

Commerce & Labor Committee

HB 1160

Brief Description: *Providing for temporary real estate appraiser practice permits.*

Sponsors: *Representatives Hunt, Clements, Conway and Kenney.*

Brief Summary of Bill

- *Authorizes the Department of Licensing to adopt the term or duration of temporary real estate appraisal licensing and certification privileges.*

Hearing Date: *2/2/01*

Staff: *Chris Cordes (786-7103).*

Background:

Federal requirements: *Under federal law, federal agencies must require state-certified real estate appraisals for certain federally-related transactions. Federal law also requires the states to recognize on a temporary basis the certification or license of a real estate appraiser from another state when: (1) the property being appraised is part of a federally-related transaction; (2) the appraiser's business is of a temporary nature; and (3) the appraiser registers with the state of temporary practice. A state may not impose excessive fees or burdensome requirements on this temporary practice.*

These federal requirements are monitored by the Appraisal Subcommittee of the Federal Financial Institutions Examination Council. Among its duties, the subcommittee sets standards defining "burdensome" requirements. The subcommittee has determined that limiting a temporary practice permit to less than six months after issuance and failing to provide an effortless method of obtaining an extension are burdensome requirements.

Washington law: With some exceptions, persons performing real estate appraisals in Washington must be licensed or certified by the Department of Licensing in order to receive compensation for performing these services. Washington's law authorizes temporary appraisal licenses or certificates for licensed or certified real estate appraisers from other states. These temporary privileges expire 90 days from issuance. There is no authority for extending a temporary license or certificate.

The Appraisal Subcommittee advised the department in 1997 that Washington law does not comply with federal requirements for temporary real estate appraisal practice. The department received another letter in January 2001 outlining the concerns that must be addressed to achieve compliance. These concerns included the state's limit of 90 days for temporary practice permits and the lack of a renewal process.

Summary of Bill:

The requirement is deleted for temporary real estate appraiser licensing and certification privileges to expire 90 days from issuance. New provisions authorize the director of the Department of Licensing to adopt rules governing the term or duration of temporary licensing and certification privileges. However, an applicant may receive an extension of a temporary practice permit to complete an assignment if the department receives a written request stating the reason for the extension before the permit's expiration date.

A temporary practice permit allows an appraiser to perform independent appraisal services required by a contract for appraisal services.

Rules Authority: The bill grants rule-making authority to the Department of Licensing.

Appropriation: None.

Fiscal Note: Requested on January 29, 2001.

Effective Date: Ninety days after adjournment of session in which bill is passed.