

CERTIFICATION OF ENROLLMENT  
**ENGROSSED SUBSTITUTE HOUSE BILL 3040**

Chapter 179, Laws of 2010

61st Legislature  
2010 Regular Session

APPRAISAL MANAGEMENT COMPANIES

EFFECTIVE DATE: 07/01/11

Passed by the House March 6, 2010  
Yeas 94 Nays 0

FRANK CHOPP

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**Speaker of the House of Representatives**

Passed by the Senate March 3, 2010  
Yeas 45 Nays 2

BRAD OWEN

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**President of the Senate**

Approved March 23, 2010, 2:27 p.m.

CHRISTINE GREGOIRE

\_\_\_\_\_  
**Governor of the State of Washington**

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 3040** as passed by the House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

\_\_\_\_\_  
**Chief Clerk**

FILED

March 23, 2010

**Secretary of State  
State of Washington**

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ENGROSSED SUBSTITUTE HOUSE BILL 3040

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AS AMENDED BY THE SENATE

Passed Legislature - 2010 Regular Session

State of Washington                      61st Legislature                      2010 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Conway, Wood, Appleton, Rolfes, Sells, Sullivan, and Finn)

READ FIRST TIME 02/03/10.

1            AN ACT Relating to the licensing of appraisal management companies;  
2 reenacting and amending RCW 18.235.020; adding a new chapter to Title  
3 18 RCW; and providing an effective date.

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

5            NEW SECTION.    **Sec. 1.** DEFINITIONS.    The definitions in this  
6 section apply throughout this chapter unless the context clearly  
7 requires otherwise.

8            (1) "Appraisal" means the act or process of estimating value; an  
9 estimate of value; or of pertaining to appraising and related  
10 functions.

11            (2) "Appraisal management company" means an entity that performs  
12 appraisal management services, regardless of the use of the term  
13 appraisal management company, mortgage technology provider, lender  
14 processing services, lender services, loan processor, mortgage  
15 services, real estate closing services provider, settlement services  
16 provider, or vendor management company, or any other term.

17            (3) "Appraisal management services" means to perform any or all of  
18 the following functions on behalf of a lender, financial institution,  
19 mortgage broker, loan originator, or any other person:

- 1 (a) Administer an appraiser panel;
- 2 (b) Recruit, qualify, verify licensing or certification, and  
3 negotiate fees and service level expectations with persons who are part  
4 of an appraiser panel;
- 5 (c) Receive an order for an appraisal from one person, or entity,  
6 and deliver the order for the appraisal to an appraiser that is part of  
7 an appraiser panel for completion;
- 8 (d) Track and determine the status of appraisal orders;
- 9 (e) Conduct quality control of a completed appraisal prior to the  
10 delivery of the appraisal to the person that ordered the appraisal; and
- 11 (f) Provide a completed appraisal performed by an appraiser to one  
12 or more persons that have ordered an appraisal.
- 13 (4) "Appraisal review" or "appraisal review services" means  
14 developing and communicating an opinion about the quality of another  
15 appraiser's work that was performed, or assignment results that were  
16 developed, as part of an appraisal assignment.
- 17 (5) "Appraiser" means a person who is licensed or certified under  
18 chapter 18.140 RCW or under similar laws of another state.
- 19 (6) "Appraiser panel" means a network of appraisers who are  
20 independent contractors of an appraisal management company that have:
- 21 (a) Independently applied to or responded to an invitation,  
22 request, or solicitation from an appraisal management company to  
23 perform appraisals for persons, or entities, that have ordered  
24 appraisals through the appraisal management company, or to perform  
25 appraisals for the appraisal management company directly, on a periodic  
26 basis, as assigned by the appraisal management company; and
- 27 (b) Been selected, and approved, by an appraisal management company  
28 to perform appraisals for a person, or entity, that has ordered an  
29 appraisal through the appraisal management company, or to perform  
30 appraisals for the appraisal management company directly, on a periodic  
31 basis, as assigned by the appraisal management company.
- 32 (7) "Controlling person" means:
- 33 (a) An owner, officer, or director of a corporation, partnership,  
34 or other business entity seeking to offer appraisal management services  
35 in this state;
- 36 (b) An individual employed, appointed, or authorized by an  
37 appraisal management company that has the authority to enter into a

1 contractual relationship with other persons for the performance of  
2 appraisal management services and has the authority to enter into  
3 agreements with appraisers for the performance of appraisals;

4 (c) An individual who possesses the power to direct or cause the  
5 direction of the management or policies of an appraisal management  
6 company;

7 (d) Any person who controls a partnership, company, association, or  
8 corporation through one or more intermediaries, alone or in concert  
9 with others, or a ten percent or greater interest in a partnership,  
10 company, association, or corporation; or

11 (e) Any person who controls a limited liability company or is the  
12 owner of a sole proprietorship.

