

FINAL BILL REPORT

SSB 5597

C 144 L 16
Synopsis as Enacted

Brief Description: Concerning the licensing of real estate appraisers.

Sponsors: Senate Committee on Commerce & Labor (originally sponsored by Senator Roach).

Senate Committee on Commerce & Labor
House Committee on Business & Financial Services

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.

Reciprocity. Applicants for certification or licensure already certified or licensed in good standing in another state may be certified or licensed in Washington without satisfying Washington's examination requirements if the applicant's home state:

- has certification or licensing requirements that are substantially similar to Washington's; and
- has a reciprocal agreement with Washington providing similar treatment for Washington appraisers.

Federal Monitoring. Under the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989, enacted in response to the savings and loan crisis of the late 1980s, the United States Congress created the Appraisal Subcommittee (ASC) of the Federal Financial Institutions Examination Council. The stated purpose of the ASC is to ensure that

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real estate appraisals are performed in writing, in accordance with uniform standards, by individuals whose competency has been demonstrated, and whose professional conduct will be subject to effective supervision. To carry out this goal, the ASC is tasked with monitoring state regulation of real estate appraisers, along with other duties.

Summary: An applicant for certification or licensure who is currently certified or licensed as a real estate appraiser and in good standing under the laws of another state may obtain a certificate or license as a Washington state-certified or state-licensed real estate appraiser without being required to satisfy the examination requirements, if the Director determines that:

- the appraiser licensing and certification program of the other state is in compliance with ASC regulations as they existed on the effective date of the act, or a later date as the Director may provide by rule; and
- the other state has credentialing or licensing requirements that meet or exceed Washington's licensure standards.

Votes on Final Passage:

Senate	48	0
House	97	0

Effective: June 9, 2016