
SUBSTITUTE HOUSE BILL 1012

State of Washington 63rd Legislature 2013 Regular Session

By House Business & Financial Services (originally sponsored by Representatives Stanford, Kirby, Ryu, and Hudgins)

READ FIRST TIME 01/25/13.

1 AN ACT Relating to maintenance of a surety bond for appraisal
2 management companies; and amending RCW 18.310.040.

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

4 **Sec. 1.** RCW 18.310.040 and 2010 c 179 s 4 are each amended to read
5 as follows:

6 (1) Applications for licensure must be made to the department on
7 forms approved by the director. A license is valid for two years and
8 must be renewed on or before the expiration date. Applications for
9 original and renewal licenses must include a statement confirming that
10 the company must comply with applicable rules and that the company
11 understands the penalties for misconduct.

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

14 (3)(a) Each applicant shall file and maintain a surety bond,
15 approved by the director, executed by the applicant as obligor and by
16 a surety company authorized to do a surety business in this state as
17 surety, whose liability as the surety may not exceed in the aggregate
18 the penal sum of the bond. The penal sum of the bond must be a minimum
19 of ((~~twenty-five~~)) one hundred thousand dollars. The bond must run to

1 the state of Washington as obligee for the use and benefit of the state
2 and of any person or persons who may have a cause of action against the
3 obligor under this chapter. The bond must be conditioned that the
4 obligor as licensee will faithfully conform to and abide by this
5 chapter and all the rules adopted under this chapter. The bond will
6 pay to the state and any person or persons having a cause of action
7 against the obligor all moneys that may become due and owing to the
8 state and those persons under and by virtue of this chapter.

9 (b) If the director determines that surety bonds are not readily
10 available to appraisal management companies, the director may accept a
11 cash bond or other security in lieu of the surety bond required by this
12 section. The security accepted in lieu of a surety bond must be in an
13 amount equal to the penal sum of the required bond. All obligations
14 and remedies relating to surety bonds apply to deposits and other
15 security filed in lieu of surety bonds.

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