

SENATE BILL REPORT

2SHB 1860

As Reported By Senate Committee On:
Financial Institutions & Housing, February 20, 1996

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: 2/20/96 [DPA]

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair; Hale, Roach, Sellar and Sutherland.

Staff: Traci Ratzliff (786-7452)

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, 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 conduct a real estate appraisal for compensation only 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, and attorneys and certified public accountants acting in the scope of their professions.

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 department's enforcement powers are enhanced.

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, 1997.

Amended Bill Compared to Substitute Bill: A technical amendment is made.

Appropriation: None.

Fiscal Note: Requested January 10, 1996.

Effective Date: The bill contains an emergency clause and takes effect July 1, 1996, except Section 3, which takes effect July 1, 1997.

Testimony For: This bill will provide greater protection for consumers of real estate appraisers.

Testimony Against: None.

Testified: Trevor Sandison, Appraiser's Coalition of Washington.