
HOUSE BILL 1860

State of Washington

54th Legislature

1995 Regular Session

By Representatives L. Thomas, Goldsmith and Robertson

Read first time 02/13/95. Referred to Committee on Financial Institutions & Insurance.

1 AN ACT Relating to real estate appraisers; amending RCW 18.140.005,
2 18.140.010, 18.140.020, 18.140.030, 18.140.060, 18.140.090, 18.140.110,
3 18.140.120, 18.140.140, 18.140.150, 18.140.160, 18.140.170, and
4 18.140.180; adding a new section to chapter 50.04 RCW; adding new
5 sections to chapter 18.140 RCW; adding a new chapter to Title 60 RCW;
6 repealing RCW 18.140.085; prescribing penalties; providing an effective
7 date; and declaring an emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 **Sec. 1.** RCW 18.140.005 and 1993 c 30 s 1 are each amended to read
10 as follows:

11 (1) It is the intent of the legislature that only individuals who
12 meet and maintain minimum standards of competence and conduct ((may
13 provide)) established under this chapter for certified or licensed real
14 estate appraisers may provide real estate appraisal services to the
15 public.

16 (2) It is the further intent of the legislature to provide for a
17 continuing supply of real estate appraisers by encouraging the proper
18 training of new entrants to the profession through the implementation
19 of the trainee real property appraiser classification according to the

1 set of appraiser qualification criteria as established by the director
2 which shall not be less than those promulgated by the appraiser
3 qualifications board of the appraisal foundation.

4 **Sec. 2.** RCW 18.140.010 and 1993 c 30 s 2 are each amended to read
5 as follows:

6 As used in this chapter, the following terms have the meanings
7 indicated unless the context clearly requires otherwise.

8 (1) ~~"Appraisal" ((or "real estate appraisal")) means ((an analysis,~~
9 ~~opinion, or conclusion relating to the nature, quality, value, or~~
10 ~~utility of specified interests in, or aspects of, identified real~~
11 ~~estate, for or in expectation of compensation. An appraisal may be~~
12 ~~classified by subject matter into either a valuation or an analysis.~~
13 ~~A "valuation" is an estimate of the value of real estate or real~~
14 ~~property. An "analysis" is a study of real estate or real property~~
15 ~~other than estimating value)) the act or process of estimating value;~~
16 ~~an estimate of value; or of or pertaining to appraising and related~~
17 ~~functions.~~

18 (2) "Appraisal report" means any communication, written or oral, of
19 an appraisal, ~~((except that all appraisal reports in federally related~~
20 ~~transactions are required to be written reports)) review, or consulting~~
21 ~~service in accordance with the uniform standards of appraisal practice~~
22 ~~as promulgated by the appraisal standards board of the appraisal~~
23 ~~foundation that is transmitted to the client upon completion of an~~
24 ~~assignment.~~

25 (3) "Appraisal assignment" means an engagement for which an
26 appraiser is employed or retained to act, or would be perceived by
27 third parties or the public as acting, as a disinterested third party
28 in rendering an unbiased analysis, opinion, or conclusion relating to
29 the ~~((nature, quality,)) value((, or utility)) of specified interests~~
30 ~~in, or aspects of, identified real estate. The term "appraisal~~
31 ~~assignment" may apply to valuation work and analysis work.~~

32 (4) "Appraisal practice" means the work or services performed by
33 appraisers, defined in the uniform standards of appraisal practice as
34 promulgated by the appraisal standards board of the appraisal
35 foundation.

36 (5) "Brokers price opinion" means a methodology and report to
37 suggest a fair listing and/or sale price for a parcel of real property
38 based upon comparable transactions.

1 (6) "Certificate number" means a number assigned by the department
2 of licensing that clearly abbreviates the professional appraisal
3 classification and uniquely identifies the holder without coding or
4 otherwise disclosing any other personal information.

5 (7) "Certified appraisal" means an appraisal prepared or signed by
6 a state-certified real estate appraiser. A certified appraisal
7 represents to the public that it meets the appraisal standards defined
8 in this chapter.

9 ~~((+5))~~ (8) "Client" means any party for whom an appraiser
10 performed a service.

11 (9) "Committee" means the real estate appraiser advisory committee
12 of the state of Washington.

13 ~~((+6))~~ (10) "Comparative market analysis" means a brokers price
14 opinion.

15 (11) "Department" means the department of licensing.

16 ~~((+7))~~ (12) "Director" means the director of the department of
17 licensing.

18 ~~((+8))~~ (13) "Expert review appraiser" means a state-certified real
19 estate appraiser chosen by the director for the purpose of providing
20 appraisal review assistance to the director.

21 (14) "Federal department" means an executive department of the
22 United States of America specifically concerned with housing finance
23 issues, such as the department of housing and urban development, the
24 department of veterans affairs, or their legal federal successors.

25 (15) "Federal financial institutions regulatory agency" means the
26 board of governors of the federal reserve system, the federal deposit
27 insurance corporation, the office of the comptroller of the currency,
28 the office of thrift supervision, the national credit union
29 administration, their successors and/or such other agencies as may be
30 named in future amendments to 12 U.S.C. Sec. 3350(6).

