels of real estate appraiser certification. A state-certified general real estate appraiser may render certified appraisals of all types of property. A state-certified residential real estate appraiser may make certified appraisals of residential property of one to four units without regard to transaction value or complexity and nonresidential property as specified in rules adopted by the director. A state-licensed real estate appraiser may make licensed appraisals of noncomplex property of one to four residential units, and complex property of one to four residential units and nonresidential property having a transaction value as specified in rules adopted by the director.

This law does not preclude a person who is not certified or licensed from appraising real estate in this state for compensation, except in federally-related transactions requiring licensure or certification.

Summary of Amended Bill: A person can only conduct a real estate appraisal for compensation if the person is licensed or certified by the state. This does not apply to a government employee acting within the scope of his or her employment, a real estate broker or agent when dealing with a client, an employee of a financial institution or mortgage

broker acting in the scope of his or her employment, attorneys and certified public accountants acting in the scope of their profession.

The Department of Licensing may establish an expert review appraiser roster to assist the director in reviewing appraisals for compliance with the requirements of real estate appraiser provisions.

The requirement that appraisers be licensed or certified in order to receive compensation for doing any real estate appraisal in Washington, not just those federally-related, takes effect July 1, 1996.

A new exemption from payment of unemployment taxes is established for independent contractors of real estate appraisers.

Amended Bill Compared to Substitute Bill: An exemption from licensing or certification is provided for attorneys acting in the scope of their profession.

Appropriation: None.

Fiscal Note: Requested on February 20, 1995.

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

Testimony For: This bill will increase the public's confidence in the competency of the real estate appraiser industry.

Testimony Against: None.

Testified: Rep. Les Thomas, original prime sponsor (pro); Cleotis Borner, Department of Licensing (neutral); Michael Lamb, Chair, Real Estate Appraisal Advisory Board (pro); Dwight Bickel, Real Property Section, Washington State Bar Association (pro w/proposed amendment); Trevor Sandison, Real Estate Appraisers Coalition (pro); Jim Boldt, Washington Society of Certified Public Accounts (pro); Jim Irish, certified appraiser (pro).

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rinehart, Chair; Loveland, Vice Chair; Cantu, Finkbeiner, Gaspard, Hochstatter, Johnson, Long, McDonald, Pelz, Roach, Strannigan, West and Winsley.

Staff: Tracy Cox (786-7437)

Ways & Means Amended Bill Compared to Substitute Bill: A new dedicated account is not created in the state treasury.

Testimony For: None.

Testimony Against: None.

Testified: No one.