13 (8) "Department" means the department of licensing.

14 (9) "Director" means the director of the department of licensing.

15 NEW SECTION. **Sec. 2.** POWERS AND DUTIES OF DIRECTOR. The director  
16 shall:

17 (1) Adopt rules to implement this chapter;

18 (2) Establish appropriate administrative procedures for the  
19 processing of the applications;

20 (3) Issue licenses to qualified companies under the provisions of  
21 this chapter; and

22 (4) Maintain a roster of the names and addresses of companies  
23 licensed under this chapter;

24 (5) Employ professional, clerical, and technical assistance as may  
25 be necessary to properly administer the work of the director;

26 (6) Establish forms necessary to administer this chapter;

27 (7) Oversee the performance of any background investigations;

28 (8) Initiate and oversee investigations and any audits;

29 (9) Establish grounds for disciplinary actions;

30 (10) Adopt fees under RCW 43.24.086; and

31 (11) Do all other things necessary to carry out the provisions of  
32 this chapter and comply with the requirements of any pertinent federal  
33 laws pertaining to appraisal management companies.

34 NEW SECTION. **Sec. 3.** IMMUNITY. The director or individuals  
35 acting on behalf of the director are immune from suit in any action,

1 civil or criminal, based on any acts performed in the course of their  
2 duties except for their intentional or willful misconduct.

3 NEW SECTION. **Sec. 4.** APPLICATIONS--ORIGINAL AND RENEWALS. (1)  
4 Applications for licensure must be made to the department on forms  
5 approved by the director. A license is valid for two years and must be  
6 renewed on or before the expiration date. Applications for original  
7 and renewal licenses must include a statement confirming that the  
8 company must comply with applicable rules and that the company  
9 understands the penalties for misconduct.

10 (2) The appropriate fees must accompany all applications for  
11 original licensure and renewal.

12 (3) Each applicant shall file and maintain a surety bond, approved  
13 by the director, executed by the applicant as obligor and by a surety  
14 company authorized to do a surety business in this state as surety,  
15 whose liability as the surety may not exceed in the aggregate the penal  
16 sum of the bond. The penal sum of the bond must be a minimum of  
17 twenty-five thousand dollars. The bond must run to the state of  
18 Washington as obligee for the use and benefit of the state and of any  
19 person or persons who may have a cause of action against the obligor  
20 under this chapter. The bond must be conditioned that the obligor as  
21 licensee will faithfully conform to and abide by this chapter and all  
22 the rules adopted under this chapter. The bond will pay to the state  
23 and any person or persons having a cause of action against the obligor  
24 all moneys that may become due and owing to the state and those persons  
25 under and by virtue of this chapter.

26 NEW SECTION. **Sec. 5.** OUT OF STATE COMPANIES--CONSENT FOR SERVICE  
27 OF PROCESS. Every company seeking licensure whose headquarters is not  
28 based in the state of Washington shall submit, with the application for  
29 licensure, an irrevocable consent that service of process upon the  
30 controlling person or persons may be made by service on the director  
31 if, in an action against the entity in a Washington state court arising  
32 out of the entity's activities as an appraisal management company, the  
33 plaintiff cannot, in the exercise of due diligence, obtain personal  
34 service upon the company.

1        NEW SECTION.    **Sec. 6.**    LICENSURE--REQUIRED USE OF NAME AND LICENSE  
2 NUMBER.    (1) A license issued under this chapter must bear the  
3 signature or facsimile signature of the director and a license number  
4 assigned by the director.

5        (2) Each licensed appraisal management company shall place the name  
6 under which it does business and its license number on any appraisal  
7 engagement document issued.

8        NEW SECTION.    **Sec. 7.**    LICENSURE REQUIRED.    (1) It is unlawful for  
9 an entity to engage or attempt to engage in business as an appraisal  
10 management company, to engage or attempt to perform appraisal  
11 management services, or to advertise or hold itself out as engaging in  
12 or conducting business as an appraisal management company without first  
13 obtaining a license issued by the department under this chapter.

