

# FINAL BILL REPORT

## 2SHB 1860

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Synopsis as Enacted

**Brief Description:** Regulating real estate appraisers.

**Sponsors:** House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Goldsmith and Robertson).

**House Committee on Financial Institutions & Insurance**  
**Senate Committee on Financial Institutions & Housing**

**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.

There are three levels of real estate appraiser certification. A state-certified general real estate appraiser may appraise all types of property. A state-certified residential real estate appraiser may appraise residential property of one to four units without regard to transaction value or complexity and nonresidential property as specified in rules adopted by the director. A state-licensed real estate appraiser may appraise noncomplex property of one to four residential units, complex property of one to four residential units, and nonresidential property having a transaction value as specified in rules adopted by the director.

A person who is not certified or licensed may appraise real estate in this state for compensation, except in federally-related transactions requiring licensure or certification.

**Summary:** A person may conduct a real estate appraisal for compensation only if the person is licensed or certified by the state. This 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 may establish an expert review appraiser roster to assist the director in reviewing appraisals. The department's enforcement powers are enhanced.

The requirement that appraisers be licensed or certified in order to receive compensation for performing real estate appraisals in Washington, not just those federally-related, takes effect July 1, 1997.

**Votes on Final Passage:**

House	97	0	
Senate	44	0	(Senate amended)
House	90	0	(House concurred)

**Effective:** July 1, 1996  
July 1, 1997 (Section 3)