31 (16) "Federal secondary mortgage marketing agency" means the
32 federal national mortgage association, the government national mortgage
33 association, the federal home loan mortgage corporation, their
34 successors and/or such other similarly functioning housing finance
35 agencies as may be federally chartered in the future.

36 (17) "Financial institution" means any person doing business under
37 the laws of this state or the United States relating to banks, bank
38 holding companies, savings banks, trust companies, savings and loan

1 associations, credit unions, consumer loan companies, and the
2 affiliates, subsidiaries, and service corporations thereof.

3 (18) "Licensed appraisal" means an appraisal prepared or signed by
4 a state-licensed real estate appraiser. A licensed appraisal
5 represents to the public that it meets the appraisal standards defined
6 in this chapter.

7 ~~((9))~~ (19) "Mortgage broker" for the purpose of this chapter
8 means a mortgage broker licensed under chapter 19.146 RCW, any mortgage
9 broker approved and subject to audit by the federal national mortgage
10 association, the government national mortgage association, or the
11 federal home loan mortgage corporation as provided in RCW 19.146.020,
12 any mortgage broker approved by the United States secretary of housing
13 and urban development for participation in any mortgage insurance under
14 the national housing Act, 12 U.S.C. Sec. 1201, and the affiliates,
15 subsidiaries, and service corporations thereof.

16 (20) "Real estate" means an identified parcel or tract of land,
17 including improvements, if any.

18 ~~((10))~~ (21) "Real property" means one or more defined interests,
19 benefits, or rights inherent in the ownership of real estate.

20 ~~((11))~~ (22) "Review" means the act or process of critically
21 studying an appraisal report prepared by another.

22 (23) "Specialized appraisal services" means all appraisal services
23 which do not fall within the definition of appraisal assignment. The
24 term "specialized appraisal service" may apply to valuation work and to
25 analysis work. Regardless of the intention of the client or employer,
26 if the appraiser would be perceived by third parties or the public as
27 acting as a disinterested third party in rendering an unbiased
28 analysis, opinion, or conclusion, the work is classified as an
29 appraisal assignment and not a specialized appraisal service.

30 ~~((12))~~ (24) "State-certified general real estate appraiser" means
31 a person certified by the director to develop and communicate real
32 estate appraisals of all types of property. A state-certified general
33 real estate appraiser may designate or identify an appraisal rendered
34 by him or her as a "certified appraisal."

35 ~~((13))~~ (25) "State-certified residential real estate appraiser"
36 means a person certified by the director to develop and communicate
37 real estate appraisals of all types of residential property of one to
38 four units without regard to transaction value or complexity and
39 nonresidential property having a transaction value as specified in

1 rules adopted by the director. A state certified residential real
2 estate appraiser may designate or identify an appraisal rendered by him
3 or her as a "certified appraisal."

4 ~~((14))~~ (26) "State-licensed real estate appraiser" means a person
5 licensed by the director to develop and communicate real estate
6 appraisals of noncomplex one to four residential units and complex one
7 to four residential units and nonresidential property having
8 transaction values as specified in rules adopted by the director.

9 (27) "Supervising appraiser" means either a state-certified general
10 real estate appraiser or a state-certified residential real estate
11 appraiser providing direct supervision to another appraiser certified,
12 licensed, or registered under this chapter.

13 (28) "Trainee real property appraiser" means a person who is not
14 certified or licensed under this chapter but is registered by the
15 director, prior to the commencement of such activity, to assist in the
16 development and communication of real estate appraisals for the purpose
17 of gaining experience consistent with the purpose of this chapter
18 concerning those types of properties that the supervising appraiser is
19 permitted to appraise.

20 **Sec. 3.** RCW 18.140.020 and 1993 c 30 s 3 are each amended to read
21 as follows:

22 (1) No person other than a state-certified or state-licensed real
23 estate appraiser may receive compensation of any form for a real estate
24 appraisal or an appraisal review, except that a state-registered
25 trainee real property appraiser may receive compensation from one or
26 more supervising appraisers or the supervising appraiser's employer.
27 This subsection shall apply to appraisal assignments subject to the
28 uniform standards of professional appraisal practice.

29 (2) No person, other than a state-certified or state-licensed real
30 estate appraiser, or a state-registered trainee real property
31 appraiser, may assume or use that title or any title, designation, or
32 abbreviation likely to create the impression of certification ~~((or))~~,
33 licensure, or registration as a real estate appraiser by this state.

34 (3) A person who is not certified or licensed under this chapter
35 shall not ~~((describe or refer to))~~ prepare any appraisal of real estate
36 located in this state ~~((by the term "certified" or "licensed."))~~,
37 except as provided by subsection (1) of this section.

1 ~~((2))~~ (4) This section does not preclude a person who is ~~((not))~~
2 certified or licensed as a state-certified or state-licensed real
3 estate appraiser by another state or territory from appraising real
4 estate in this state for compensation~~((, except))~~ in ~~((federally~~
5 ~~related transactions))~~ requiring licensure or certification to perform
6 appraisal services according to 12 U.S.C. Sec. 3351(a) or RCW
7 18.140.155.

8 (5) No person, other than a person holding a currently valid
9 registration as a trainee real property appraiser issued by the
10 director may assume or use that title or any title, designation, or
11 abbreviation likely to create the impression of trainee status as a
12 real estate appraiser by this state.

