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**ENGROSSED HOUSE BILL 1797**

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**State of Washington 68th Legislature 2023 Regular Session**

**By** Representatives Cheney, Goodman, Hutchins, and Graham

AN ACT Relating to residential real estate appraisers being allowed to complete real property evaluations; amending RCW 18.140.030; adding new sections to chapter 18.140 RCW; and providing a contingent effective date.

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

NEW SECTION. **Sec.**  A new section is added to chapter 18.140 RCW to read as follows:

(1) A state-licensed appraiser or state-certified appraiser may perform evaluations for financial institutions. An appraiser performing evaluations is not engaged in real estate appraisal activity when the appraiser includes a disclaimer as described in subsection (2) of this section and is not subject to the jurisdiction of the department or commission. The appraiser may choose to comply with the uniform standards of professional appraisal practice.

(2) A state-licensed appraiser or state-certified appraiser engaged to perform an evaluation is not engaged in real estate appraisal activity if the evaluation includes a disclaimer that: (a) Is located immediately above the appraiser's signature; and (b) includes the following language in at least 10-point boldface type: "I am a state-licensed appraiser or a state-certified appraiser. This evaluation was not prepared in my capacity as a real estate appraiser and might not comply with the uniform standards of professional appraisal practice."

(3) As used in this section, "evaluation" means an opinion of the market value of real property or real estate provided to a financial institution in conformance with the interagency appraisal and evaluation guidelines adopted jointly by the federal financial institution's regulatory agencies for use in real estate-related financial transactions that do not require an appraisal.

**Sec.**  RCW 18.140.030 and 2005 c 339 s 4 are each amended to read as follows:

The director shall have the following powers and duties:

(1) To adopt rules in accordance with chapter 34.05 RCW necessary to implement this chapter and chapter 18.235 RCW, with the advice and approval of the commission;

(2) To receive and approve or deny applications for certification or licensure as a state-certified or state-licensed real estate appraiser and for registration as a state-registered appraiser trainee under this chapter; to establish appropriate administrative procedures for the processing of such applications; to issue certificates, licenses, or registrations to qualified applicants pursuant to the provisions of this chapter; and to maintain a roster of the names and addresses of individuals who are currently certified, licensed, or registered under this chapter;

(3) To provide administrative assistance to the members of and to keep records for the real estate appraiser commission;

(4) To solicit bids and enter into contracts with educational testing services or organizations for the preparation of questions and answers for certification or licensure examinations;

(5) To administer or contract for administration of certification or licensure examinations at locations and times as may be required to carry out the responsibilities under this chapter;

(6) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;

(7) To consider recommendations by the real estate appraiser commission relating to the experience, education, and examination requirements for each classification of state-certified appraiser and for licensure;

(8) To consider recommendations by the real estate appraiser commission relating to the educational requirements for the state-registered appraiser trainee classification;

(9) To consider recommendations by the real estate appraiser commission relating to the maximum number of state-registered appraiser trainees that each supervisory appraiser will be permitted to supervise;

(10) To consider recommendations by the real estate appraiser commission relating to continuing education requirements as a prerequisite to renewal of certification or licensure;

(11) To consider recommendations by the real estate appraiser commission relating to standards of professional appraisal conduct or practice in the enforcement of this chapter;

(12) To employ such professional, clerical, and technical assistance as may be necessary to properly administer the work of the director;

(13) To establish forms necessary to administer this chapter;

(14) To establish an expert review appraiser roster comprised of state-certified or licensed real estate appraisers whose purpose is to assist the director by applying their individual expertise by reviewing real estate appraisals for compliance with this chapter. Qualifications to act as an expert review appraiser shall be established by the director with the advice of the commission. An application to serve as an expert review appraiser shall be submitted to the real estate appraiser program, and the roster of accepted expert review appraisers shall be maintained by the department. An expert review appraiser may be added to or deleted from that roster by the director. The expert review appraiser shall be reimbursed for expenses in the same manner as the department reimburses the commission; and

(15) To do all other things necessary to carry out the provisions of this chapter and minimally meet the requirements of federal guidelines regarding state certification or licensure of appraisers and registration of state-registered appraiser trainees that the director determines are appropriate for state-certified and state-licensed appraisers and state-registered appraiser trainees in this state, except as provided for in section 1 of this act.

NEW SECTION. **Sec.**  A new section is added to chapter 18.140 RCW to read as follows:

(1) The department shall adopt rules to:

(a) Require, beginning on January 1, 2024, all initial applicants for the state-registered appraiser trainee, state-licensed real estate appraiser, state-certified residential real estate appraiser, or state-certified general real estate appraiser certification to complete a seven-hour qualifying course with an examination on the topics of valuation bias and fair housing laws and regulations as part of the core modules required for registration, licensure, or certification pursuant to rules adopted by the director;

(b) Require, prior to January 1, 2025, all holders of an active or inactive certification, licensure, or registration to complete a seven-hour continuing education course on the topics of valuation bias and fair housing laws and regulations as part of the continuing education requirement pursuant to rules adopted by the director; and

(c) Requiring, beginning January 1, 2026, all holders of an active or inactive certification, licensure, or registration to complete a four-hour continuing education course of the topics of valuation bias and fair housing laws and regulations as part of the continuing education requirement pursuant to rules adopted by the director.

NEW SECTION. **Sec.**  (1) This act takes effect upon the adoption of the administrative rules required in section 3 of this act.

(2) The department must provide written notice of the effective date of this section to affected parties, the chief clerk of the house of representatives, the secretary of the senate, the office of the code reviser, and others as deemed appropriate by the department.

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