14        (2) An application for the issuance or renewal of a license  
15 required by subsection (1) of this section must, at a minimum, include  
16 the following information:

- 17        (a) Name of the entity seeking licensure;
- 18        (b) Names under which the entity will do business;
- 19        (c) Business address of the entity seeking licensure;
- 20        (d) Phone contact information of the entity seeking licensure;
- 21        (e) If the entity is not a corporation that is domiciled in this  
22 state, the name and contact information for the company's agent for  
23 service of process in this state;
- 24        (f) The name, address, and contact information for any individual  
25 or any corporation, partnership, or other business entity that owns ten  
26 percent or more of the appraisal management company;
- 27        (g) The name, address, and contact information for a controlling  
28 person;
- 29        (h) A certification that the entity has a system and process in  
30 place to verify that a person being added to the appraiser panel of the  
31 appraisal management company for work being done in this state holds a  
32 license or certificate in good standing under chapter 18.140 RCW;
- 33        (i) A certification that the entity has a system in place to review  
34 the work of appraisers that are performing real estate appraisal  
35 services on a periodic basis and have a policy in place to require that  
36 the real estate appraisal services provided by the appraiser are being

1 conducted in accordance with chapter 18.140 RCW and other applicable  
2 state and federal laws;

3 (j) A certification that the entity maintains a detailed record of  
4 each service request that it receives and the appraiser that performs  
5 the real estate appraisal services under section 13 of this act;

6 (k) A certification that the entity maintains a complete copy of  
7 the completed appraisal report performed as a part of any request, for  
8 a minimum period of five years, or at least two years after final  
9 disposition of any judicial proceeding related to the assignment, under  
10 uniform standards of professional appraisal practice provisions, and  
11 that the appraisals must be provided to the department upon demand;

12 (l) An irrevocable uniform consent to service of process, under  
13 section 6 of this act; and

14 (m) Any other relevant information reasonably required by the  
15 department to obtain a license under the requirements of this chapter.

16 NEW SECTION. **Sec. 8.** OWNER REQUIREMENTS. (1) Each entity owning  
17 more than ten percent of an appraisal management company may not be:

18 (a) Directly controlled by a person who has had a license or  
19 certificate to act as an appraiser refused, denied, canceled, or  
20 revoked; or

21 (b) More than ten percent owned by any person who has had a license  
22 or certificate to act as an appraiser refused, denied, canceled, or  
23 revoked in any state.

24 (2) Each person that owns more than ten percent of an appraisal  
25 management company must:

26 (a) Not have had a license or certificate to act as an appraiser  
27 refused, denied, canceled, or revoked in any state;

28 (b) Be of good moral character, as determined by the department;  
29 and

30 (c) Submit to a background investigation under section 15 of this  
31 act.

32 (3) Each appraisal management company must certify to the  
33 department that it has reviewed each and every individual or entity  
34 that owns more than ten percent of the appraisal management company and  
35 that no person or entity that owns more than ten percent of the  
36 appraisal management company is prohibited from owning an appraisal  
37 management company under this section.

1 (4) A person under this section may appeal an adjudicative  
2 proceeding involving a final decision of the director to deny, suspend,  
3 or revoke a license under chapter 18.235 RCW.

4 NEW SECTION. Sec. 9. CONTROLLING PERSON REQUIREMENTS. (1)(a) An  
5 appraisal management company shall designate one controlling person  
6 that will be the main contact for all communication between the  
7 department and the appraisal management company.

8 (b) Should the controlling person change, the appraisal management  
9 company must notify the director within fourteen business days and  
10 provide the name and contact information of the new controlling person.

11 (2) The controlling person designated under subsection (1) of this  
12 section must:

13 (a) Have never had a license or certificate to act as an appraiser  
14 surrendered in lieu of disciplinary action, refused, denied, canceled,  
15 or revoked in any state;

16 (b) Be of good moral character, as determined by the department;  
17 and

18 (c) Submit to a background investigation under section 15 of this  
19 act.