13 (6) A person who is not registered as a trainee real property
14 appraiser under this chapter shall not indicate participation in the
15 preparation of or prepare any appraisal of real estate located in this
16 state.

17 (7) This section does not preclude a staff employee of a
18 governmental entity from performing an appraisal or an appraisal
19 assignment within the scope of her or his employment insofar as the
20 performance of official duties for the governmental entity are
21 concerned. Such an activity for the benefit of the governmental entity
22 is exempt from the requirements of this chapter.

23 (8) This section does not preclude an individual person licensed by
24 the state of Washington as a real estate broker or as a real estate
25 salesperson and who performs a brokers price opinion as a service to a
26 prospective seller, buyer, lessor, or lessee as the only intended user,
27 and not for dissemination to a third party, within the scope of their
28 employment or agency, insofar as the performance of the usual,
29 customary, and historical nature of their relationship duties is
30 concerned. Such an activity for the sole benefit of the prospective
31 seller, buyer, lessor, or lessee is exempt from the requirements of
32 this chapter.

33 (9) This section does not preclude a staff employee of a financial
34 institution or a mortgage broker from performing an appraisal or an
35 appraisal assignment within the scope of her or his employment insofar
36 as the performance of official duties for the financial institution or
37 mortgage broker are concerned, only to the extent that such official
38 duties are subject to regulatory or supervisory approval by a federal
39 department, a federal financial institutions regulatory agency, or a

1 federal secondary mortgage marketing agency. Such an activity for the
2 benefit of the financial institution or mortgage broker is exempt from
3 the requirements of this chapter.

4 **Sec. 4.** RCW 18.140.030 and 1993 c 30 s 4 are each amended to read
5 as follows:

6 The director shall have the following powers and duties:

7 (1) To adopt rules in accordance with chapter 34.05 RCW necessary
8 to implement this chapter;

9 (2) To receive and approve or deny applications for certification
10 or licensure as a state-certified or state-licensed real estate
11 appraiser under this chapter; to establish appropriate administrative
12 procedures for the processing of such applications; to issue
13 certificates or licenses to qualified applicants pursuant to the
14 provisions of this chapter; and to maintain a register of the names and
15 addresses of individuals who are currently certified or licensed under
16 this chapter;

17 (3) To establish, provide administrative assistance, and appoint
18 the members for the real estate appraiser advisory committee to enable
19 the committee to act in an advisory capacity to the director;

20 (4) To solicit bids and enter into contracts with educational
21 testing services or organizations for the preparation of questions and
22 answers for certification or licensure examinations;

23 (5) To administer or contract for administration of certification
24 or licensure examinations at locations and times as may be required to
25 carry out the responsibilities under this chapter;

26 (6) To enter into contracts for professional services determined to
27 be necessary for adequate enforcement of this chapter;

28 (7) To consider recommendations by the real estate appraiser
29 advisory committee relating to the experience, education, and
30 examination requirements for each classification of state-certified
31 appraiser and for licensure;

32 (8) To impose continuing education requirements as a prerequisite
33 to renewal of certification or licensure;

34 (9) To consider recommendations by the real estate appraiser
35 advisory committee relating to standards of professional appraisal
36 practice in the enforcement of this chapter;

1 (10) To investigate all complaints or reports of unprofessional
2 conduct as defined in this chapter and to hold hearings as provided in
3 this chapter;

4 (11) To establish appropriate administrative procedures for
5 disciplinary proceedings conducted pursuant to the provisions of this
6 chapter;

7 (12) To compel the attendance of witnesses and production of books,
8 documents, records, and other papers; to administer oaths; and to take
9 testimony and receive evidence concerning all matters within their
10 jurisdiction. These powers may be exercised directly by the director
11 or the director's authorized representatives acting by authority of
12 law;

13 (13) To take emergency action ordering summary suspension of a
14 license or certification pending proceedings by the director;

15 (14) To employ such professional, clerical, and technical
16 assistance as may be necessary to properly administer the work of the
17 director;

18 (15) To establish forms necessary to administer this chapter;

19 (16) To adopt standards of professional conduct or practice;
20 ((and))

21 (17) To receive and approve or deny applications for registration
22 as a trainee real property appraiser under this chapter, to establish
23 appropriate administrative procedures for the processing of such
24 applications; to issue registration to qualified applicants pursuant to
25 the provisions of this chapter; and to maintain a register of the names
26 and addresses of individuals who currently hold valid registration
27 under this chapter;

28 (18) To establish a volunteer or compensated expert review
29 appraiser roster comprised of state-certified real estate appraisers
30 whose purpose is to assist the director by applying their individual
31 expertise by reviewing real estate appraisals for compliance with this
32 chapter. Qualifications to act as an expert review appraiser shall be
33 established by the director with the concurrence of the committee. An
34 application to serve as an expert review appraiser shall be submitted
35 to the real estate appraiser program, and the roster of accepted expert
36 review appraisers shall be maintained by the program. An expert review
37 appraiser may be added to or deleted from that roster by the director
38 with the concurrence of the committee;

1 (19) To reimburse an expert review appraiser for any and all
2 expenses accrued in performance of appraisal reviews, including for
3 field inspections, depositions, and hearings, requested by the
4 department. Expert review appraisers shall receive mileage and
5 statutory witness fees when testifying on behalf of the department;

6 (20) To administer oaths; certify to all official acts; subpoena
7 and bring forth any person in this state as a witness; compel the
8 production of books and papers; and take the testimony of any person by
9 deposition in the manner prescribed for procedure of the superior
10 courts in civil cases, in any hearing in any part of the state.

