

FINAL BILL REPORT

SHB 1677

C 358 L 95

Synopsis as Enacted

Brief Description: Requiring school districts to obtain an appraisal before purchasing real property.

Sponsors: House Committee on Education (originally sponsored by Representatives Koster, Campbell, Radcliff, Sheldon, Brumsickle, Stevens, McMahan, Smith, Clements, McMorris, Sherstad and Robertson).

House Committee on Education
Senate Committee on Education

Background: Current state law does not require school districts to obtain appraisals prior to buying real estate.

Current law does require, however, that school districts obtain a market value appraisal by three licensed real estate brokers or professionally designated real estate appraisers prior to selling real property.

The major activities of "licensed real estate brokers" are to buy, sell, advertise, and negotiate the sale and purchase of real estate. While they often complete informal market appraisals, state law does not require that they have extensive experience in real estate valuation.

According to state law, a "professionally designated real estate appraiser" is an individual who is regularly engaged in the business of providing real estate valuation, who is deemed qualified by a nationally recognized real estate appraisal educational organization, and who is required to adhere to specified standards of professional practice.

Summary: School districts must obtain a market value appraisal prior to buying real property. The appraisal must be conducted by a professionally designated real estate appraiser selected by the district's board of directors.

When selling real property, current law is amended to require that the market value appraisal be conducted only by professionally designated real estate appraisers. The appraisals may not be conducted by licensed real estate brokers. In addition, only one appraisal is required, not three.

Votes on Final Passage:

House	97	1
Senate	40	6

Effective: July 23, 1995