20 NEW SECTION. Sec. 10. APPRAISER REQUIREMENTS. (1) An appraisal  
21 management company may not knowingly contract with or employ as an  
22 appraiser:

23 (a) Any person who has ever had a license or certificate to act as  
24 an appraiser in this state, or in any other state, surrendered in lieu  
25 of disciplinary action, refused, denied, canceled, or revoked;

26 (b) Any person who has been convicted of an offense that reflects  
27 adversely upon the person's integrity, competence, or fitness to meet  
28 the responsibilities of an appraiser or appraisal management company;

29 (c) Any person who has been convicted of, or who has pled guilty or  
30 nolo contendere to, a felony related to participation in the real estate  
31 or mortgage loan industry:

32 (i) During the seven-year period preceding the date of the  
33 application for licensing and registration; or

34 (ii) At any time preceding the date of application, if the felony  
35 involved an act of fraud, dishonesty, or a breach of trust, or money  
36 laundering;



- 1 (d) Any person who is in violation of chapter 19.146 or 31.04 RCW;  
2 or  
3 (e) Any person who is in violation of this chapter.
- 4 (2) An appraisal management company may not:  
5 (a) Knowingly enter into any independent contractor arrangement for  
6 appraisal or appraisal review services with any person who has ever had  
7 a license or certificate to act as an appraiser in this state, or in  
8 any other state, surrendered in lieu of disciplinary action, refused,  
9 denied, canceled, or revoked; and  
10 (b) Knowingly enter into any contract, agreement, or other business  
11 relationship for appraisal or appraisal review services with any entity  
12 that employs, has entered into an independent contractor arrangement,  
13 or has entered into any contract, agreement, or other business  
14 relationship with any person who has ever had a license or certificate  
15 to act as an appraiser in this state or in any other state surrendered  
16 in lieu of disciplinary action, refused, denied, canceled, or revoked.
- 17 (3) Any employee of the appraisal management company, or any  
18 contractor working in any capacity on behalf of the appraisal  
19 management company, that has any involvement in the actual performance  
20 of appraisal or appraisal review services, or review and analysis of  
21 completed appraisals must be a state licensed or state certified  
22 appraiser in the state in which the property is located, and must have  
23 geographic and product competence. This requirement does not apply to  
24 any review or examination of the appraisal for grammatical,  
25 typographical, or similar errors or general reviews of the appraisal  
26 for completeness.

27 NEW SECTION. **Sec. 11.** EXEMPTIONS. The provisions of this chapter  
28 do not apply to the following:

- 29 (1) A department or unit within a financial institution that is  
30 subject to direct regulation by an agency of the United States  
31 government, or to regulation by an agency of this state, that receives  
32 a request for the performance of an appraisal from one employee of the  
33 financial institution, and another employee of the same financial  
34 institution assigns the request for the appraisal to an appraiser that  
35 is part of an appraiser panel; or  
36 (2) An appraiser that enters into an agreement, whether written or  
37 otherwise, with another appraiser for the performance of an appraisal,

1 and upon completion of the appraisal, the report of the appraiser  
2 performing the appraisal is signed by both the appraiser who completed  
3 the appraisal and the appraiser who requested the completion of the  
4 appraisal.

5 NEW SECTION. **Sec. 12.** RECORDKEEPING. An appraisal management  
6 company must certify to the department on initial application and upon  
7 renewal, that it maintains a detailed record of each service request  
8 that it receives and the appraiser that performs the appraisal for the  
9 appraisal management company. This statement must also certify that  
10 the appraisal management company maintains a complete copy of the  
11 completed appraisal report, for a minimum period of five years after  
12 the appraisal is completed, or two years after final disposition of a  
13 judicial proceeding related to the assignment, whichever period expires  
14 later.

15 NEW SECTION. **Sec. 13.** ADJUDICATION OF DISPUTES BETWEEN AN  
16 APPRAISAL MANAGEMENT COMPANY AND AN APPRAISER. (1) Except within the  
17 first thirty days after an appraiser is first added to the appraiser  
18 panel of an appraisal management company, an appraisal management  
19 company may not remove an appraiser from its appraiser panel, or  
20 otherwise refuse to assign requests for real estate appraisal services  
21 to an appraiser without:

22 (a) Notifying the appraiser in writing of the reasons why the  
23 appraiser is being removed from the appraiser panel of the appraisal  
24 management company, including if the appraiser is being removed from  
25 the panel for illegal conduct, a violation of state licensing  
26 standards, substandard performance, or administrative purposes. In  
27 addition, if the removal is not for administrative purposes, the nature  
28 of the alleged conduct, substandard performance, or violation must be  
29 provided; and

30 (b) Providing an opportunity for the appraiser to respond to the  
31 notification of the appraisal management company.