11 Each witness, who appears by order of the director, shall receive
12 the attendance fees and mileage allowed to a witness in civil cases in
13 the superior court. Witness fees shall be paid by the party at whose
14 request the witness is subpoenaed.

15 If a witness, who has not been required to attend at the request of
16 any party, is subpoenaed by the director, that person's expenses, fees,
17 and mileage shall be paid from funds appropriated for the use of the
18 real estate appraiser advisory committee in the same manner as other
19 expenses of the department are paid; and

20 (21) To do all other things necessary to carry out the provisions
21 of this chapter and minimally meet the requirements of federal
22 guidelines regarding state certification or licensure of appraisers
23 that the director determines are appropriate for state-certified
24 ((and)), state-licensed, or registered appraisers in this state.

25 **Sec. 5.** RCW 18.140.060 and 1993 c 30 s 6 are each amended to read
26 as follows:

27 (1) Applications for examinations, original certification ~~((or))~~,
28 licensure, or registration, and renewal certification ~~((or))~~,
29 licensure, or registration shall be made in writing to the department
30 on forms approved by the director. Applications for original and
31 renewal certification ~~((or))~~, licensure, or a registration shall
32 include a statement confirming that the applicant shall comply with
33 applicable rules and regulations and that the applicant understands the
34 penalties for misconduct.

35 (2) The appropriate fees shall accompany all applications for
36 examination, reexamination, original certification ~~((or))~~, licensure,
37 or registration, and renewal certification ~~((or))~~, licensure, or
38 registration.

1 **Sec. 6.** RCW 18.140.090 and 1993 c 30 s 9 are each amended to read
2 as follows:

3 (1) As a prerequisite to taking an examination for certification or
4 licensure, an applicant must meet the experience requirements adopted
5 by the director.

6 (2) The preexamination experience claimed by an applicant, and
7 accepted by the department for the purpose of taking the examination,
8 shall remain subject to postlicensure auditing by the department.

9 **Sec. 7.** RCW 18.140.110 and 1993 c 30 s 11 are each amended to read
10 as follows:

11 Every applicant for licensing ~~((or))~~, certification, or
12 registration who is not a resident of this state shall submit, with the
13 application for licensing ~~((or))~~, certification, or registration, an
14 irrevocable consent that service of process upon him or her may be made
15 by service on the director if, in an action against the applicant in a
16 court of this state arising out of the applicant's activities as a
17 state-licensed or state-certified real estate or state-registered
18 trainee real property appraiser, the plaintiff cannot, in the exercise
19 of due diligence, obtain personal service upon the applicant.

20 **Sec. 8.** RCW 18.140.120 and 1993 c 30 s 12 are each amended to read
21 as follow

22 An applicant for licensure ~~((or))~~, certification, or registration
23 who is currently licensed ~~((or))~~, certified, or registered and in good
24 standing under the laws of another state may obtain ~~((a))~~ an equivalent
25 license ~~((or))~~, certificate, or registration as a Washington state-
26 licensed or state-certified real estate or trainee real property
27 appraiser without being required to satisfy the examination
28 requirements of this chapter if: The director determines that the
29 licensure ~~((or))~~, certification, or registration requirements are
30 substantially similar to those found in Washington state; and that the
31 other state has a written reciprocal agreement to provide similar
32 treatment to holders of Washington state licenses ~~((and/or))~~,
33 certificates, and/or registrations.

34 **Sec. 9.** RCW 18.140.140 and 1993 c 30 s 14 are each amended to read
35 as follows:

1 (1) A license ((or)), certificate, or registration issued under
2 this chapter shall bear the signature or facsimile signature of the
3 director and a license ((or)), certificate, or registration number
4 assigned by the director.

5 (2) Each state-licensed or state-certified real estate appraiser
6 shall place his or her license or certificate number adjacent to or
7 immediately below the title "state-licensed real estate appraiser,"
8 "state-certified residential real estate appraiser," or "state-
9 certified general real estate appraiser" when used in an appraisal
10 report or in a contract or other instrument used by the licensee
11 ((or)), certificate holder, or registration holder in conducting real
12 property appraisal activities, except that the license or certificate
13 number shall not be required to appear when the title is not
14 accompanied by a signature as is typical on such promotional and
15 stationary items as brochures, business cards, forms, or letterhead.

16 (3) Each state-registered trainee real estate appraiser shall place
17 his or her registration number adjacent to or immediately below the
18 title state-registered trainee real estate appraiser when used in an
19 appraisal report and the supervising appraiser shall place his or her
20 certificate number adjacent to or immediately below the title state-
21 certified residential real estate appraiser, or state-certified general
22 real estate appraiser when used in the supervised appraisal report.

