

HOUSE BILL ANALYSIS

SSB 5924

Title: An act relating to real estate appraisers.

Brief Description: Establishing the real estate appraiser commission of the state of Washington.

Sponsors: Senators Jacobsen, Honeyford and Gardner.

HOUSE COMMITTEE ON FINANCIAL INSTITUTIONS & INSURANCE

Meeting Date: February 18, 2000.

Bill Analysis Prepared by: Charlie Gavigan (786-7340).

Background: In 1988, the federal Office of Management and Budget issued a directive to federal agencies to require state-certified appraisals for certain federally-related transactions by July 1, 1991. In 1989, a state certification program was enacted by the Legislature to allow Washington appraisers to perform appraisals for these transactions.

As of July 1, 1997, all appraisers have to be licensed or certified through the Department of Licensing in order to receive compensation for performing real estate appraisals in Washington, not just appraisals for federally-related transactions. A person may conduct a real estate appraisal for compensation only if the person is licensed or certified by the state. This requirement does not apply to a government employee acting within the scope of his or her employment, a real estate broker or agent when dealing with a client, an appraisal done through a financial institution or mortgage broker that is not for a federally regulated transaction, and attorneys and certified public accountants acting in the scope of their professions.

The Department of Licensing has established an advisory committee to assist in its regulation of appraisers. Part of the department's regulatory mandate is to adopt standards of professional conduct or practice for appraisers.

Summary of Bill: A real estate appraiser commission is created that replaces the real estate appraiser advisory committee. The new commission gives advice and recommendations to the director and the legislature and approves department rules on real estate appraisers. The Governor-appointed commission consists of seven members, at least two of whom must be from eastern Washington and at least two from western Washington, at least two must be certified general real estate appraisers, at least two must be certified residential real estate appraisers, at least one must be a licensed real estate appraiser, and at least one must be an employee of a financial

institution, and one member may represent the general public. The members of the commission meet at the call of the director, or the commission chair or a majority of the commission may call commission meetings.

Commission members may receive up to \$50 per day for each day the member attends an official meeting, and the member also receives travel expenses.

The Department of Licensing's authority to adopt standards of professional conduct or practice for appraisers is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after the session in which the bill passes.