32 (2) An appraiser that is removed from the appraiser panel of an  
33 appraisal management company for alleged illegal conduct or a violation  
34 of state licensing standards, may file a complaint with the department  
35 for a review of the decision of the appraisal management company,  
36 except that in no case will the department make any determination

1 regarding the nature of the business relationship between the appraiser  
2 and the appraisal management company which is unrelated to the actions  
3 specified in subsection (1) of this section.

4 (3) If an appraiser files a complaint against an appraisal  
5 management company pursuant to subsection (2) of this section, the  
6 department may investigate the complaint within one hundred eighty days  
7 during which time the appraiser must remain removed from the panel.

8 (4) If after opportunity for hearing and review, the department  
9 determines that an appraiser did not commit a violation of law or a  
10 violation of state licensing standards, the department shall order that  
11 an appraiser be restored to the appraiser panel of the appraisal  
12 management company that was the subject of the complaint without  
13 prejudice.

14 (5) Following the adjudication of a complaint to the department by  
15 an appraiser against an appraisal management company, an appraisal  
16 management company may not refuse to make assignments for real estate  
17 appraisal services to an appraiser, or reduce the number of  
18 assignments, or otherwise penalize the appraiser because of the  
19 adjudicated complaint, if the department has found that the appraisal  
20 management company acted without reasonable cause in removing the  
21 appraiser from the appraiser panel.

22 NEW SECTION. **Sec. 14.** DISCIPLINARY ACTIONS--GROUNDS. (1) In  
23 addition to the unprofessional conduct described in RCW 18.235.130, the  
24 director may take disciplinary action for the following:

25 (a) Failing to meet the minimum qualifications for licensure  
26 established under this chapter;

27 (b) Failing to pay appraisers no later than forty-five days after  
28 completion of the appraisal service unless otherwise agreed or unless  
29 the appraiser has been notified in writing that a bona fide dispute  
30 exists regarding the performance or quality of the appraisal service;

31 (c) Failing to pay appraisers even if the appraisal management  
32 company is not paid by its client;

33 (d) Coercing, extorting, colluding, compensating, inducing,  
34 intimidating, bribing an appraiser, or in any other manner including:

35 (i) Withholding or threatening to withhold timely payment for an  
36 appraisal;

- 1 (ii) Requiring the appraiser to remit a portion of the appraisal  
2 fee back to the appraisal management company;
- 3 (iii) Withholding or threatening to withhold future business for,  
4 or demoting or terminating or threatening to demote or terminate, an  
5 appraiser;
- 6 (iv) Expressly or impliedly promising future business, promotions,  
7 or increased compensation for an appraiser;
- 8 (v) Conditioning the request for an appraisal or the payment of an  
9 appraisal fee or salary or bonus on the opinion, conclusion, or  
10 valuation to be reached, or on a preliminary estimate or opinion  
11 requested from an appraiser;
- 12 (vi) Requesting that an appraiser provide an estimated,  
13 predetermined, or desired valuation in an appraisal report, or provide  
14 estimated values or comparable sales at any time prior to the  
15 appraiser's completion of an appraisal;
- 16 (vii) Providing to an appraiser an anticipated, estimated,  
17 encouraged, or desired value for a subject property or a proposed or  
18 target amount to be loaned to the borrower, except that a copy of the  
19 sales contract for purchase transactions must be provided to the  
20 appraiser;
- 21 (viii) Providing to an appraiser, or any entity or person related  
22 to the appraiser, stock or other financial or nonfinancial benefits;
- 23 (ix) Obtaining, using, or paying for a second or subsequent  
24 appraisal or ordering an automated valuation model in connection with  
25 a mortgage financing transaction unless there is a reasonable basis to  
26 believe that the initial appraisal was flawed or tainted and such basis  
27 is clearly and appropriately noted in the loan file, or unless such  
28 appraisal or automated valuation model is done pursuant to a bona fide  
29 prefunding or postfunding appraisal review or quality control process;  
30 or
- 31 (x) Any other act or practice that impairs or attempts to impair an  
32 appraiser's independence, objectivity, or impartiality, or that  
33 violates law;
- 34 (e) Altering, modifying, or otherwise changing a completed  
35 appraisal report submitted by an appraiser;
- 36 (f) Copying and using the appraiser's signature for any purpose or  
37 in any other report;