23 (4) A state-registered trainee real estate appraiser may use a
24 business card acceptable to her or his supervising appraiser, but any
25 such card shall bear both name and the certificate and registration
26 number of each party with their title clearly displayed so as to
27 clearly indicate that the state-registered trainee real estate
28 appraiser is not engaged in an unsupervised appraisal practice.

29 (5) On or before December 31, 1995, any record or document issued
30 for other than internal use by the department of licensing shall bear
31 a certificate number which shall both clearly abbreviate the
32 professional appraisal classification and uniquely identify the holder
33 without coding or otherwise disclosing any other personal information.
34 Such certificate number might be a seven-character alphanumeric display
35 wherein the first three characters shall be a recognizable alphabetic
36 representation of the professional code utilized by the department of
37 licensing, and the last four characters shall be randomly generated
38 numbers to link the holder to the personal identification code of the
39 department of licensing.

1 **Sec. 10.** RCW 18.140.150 and 1993 c 30 s 15 are each amended to
2 read as follows:

3 (1) The term "state-licensed," ~~((or))~~ "state-certified real estate
4 appraiser," or "trainee real property appraiser" may only be used to
5 refer to individuals who hold the license ~~((or))~~, certificate, or
6 registration and may not be used following or immediately in connection
7 with the name or signature of a firm, partnership, corporation, ~~((or))~~
8 group, or limited liability company, or in such manner that it might be
9 interpreted as referring to a firm, partnership, corporation, group,
10 limited liability company, or anyone other than an individual holder of
11 the license ~~((or))~~, certificate, or registration.

12 (2) No license ~~((or))~~, certificate, or registration may be issued
13 under this chapter to a corporation, partnership, firm, limited
14 liability company, or group. This shall not be construed to prevent a
15 state-licensed or state-certified appraiser from signing an appraisal
16 report on behalf of a corporation, partnership, firm, ~~((or))~~ group
17 practice, or limited liability company, nor shall it be construed to
18 prevent a state-registered trainee real estate appraiser from signing
19 an appraisal report under the supervision of a state-certified real
20 estate appraiser on behalf of a corporation, partnership, firm, group
21 practice, or limited liability company.

22 **Sec. 11.** RCW 18.140.160 and 1993 c 30 s 17 are each amended to
23 read as follows:

24 The director may deny an application for licensure ~~((or))~~,
25 certification, or registration and may ~~((be denied. The director may))~~
26 impose any one or more of the following sanctions against a state-
27 licensed ~~((or))~~, state-certified, or registered appraiser~~((s))~~:
28 Suspend, revoke, or levy a fine not to exceed one thousand dollars for
29 each offense and/or otherwise discipline in accordance with the
30 provisions of this chapter, for any of the following acts or omissions:

31 (1) Failing to meet the minimum qualifications for state licensure
32 ~~((or))~~, certificate, or registration established by or pursuant to
33 this chapter;

34 (2) Procuring or attempting to procure state licensure ~~((or))~~,
35 certification, or registration under this chapter by knowingly making
36 a false statement, knowingly submitting false information, or knowingly
37 making a material misrepresentation on any application filed with the
38 director;

1 (3) Paying money other than the fees provided for by this chapter
2 to any employee of the director or the committee to procure state
3 licensure ((~~or~~)), certification, or registration under this chapter;

4 (4) Obtaining a license ((~~or~~)), certification, or registration
5 through the mistake or inadvertence of the director;

6 (5) Conviction of any gross misdemeanor or felony or the commission
7 of any act involving moral turpitude, dishonesty, or corruption whether
8 or not the act constitutes a crime. If the act constitutes a crime,
9 conviction in a criminal proceeding is not a condition precedent to
10 disciplinary action. Upon such a conviction, however, the judgment and
11 sentence is conclusive evidence at the ensuing disciplinary hearing of
12 the guilt of the license ((~~or~~)), certificate, or registration holder or
13 applicant of the crime described in the indictment or information, and
14 of the person's violation of the statute on which it is based. For the
15 purposes of this section, conviction includes all instances in which a
16 plea of guilty or nolo contendere is the basis for the conviction and
17 all proceedings in which the sentence has been deferred or suspended.
18 Nothing in this section abrogates rights guaranteed under chapter 9.96A
19 RCW;

20 (6) Failure or refusal without good cause to exercise reasonable
21 diligence in developing an appraisal, preparing an appraisal report, or
22 communicating an appraisal;

23 (7) Negligence or incompetence in developing an appraisal,
24 preparing an appraisal report, or communicating an appraisal;

25 (8) Continuing to act as a state-licensed or state-certified real
26 estate or trainee real property appraiser when his or her license or
27 certificate is on an expired status;

28 (9) Failing, upon demand, to disclose any information within his or
29 her knowledge to, or to produce any document, book, or record in his or
30 her possession for inspection of the director or the director's
31 authorized representatives acting by authority of law;

32 (10) Violating any provision of this chapter or any lawful rule or
33 regulation made by the director pursuant thereto;

34 (11) Advertising in a false, fraudulent, or misleading manner;

35 (12) Suspension, revocation, or restriction of the individual's
36 license ((~~or~~)), certification, or registration to practice the
37 profession by competent authority in any state, federal, or foreign
38 jurisdiction, with a certified copy of the order, stipulation, or

1 agreement being conclusive evidence of the revocation, suspension, or
2 restriction;

3 (13) Failing to comply with an order issued by the director;

4 (14) Committing any act of fraudulent or dishonest dealing or a
5 crime involving moral turpitude, with a certified copy of the final
6 holding of any court of competent jurisdiction in such matter being
7 conclusive evidence in any hearing under this chapter; and

8 (15) Issuing an appraisal report on any real property in which the
9 appraiser has an interest unless his or her interest is clearly stated
10 in the appraisal report.

