

SENATE BILL REPORT

SB 6484

As Reported By Senate Committee On:
Financial Institutions & Housing, February 1, 1996

Title: An act relating to real estate appraisers.

Brief Description: Regulating real estate appraisers.

Sponsors: Senators Smith, Hale and Goings.

Brief History:

Committee Activity: Financial Institutions & Housing: 1/26/96, 2/1/96 [DPS].

SENATE COMMITTEE ON FINANCIAL INSTITUTIONS & HOUSING

Majority Report: That Substitute Senate Bill No. 6484 be substituted therefor, and the substitute bill do pass.

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

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 Substitute 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 or third party contractor of a financial institution or mortgage broker when the appraisal is not required by a federal agency; 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, 1997.

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

Substitute Bill Compared to Original Bill: The provision establishing a dedicated, appropriated real estate appraiser account is removed.

Appropriation: None.

Fiscal Note: Requested on January 19, 1996.

Effective Date: July 1, 1996.

Testimony For: This bill will strengthen existing laws regulating real estate appraisers.

Testimony Against: None.

Testified: Trevor Sandison, Jim Irish, Appraiser Coalition of Washington (pro).