1 (g) Extracting, copying, or using only a portion of the appraisal  
2 report without reference to the entire report;

3 (h) Prohibiting or attempting to prohibit the appraiser from  
4 including or referencing the appraisal fee, the appraisal management  
5 company name or identity, or the client's or lender's name or identity  
6 in the appraisal report;

7 (i) Knowingly requiring an appraiser to prepare an appraisal  
8 report, engaging an appraiser to perform an appraisal, or accepting an  
9 appraisal from an appraiser who has informed the appraisal management  
10 company that he or she does not have either the geographic competence  
11 or necessary expertise to complete the appraisal;

12 (j) Knowingly requiring an appraiser to prepare an appraisal report  
13 under such a limited time frame when the appraiser, in the appraiser's  
14 own professional judgment, has informed the appraisal management  
15 company that it does not afford the appraiser the ability to meet all  
16 relevant legal and professional obligations or provide a credible  
17 opinion of value for the property being appraised. This subsection  
18 (1)(j) allows an appraiser to decline an assignment, but is not a basis  
19 for complaints against the appraisal management company;

20 (k) Requiring, or attempting to require, an appraiser to modify an  
21 appraisal report except as permitted under subsection (2)(a) or (b) of  
22 this section;

23 (l) Prohibiting, or attempting to prohibit, or inhibiting legal or  
24 other allowable communication between the appraiser and:

25 (i) The lender;

26 (ii) A real estate licensee;

27 (iii) A property owner; or

28 (iv) Any other party or person from whom the appraiser, in the  
29 appraiser's own professional judgment, believes information would be  
30 relevant or pertinent in completing the appraisal;

31 (m) Knowingly requiring or attempting to require the appraiser to  
32 do anything that violates chapter 18.140 RCW or other applicable state  
33 and federal laws or with any allowable assignment conditions or  
34 certifications required by the client;

35 (n) Prohibiting or refusing to allow, or attempting to prohibit or  
36 refuse to allow, the transfer of an appraisal from one lender to  
37 another lender if the lenders are allowed to transfer an appraisal  
38 under applicable federal law; or

1 (o) Requiring an appraiser to sign any indemnification agreement  
2 that would require the appraiser to defend and hold harmless the  
3 appraisal management company or any of its agents, employees, or  
4 independent contractors for any liability, damage, losses, or claims  
5 arising out of the services performed by the appraisal management  
6 company or its agents, employees, or independent contractors and not  
7 the services performed by the appraiser.

8 (2) Nothing in subsection (1) of this section may be construed as  
9 prohibiting the appraisal management company from requesting that an  
10 appraiser:

11 (a) Provide additional information about the basis for a valuation,  
12 including whether or not the appraiser considered other sales and  
13 reasons the other sales were either not considered relevant or included  
14 in the appraisal; or

15 (b) Correct objective factual errors in an appraisal report.

16 NEW SECTION. **Sec. 15.** BACKGROUND INVESTIGATIONS. Background  
17 investigations under this chapter consist of fingerprint-based  
18 background checks through the Washington state patrol criminal  
19 identification system and through the federal bureau of investigation.  
20 The applicant is required to pay the current federal and state fees for  
21 fingerprint-based criminal history background checks. The applicant  
22 shall submit the fingerprints and required fees for the background  
23 checks to the department for submission to the Washington state patrol.

24 NEW SECTION. **Sec. 16.** APPRAISAL MANAGEMENT COMPANY ACCOUNT. The  
25 appraisal management company account is created in the state treasury.  
26 All fees and penalties under this chapter must be paid to the account.  
27 Expenditures from the account may be used only for expenses incurred in  
28 carrying out the provisions of this chapter. Any residue in the  
29 account shall be accumulated and shall not revert to the general fund  
30 at the end of the biennium. The account is subject to allotment  
31 procedures under chapter 43.88 RCW, but an appropriation is not  
32 required for expenditures.

33 NEW SECTION. **Sec. 17.** UNIFORM REGULATION OF BUSINESS AND  
34 PROFESSIONS ACT. The uniform regulation of business and professions

1 act, chapter 18.235 RCW, governs unlicensed practice, the issuance and  
2 denial of licenses, and the discipline of licensees under this chapter.