11 **Sec. 12.** RCW 18.140.170 and 1993 c 30 s 18 are each amended to
12 read as follows:

13 The director may investigate the actions of a state-licensed or
14 state-certified real estate or trainee real property appraiser or an
15 applicant for licensure (~~(or)~~), certification, or registration or
16 relicensure or recertification. Upon receipt of information indicating
17 that a state-licensed or state-certified real estate or trainee real
18 property appraiser under this chapter may have violated this chapter,
19 the director shall cause one or more of the staff investigators to make
20 an investigation of the facts to determine whether or not there is
21 admissible evidence of any such violation. If technical assistance is
22 required, a staff investigator may consult with one or more of the
23 members of the committee or with a state-certified appraiser designated
24 by the committee.

25 In any investigation made by the director's investigative staff,
26 the director shall have the power to compel the attendance of witnesses
27 and the production of books, documents, records, and other papers, to
28 administer oaths, and to take testimony and receive evidence concerning
29 all matters within the director's jurisdiction.

30 If the director determines, upon investigation, that a state-
31 licensed or state-certified real estate or trainee real property
32 appraiser under this chapter has violated this chapter, a statement of
33 charges shall be prepared and served upon the state-licensed or state-
34 certified real estate or trainee real property appraiser. This
35 statement of charges shall require the accused party to file an answer
36 to the statement of charges within twenty days of the date of service.

37 In responding to a statement of charges, the accused party may
38 admit to the allegations, deny the allegations, or otherwise plead.

1 Failure to make a timely response shall be deemed an admission of the
2 allegations contained in the statement of charges and will result in a
3 default whereupon the director may enter an order under RCW 34.05.440.
4 If a hearing is requested, the time of the hearing shall be scheduled
5 but the hearing shall not be held earlier than thirty days after
6 service of the charges upon the accused. A notice of hearing shall be
7 issued at least twenty days prior to the hearing, specifying the time,
8 date, and place of hearing.

9 **Sec. 13.** RCW 18.140.180 and 1993 c 30 s 20 are each amended to
10 read as follows:

11 The administrative hearing on the allegations in the statement of
12 charges may be heard by an administrative law judge appointed under
13 chapter 34.12 RCW at the time and place prescribed by the director and
14 in accordance with the provisions of the Administrative Procedure Act,
15 chapter 34.05 RCW. If the administrative law judge determines that a
16 state-licensed or state-certified real estate or trainee real property
17 appraiser is guilty of a violation of any of the provisions of this
18 chapter, a formal decision shall be prepared that contains findings of
19 fact and recommendations to the director concerning the appropriate
20 disciplinary action to be taken.

21 In such event the director shall enter an order to that effect and
22 shall file the same in his or her office and immediately mail a copy
23 thereof to the affected party at the addresses of record with the
24 department. Such order shall not be operative for a period of ten days
25 from the date thereof. Any party aggrieved by a final decision by the
26 director in an adjudicative proceeding whether such decision is
27 affirmative or negative in form, is entitled to a judicial review in
28 the superior court under the provisions of the Administrative Procedure
29 Act, chapter 34.05 RCW.

30 NEW SECTION. **Sec. 14.** (1) A trainee real property appraiser may
31 not provide appraisal services other than through and under the direct
32 supervision of a state-certified general real estate appraiser or a
33 state-certified residential real estate appraiser.

34 (2) A person may be issued only one registration to be valid for a
35 term not exceeding five years as a trainee real property appraiser
36 during a period of not less than ten years from the date of issuance

1 unless either such period is interrupted by service in the armed forces
2 of the United States of America.

3 NEW SECTION. **Sec. 15.** (1) There is one category of trainee real
4 property appraiser. The scope of practice for the trainee real
5 property appraiser is the appraisal of those properties which the
6 supervising appraiser is permitted to appraise;

7 (2) The trainee real property appraiser is subject to the uniform
8 standards of professional appraisal practice;

9 (3) The trainee real property appraiser is entitled to obtain
10 copies of the appraisal report he or she prepared. The supervising
11 appraiser shall keep copies of appraisal reports for a period of time
12 as the directory may prescribe.

13 NEW SECTION. **Sec. 16.** (1) The director may elect to prescribe an
14 examination for registration as a trainee real property appraiser
15 whether or not an examination is a requirement of the trainee real
16 property appraiser classification criteria promulgated by the appraiser
17 qualification board of the appraisal foundation.

18 (2) The examination may not be less stringent than one endorsed by
19 the appraiser qualification board.

20 NEW SECTION. **Sec. 17.** (1) Whether or not an examination is
21 required for registration as a trainee real property appraiser, an
22 applicant shall present evidence satisfactory to the director that he
23 or she has successfully completed the education requirements adopted by
24 the director.

