

SENATE BILL REPORT

ESSB 5480

As Passed Senate, February 27, 2019

Title: An act relating to the renewal of real estate appraiser certificates, licenses, and registrations.

Brief Description: Concerning the renewal of real estate appraiser certificates, licenses, and registrations.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senators Brown, Conway, Honeyford and Takko).

Brief History:

Committee Activity: Labor & Commerce: 2/07/19, 2/12/19 [DPS].

Floor Activity:

Passed Senate: 2/27/19, 49-0.

Brief Summary of Engrossed First Substitute Bill

- Provides that a real estate appraiser license not renewed within one year of expiration is inactive.
- Allows for reinstatement within eight years of inactive status under certain circumstances.
- Requires cancellation of licenses not renewed or reinstated within eight years.
- Prohibits reinstatement of trainee registration.
- Allows for renewal of trainee registration only one time if the trainee failed to meet the qualification standards to take the written exam.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 5480 be substituted therefor, and the substitute bill do pass.

Signed by Senators Keiser, Chair; Conway, Vice Chair; King, Ranking Member; Braun, Saldaña, Walsh and Wellman.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Staff: Susan Jones (786-7404)

Background: Washington Certified Real Estate Appraiser Act. Real estate appraisers estimate the value of real property. Under the Washington Certified Real Estate Appraiser Act (Act), the Department of Licensing (DOL) certifies and licenses real estate appraisers. The Act prohibits a person from receiving compensation for appraisal services unless certified or licensed by the state.

Types of Credentials. The Act authorizes four types of credentials issued to real estate appraisers, from highest to lowest credentialing requirements:

- state-licensed real estate appraiser;
- state-certified residential real estate appraiser;
- state-certified general real estate appraiser; and
- state-registered appraiser trainee.

Each level of licensing and certification authorizes certain types of appraisal work and allowable transaction values. State-registered trainees may only work under the direct supervision of state-certified real estate appraisers.

Expiration of Certificate, License, or Registration. Each certificate, license, or registration expires on the applicant's second birthday following issuance. To be renewed, the holder must apply and pay the fee no earlier than 120 days before the expiration and demonstrate satisfaction of any continuing education requirements.

If a person fails to renew a certificate, license, or registration prior to its expiration and no more than one year has passed since the person last held a valid certificate, license, or registration, the person may obtain a renewal certificate, license, or registration by satisfying all of the requirements for renewal and paying late renewal fees.

DOL must cancel the certificate, license, or registration of any person whose renewal fee is not received within one year from the date of expiration. A person may obtain a new certificate, license, or registration by satisfying the procedures and qualifications for initial certification, licensure, or registration, including the successful completion of any applicable examinations.

Trainee Renewals. DOL may issue an original registration as a state-registered trainee real estate appraiser, to be valid for a term not exceeding two years together with a maximum of two renewals, which must be completed within seven years from the original date of registration, unless either period is interrupted by service in the Armed Forces.

Summary of Engrossed First Substitute Bill: A real estate appraiser certificate or license is inactive if not renewed within one year of expiration. Within eight years of the inactive status, the licensee may apply for reinstatement if the person has maintained the continuing education requirements and completed a 15 hour practice class within 180 days before reinstatement and paid a fee. Licenses not renewed or reinstated within eight years are cancelled.

Trainee registration may not be reinstated; however, the class hours continue to count for licensing purposes for five years, except the uniform standard hours only count for two years. Trainee licenses may only be renewed one time if the trainee failed to meet the qualification standards to take the written exam.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on September 1, 2020.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This is very reasonable given the amount of education and training that goes into the license. At a recent meeting of appraisers, the average age of members is about sixty. This bill is parallel to recent family leave and family care acts. Older and younger people may have family members that require care. This gives the appraiser the option of taking care of family business and coming back to the appraisal business. Appraisers are controlled by federal and state law. As a part of this, the appraisers must maintain continuing education.

Persons Testifying: PRO: Senator Sharon Brown, Prime Sponsor; Bob Mitchell, Washington Realtors; Robert Mossuto, Appraisers Coalition of Washington; George Nervik, Appraisers' Coalition of Washington.

Persons Signed In To Testify But Not Testifying: No one.