

FINAL BILL REPORT

SSB 5676

C 399 L 97
Synopsis as Enacted

Brief Description: Regulating real estate appraisers.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senators Newhouse, Schow and Anderson).

Senate Committee on Commerce & Labor

House Committee on Commerce & Labor

Background: A brokers price opinion– is defined as an oral or written report of property value that is prepared by a licensed real estate broker or salesperson for listing, sale, purchase, or rental purposes.

According to the new real estate appraiser’s law that goes into effect July 1, 1997, a real estate broker or real estate salesperson may issue a brokers price opinion as a service to a prospective seller, buyer, lessor, or lessee. The brokers price opinion may not be disseminated to a third party. The brokers price opinion must be intended solely for use by a prospective seller, buyer, lessor or lessee.

There is a lack of clarity whether a real estate broker or real estate salesperson may issue a brokers price opinion for other purposes without being a state certified or state licensed appraiser.

Summary: The definition of brokers price opinion is changed by removing the requirement that a brokers price opinion serve as a listing, sale, purchase, or rental purpose.

The requirement of limiting issuance of a brokers price opinion only to, and for the sole benefit of a seller, buyer, lessor, or lessee is removed.

Federally related transaction– and real estate related transaction,– as defined in the Washington Administrative Code pertaining to the Department of Licensing’s rules, are added to the chapter on real estate appraisers. Real estate brokers may receive compensation for brokers price opinions. The brokers price opinion may not be used as an appraisal in conjunction with a federally related transaction.

When a brokers price opinion is issued to someone other than a buyer, seller, lessor, or lessee, and is given as written evidence in a legal proceeding or as oral testimony, a statement must be included that the brokers price opinion is not an appraisal and has been prepared by a licensed real estate broker or salesperson who is not a licensed real estate appraiser.

The real estate appraisal law exempts only those employees who conduct appraisals or appraisal reviews for a financial institution.

Votes on Final Passage:

Senate	45	0	
House	93	4	(House amended)
Senate	44	0	(Senate concurred)

Effective: July 1, 1997