

SENATE BILL REPORT

SB 6576

AS REPORTED BY COMMITTEE ON LABOR & COMMERCE, FEBRUARY 4, 1994

Brief Description: Regulating real estate appraisers.

SPONSORS: Senator Moore

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: That Substitute Senate Bill No. 6576 be substituted therefor, and the substitute bill do pass.

Signed by Senators Moore, Chairman; Prentice, Vice Chairman; Fraser, McAuliffe, Pelz, Sutherland, Vognild and Wojahn.

Staff: Catherine Mele (786-7470)

Hearing Dates: February 4, 1994

BACKGROUND:

Real estate appraisers are voluntarily certified or licensed through the Department of Licensing. If appraisers desire to be certified or licensed through the state, they must file an application with the Department of Licensing. The Department of Licensing prescribes the amount of education and work experience that an appraiser candidate must meet to become a certified or licensed appraiser. After the education and experience requirements are met, an appraiser qualifies to take an exam. If candidates pass the exam, they become certified or licensed.

Concern has been expressed that there should be compulsory real estate appraiser certification or licensing. Interest has also been expressed in starting a training program for real estate appraiser candidates.

SUMMARY:

All real estate appraisers must be certified or licensed and all appraisals in the state must be completed by certified or licensed real estate appraisers.

A trainee real property appraisal category is created for new entrants into the real estate appraiser profession. A trainee real property appraiser is required to obtain a permit from the Director of the Department of Licensing before completing work under a state certified real estate appraiser.

For unemployment purposes an appraiser who pays rent to a business entity, but receives no compensation from that entity, is not considered an employee.

Certified or licensed real estate appraisers are permitted to place a lien for compensation due from a client. The appraiser may place the lien on: the papers of the client in the appraiser's possession; money in the appraiser's possession; or upon real and personal property belonging to the client if the lien is filed with the proper clerk of the court.

EFFECT OF PROPOSED SUBSTITUTE:

Trainee real estate appraisers may be paid for their services by state certified real estate appraisers. Financial institutions are exempt from the appraiser's lien.

Appropriation: none

Revenue: none

Fiscal Note: none requested

TESTIMONY FOR:

Appraisers are professionals and the state should require certification and licensing. The trainee program assures that new appraisers learn proper appraisal techniques. This legislation requires new appraisers to obtain a permit, follow standardized training procedures, and take required appraisal classes. This removes unethical trainees from the appraisal business and allows trainees who sincerely desire to be appraisers to pursue professional careers.

TESTIMONY AGAINST:

Currently many government employees do not have appraiser licenses or certification. This bill requires all government employees to obtain a license or certification even though the state does not require a license or certificate as a criteria for employment. There are no problems or difficulties with the current state system.

TESTIFIED: Michelle Hagen, Department of Revenue; James M. Lema, real estate appraiser (pro); Rick Tunnell, Appraisal Group (pro); Michael L. Robinson, fee appraiser (pro); Arisse Birdsell, fee appraiser (pro); Kurl W. Volkle, appraiser trainee (pro); Paul J. Sarto (pro); S. Kelly Cox, Robinson Appraisal Services (pro); Robert J. Mellison, professional appraiser (pro); Laurinda Biser (pro); Carolann Guilford, Guilford & Associates (pro); Jim Tesso, NAIFA GAC (pro); Jim Irish, Appraisal Institute, Seattle Chapter (pro) Dick Barrett, appraiser (con)