3 **Sec. 18.** RCW 18.235.020 and 2009 c 412 s 22, 2009 c 370 s 20, and  
4 2009 c 102 s 5 are each reenacted and amended to read as follows:

5 (1) This chapter applies only to the director and the boards and  
6 commissions having jurisdiction in relation to the businesses and  
7 professions licensed under the chapters specified in this section.  
8 This chapter does not apply to any business or profession not licensed  
9 under the chapters specified in this section.

10 (2)(a) The director has authority under this chapter in relation to  
11 the following businesses and professions:

- 12 (i) Auctioneers under chapter 18.11 RCW;
- 13 (ii) Bail bond agents and bail bond recovery agents under chapter  
14 18.185 RCW;
- 15 (iii) Camping resorts' operators and salespersons under chapter  
16 19.105 RCW;
- 17 (iv) Commercial telephone solicitors under chapter 19.158 RCW;
- 18 (v) Cosmetologists, barbers, manicurists, and estheticians under  
19 chapter 18.16 RCW;
- 20 (vi) Court reporters under chapter 18.145 RCW;
- 21 (vii) Driver training schools and instructors under chapter 46.82  
22 RCW;
- 23 (viii) Employment agencies under chapter 19.31 RCW;
- 24 (ix) For hire vehicle operators under chapter 46.72 RCW;
- 25 (x) Limousines under chapter 46.72A RCW;
- 26 (xi) Notaries public under chapter 42.44 RCW;
- 27 (xii) Private investigators under chapter 18.165 RCW;
- 28 (xiii) Professional boxing, martial arts, and wrestling under  
29 chapter 67.08 RCW;
- 30 (xiv) Real estate appraisers under chapter 18.140 RCW;
- 31 (xv) Real estate brokers and salespersons under chapters 18.85 and  
32 18.86 RCW;
- 33 (xvi) Security guards under chapter 18.170 RCW;
- 34 (xvii) Sellers of travel under chapter 19.138 RCW;
- 35 (xviii) Timeshares and timeshare salespersons under chapter 64.36  
36 RCW;
- 37 (xix) Whitewater river outfitters under chapter 79A.60 RCW; (~~and~~)

1 (xx) Home inspectors under chapter 18.280 RCW; (~~and~~)  
2 (xxi) Body artists, body piercers, and tattoo artists, and body  
3 art, body piercing, and tattooing shops and businesses, under chapter  
4 18.300 RCW; and  
5 (xxii) Appraisal management companies under chapter 18.-- RCW (the  
6 new chapter created in section 20 of this act).

7 (b) The boards and commissions having authority under this chapter  
8 are as follows:

9 (i) The state board of registration for architects established in  
10 chapter 18.08 RCW;

11 (ii) The Washington state collection agency board established in  
12 chapter 19.16 RCW;

13 (iii) The state board of registration for professional engineers  
14 and land surveyors established in chapter 18.43 RCW governing licenses  
15 issued under chapters 18.43 and 18.210 RCW;

16 (iv) The funeral and cemetery board established in chapter 18.39  
17 RCW governing licenses issued under chapters 18.39 and 68.05 RCW;

18 (v) The state board of licensure for landscape architects  
19 established in chapter 18.96 RCW; and

20 (vi) The state geologist licensing board established in chapter  
21 18.220 RCW.

22 (3) In addition to the authority to discipline license holders, the  
23 disciplinary authority may grant or deny licenses based on the  
24 conditions and criteria established in this chapter and the chapters  
25 specified in subsection (2) of this section. This chapter also governs  
26 any investigation, hearing, or proceeding relating to denial of  
27 licensure or issuance of a license conditioned on the applicant's  
28 compliance with an order entered under RCW 18.235.110 by the  
29 disciplinary authority.

30 NEW SECTION. Sec. 19. SEVERABILITY. If any provision of this act  
31 or its application to any person or circumstance is held invalid, the  
32 remainder of the act or the application of the provision to other  
33 persons or circumstances is not affected.

34 NEW SECTION. Sec. 20. Sections 1 through 17 and 19 of this act



1 constitute a new chapter in Title 18 RCW.

2 NEW SECTION. **Sec. 21.** This act takes effect July 1, 2011.

Passed by the House March 6, 2010.

Passed by the Senate March 3, 2010.

Approved by the Governor March 23, 2010.

Filed in Office of Secretary of State March 23, 2010.