

# HOUSE BILL REPORT

## HB 2381

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**As Reported by House Committee On:**  
Business & Financial Services

**Title:** An act relating to creating an inactive certification, license, or registration status for real estate appraisers.

**Brief Description:** Creating an inactive certification, license, or registration status for real estate appraisers.

**Sponsors:** Representatives Hurst and Dahlquist.

**Brief History:**

**Committee Activity:**

Business & Financial Services: 1/21/14, 1/22/14 [DP].

**Brief Summary of Bill**

- Creates an inactive status for all levels of real estate appraiser credentialing.
- Grants authority to the Department of Licensing to regulate certifications, licenses, and registrations placed on inactive status and take disciplinary action against violators.

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### HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

**Majority Report:** Do pass. Signed by 15 members: Representatives Kirby, Chair; Ryu, Vice Chair; Parker, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Fagan, Habib, Hawkins, Hudgins, G. Hunt, Hurst, Kochmar, MacEwen, Santos and Stanford.

**Staff:** David Rubenstein (786-7153).

**Background:**

Real estate appraisers evaluate the value of real property. The Department of Licensing (DOL), in accordance with the Washington Certified Real Estate Appraiser Act (Act), certifies and licenses real estate appraisers. The Act prohibits a person from using the terms

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"certified appraisal" or "state certified real estate appraiser" unless he or she is certified by the state.

The law 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 appraisal work at a different level of property value, while the registered trainees may only work under the direct supervision of certified appraisers.

All fees and penalties collected by the DOL related to the real estate appraiser program are deposited into the Real Estate Appraiser Commission Account, which is used for all expenses associated with the program.

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**Summary of Bill:**

Real estate appraisers at any of the four levels of credentialing may place their certification, license, or registration on inactive status, according to rules to be established by the DOL, for a maximum of two years. Failure to renew an inactive credential or to reactivate after two years results in cancellation of the credential.

The DOL is required to establish inactive renewal fees and procedures for reactivating credentials. The DOL is also empowered to take disciplinary action against credential holders who act as appraisers while on inactive status.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

**Staff Summary of Public Testimony:**

(In support) Periods of inactivity in the housing market and personal circumstances led to appraisers wanting to temporarily deactivate their licenses, without having to undergo burdensome licensing procedures. It would be counterproductive to lose the expertise of experienced appraisers, especially in rural areas with few appraisers. Other states have inactive licenses. There would be continuing education requirements of 28 hours every two years to maintain developing knowledge.

(Opposed) None.

**Persons Testifying:** Representative Hurst, prime sponsor; and Stan Sidor, Appraisers' Coalition of Washington.

**Persons Signed In To Testify But Not Testifying:** None.