25 (2) The director shall prescribe education requirements that are
26 not less than those promulgated by the appraiser qualification board of
27 the appraisal foundation for the trainee real property appraiser
28 classification.

29 NEW SECTION. **Sec. 18.** (1) Whether or not an examination is
30 required for registration as a trainee real property appraiser, an
31 applicant shall present evidence satisfactory to the director that he
32 or she has successfully completed the experience requirements adopted
33 by the director.

34 (2) The director shall prescribe experience requirements that are
35 not less than those promulgated by the appraiser qualification board of

1 the appraisal foundation in its criteria for the trainee real property
2 appraiser classification.

3 NEW SECTION. **Sec. 19.** (1) All fees required under this chapter
4 shall be set by the director in accordance with RCW 18.140.050 and
5 shall be paid to the state treasurer. All fees paid under the
6 provisions of this chapter shall be placed in the real estate appraiser
7 advisory committee account in the state treasury which hereby is
8 created in the custody of the state treasurer.

9 (2) All money derived from fines imposed under this chapter shall
10 be deposited in the real estate appraiser education account created by
11 section 20 of this act.

12 NEW SECTION. **Sec. 20.** The real estate appraiser education account
13 is created in the custody of the state treasurer. Moneys derived from
14 fines imposed under this chapter shall be deposited into the account.
15 Any moneys derived from fines previously imposed under this chapter as
16 of July 1, 1995, shall be transferred to the real estate appraiser
17 education account. Expenditures from the account may be made only upon
18 the authorization of the director or a duly authorized representative
19 of the director, and may be used only for the purposes of carrying out
20 the director's programs for education of licensed and certified real
21 estate appraisers and others in the real estate appraisal profession as
22 described in RCW 18.140.030(17). All expenses and costs relating to
23 the implementation or administration of, or payment of contract fees or
24 charges for, the director's real estate appraisal education programs
25 may be paid from this account. The account is subject to appropriation
26 under chapter 43.88 RCW.

27 NEW SECTION. **Sec. 21.** The director may refer a complaint for
28 violation of any section of this chapter before any court of competent
29 jurisdiction.

30 Any violation of the provisions of this chapter shall be prosecuted
31 by the prosecuting attorney of each county in which the violation
32 occurs, and if the prosecuting attorney fails to act, the director may
33 request the attorney general to take action in lieu of the prosecuting
34 attorney.

35 Process issued by the director shall extend to all parts of the
36 state, and may be served by any person authorized to serve process of

1 courts of record, or may be mailed by certified or registered mail to
2 the licensee's last business address of record in the office of the
3 director.

4 Whenever evidence satisfactory to the director suggests that any
5 person has violated any of the provisions of this chapter, or any part
6 or provision thereof, the director may bring an action, in the superior
7 court in the county where the person resides, against the person to
8 enjoin any person from continuing a violation or engaging or doing any
9 act or acts in furtherance thereof. In this action an order or
10 judgment may be entered awarding a preliminary or final injunction as
11 may be proper.

12 The director may petition the superior court in any county in this
13 state for the appointment of a receiver to take over, operate, or close
14 any real estate appraisal activity or practice in this state which is
15 found upon inspection of its books and records to be operating in
16 violation of the provisions of this chapter, pending a hearing.

17 NEW SECTION. **Sec. 22.** Any person acting as a state-certified,
18 state-licensed, or state-registered real estate appraiser without a
19 certificate, license, or registration that is currently valid or who is
20 currently subject to a revocation or suspension for violating any
21 provision of this chapter is guilty of a misdemeanor.

22 NEW SECTION. **Sec. 23.** RCW 18.140.085 and 1993 c 30 s 23 are each
23 repealed.

24 NEW SECTION. **Sec. 24.** A new section is added to chapter 50.04 RCW
25 to read as follows:

26 The term "employment" does not include services performed by an
27 appraisal practitioner certified, licensed, or registered under chapter
28 18.140 RCW in an appraisal business if the use of the business
29 facilities is contingent upon compensation to the owner of the business
30 facilities and the person receives no compensation from the owner for
31 the services performed.

32 NEW SECTION. **Sec. 25.** (1) A real estate appraiser certified or
33 licensed pursuant to chapter 18.140 RCW has a lien upon any property of
34 the client for her or his compensation as provided: (a) Upon the
35 papers of the client that have come into the appraiser's possession in

1 the course of the appraisal assignment; (b) upon expense, fee in
2 advance, retainer and other money in his or her hands belonging to a
3 client; and (c) upon other real and personal property belonging to the
4 client to the extent of the value of any services performed in the
5 appraisal assignment, or if the services were rendered under a special
6 agreement, for the sum due under such agreement at the time a notice of
7 lien is recorded in the county in which such papers, money, and
8 property is located, showing name of claimant, amount claimed, and date
9 of filing notice. Financial institutions are not subject to any lien
10 pursuant to the state-certified and state-licensed real estate
11 appraiser lien act.

12 (2) A real estate appraiser certified or licensed under chapter
13 18.140 RCW may bring suit to enforce a lien in the small claims court
14 or the superior court in the county where the clients real or personal
15 property is located by filing a complaint and sworn affidavit that the
16 lien has been recorded.

17 (3)(a) A complaint under this section shall contain a brief
18 statement of the contract or agreements on which the lien is founded,
19 the date when the contract or agreement was made, a description of the
20 services performed, the amount due and unpaid, a description of the
21 property that is the subject to the lien, and other facts necessary for
22 a full understanding of the rights of the parties. The plaintiff shall
23 make all defendants, of those whose interest the plaintiff is notified
24 or has knowledge, defendants to the action, and shall issue a summons
25 and provide service as in the appropriate manner for other civil
26 actions before the small claims or superior court. When any defendant
27 resides or has gone out of the state, or on inquiry cannot be found, or
28 is concealed within this state so that process cannot be served on that
29 defendant, the plaintiff shall cause a notice to be given to that
30 defendant, or cause a copy of the complaint to be served upon that
31 defendant, in the manner and upon the same conditions as in other civil
32 actions.

33 (b) All real estate and real property liens claimed under this
34 chapter shall be foreclosed in a civil action in the court having
35 jurisdiction in the manner prescribed for the judicial foreclosure of
36 a mortgage. The court has the power to order the sale of the real
37 estate or real property. In any action brought to foreclose a lien,
38 the owner shall be joined as a party, if not the client. The interest
39 in the real estate or real property of any person who, prior to the

1 commencement of the action, has a recorded interest in the real estate
2 or real property, or any part thereof, shall not be foreclosed or
3 affected unless that person is joined as a party.

4 (4) The lien notice shall state the name, address, and telephone
5 number of the claimant, the name of the party which entered into the
6 agreement with the state-certified or state-licensed real estate
7 appraiser, the name of the owner of the real estate or real property,
8 a description of the real estate or real property upon which the lien
9 is being claimed, and the amount for which the lien is claimed. The
10 notice of lien shall recite that the information contained in the
11 notice is true and accurate to the knowledge of the signatory. The
12 notice of lien shall be signed by the state-certified or state-licensed
13 real estate appraiser or by a person authorized to sign on behalf of
14 the state-certified or state-licensed real estate appraiser.

15 (5) The cost of proceedings asserting or defending a state-
16 certified or state-licensed real estate appraiser's claim of lien,
17 including reasonable attorneys' fees, costs, and prejudgment interests
18 due to the prevailing party shall be borne by the nonprevailing party
19 or parties. When more than one party is responsible for costs, fees,
20 and prejudgment interests, the costs, fees, and prejudgment interests
21 shall be equitably apportioned by the court among those responsible
22 parties.

23 NEW SECTION. **Sec. 26.** Prior recorded liens and mortgages have
24 priority over a state-certified or state-licensed real estate
25 appraiser's lien. A prior recorded lien includes, without limitation:
26 (1) A valid mechanic's lien claim that is recorded subsequent to the
27 state-certified or state-licensed real estate appraiser's lien but
28 which relates back to a date prior to the recording date of the state-
29 certified or state-licensed real estate appraiser's notice of lien; and
30 (2) prior recorded liens.

31 NEW SECTION. **Sec. 27.** A lien recorded under this chapter is
32 extinguished at the time, if any, that the client or that client's
33 agent, deposits with the small claims or superior court of the county
34 in which the real estate or real or personal property is located in an
35 amount equal to one and one-half times the amount of the lien claimed,
36 with the amount to be held pending a resolution of the amounts due to
37 the state-certified or state-licensed real estate appraiser.

1 NEW SECTION. **Sec. 28.** The county auditor shall record the notice
2 of claim of lien in the same manner as deeds and other instruments of
3 title are recorded under chapter 65.08 RCW. Notices of claim of lien
4 for registered land need not be recorded in the Torrens register. The
5 county auditor shall charge no higher fee for recording notices of
6 claim of lien than other documents.

7 NEW SECTION. **Sec. 29.** The claim of lien, when filed as required
8 by this chapter, is notice to the husband or wife of the person who
9 appears on record to be the owner of the real estate, real property, or
10 personal property sought to be charged with the lien, and subjects all
11 the community interest of both husband and wife to the lien.

12 NEW SECTION. **Sec. 30.** Notices to be delivered to a party under
13 this chapter, other than service of process as required in civil
14 actions, may be by registered or certified mail, return receipt
15 requested, or by personal delivery and obtaining evidence of delivery
16 in the form of a receipt or other acknowledgement signed by the party
17 to whom the notice is delivered or an affidavit of service. Delivery
18 is effective at the time of personal delivery, or when deposited in the
19 mail as required by this section.

20 NEW SECTION. **Sec. 31.** This chapter applies to lien claims based
21 on an agreement for an appraisal assignment entered into on or after
22 the effective date of this act.

23 NEW SECTION. **Sec. 32.** This chapter may be known and cited as the
24 state-certified and state-licensed real estate appraiser lien act.

25 NEW SECTION. **Sec. 33.** Sections 14 through 22 of this act are each
26 added to chapter 18.140 RCW.

27 NEW SECTION. **Sec. 34.** Sections 25 through 32 of this act
28 constitute a new chapter in Title 60 RCW.

29 NEW SECTION. **Sec. 35.** This act is necessary for the immediate
30 preservation of the public peace, health, or safety, or support of the

1 state government and its existing public institutions, and shall take
2 effect July 1, 1995.

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