

# SENATE BILL REPORT

## SB 5274

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As Passed Senate, March 9, 2005

**Title:** An act relating to real estate appraisers.

**Brief Description:** Establishing a trainee real estate appraiser classification.

**Sponsors:** Senators Keiser, Parlette, Franklin, Hewitt, Prentice and Mulliken.

**Brief History:**

**Committee Activity:** Labor, Commerce, Research & Development: 2/1/05, 2/14/05 [DP].  
Passed Senate: 3/9/05, 46-0.

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### SENATE COMMITTEE ON LABOR, COMMERCE, RESEARCH & DEVELOPMENT

**Majority Report:** Do pass.

Signed by Senators Kohl-Welles, Chair; Franklin, Vice Chair; Parlette, Ranking Minority Member; Hewitt, Honeyford and Keiser.

**Staff:** Alison Mendiola (786-7483)

**Background:** A person must be certified or licensed by the Department of Licensing (DOL) to be compensated for a real estate appraisal or an appraisal review. There are three classifications of appraisers:

Certified general real estate appraisers are authorized to develop appraisals regardless of type, value or complexity. Candidates for this certification must complete 180 hours of education and 3,000 hours of experience within 30 months, with 1,500 of the hours in non-residential property appraisal.

Certified residential real estate appraisers are authorized to develop appraisals of residential property of one to four units regardless of value or complexity, and non-residential properties valued up to \$250,000. Candidates for this certification must complete 120 hours of education and 2,500 hours of experience within two years.

Licensed real estate appraisers are authorized to appraise real property consisting of up to four single-family residences; non-complex properties valued at up to \$1 million; complex or atypical properties valued at up to \$250,000; and non-residential properties valued up to \$250,000. Candidates for this license must complete 90 hours of education and 2,000 hours of experience within two years.

Only a certified appraiser may designate an appraisal as a "certified" appraisal.

During the training period required for any of the above-described credentials, a trainee does not need to have attained any educational standard or be registered with the DOL. Licensed or certified appraisers may employ trainees. In order for the trainee to receive credit toward the experience requirements, the trainee's name must appear on the appraisal.

The real estate appraiser commission consists of 7 members, one of which must be a licensed real estate appraiser.

**Summary of Bill:** A new classification, "registered appraiser trainee," is created within the existing appraiser regulatory system. Registered trainees may be compensated by one or more supervising appraisers.

A trainee may register for a term of up to two years. The registration may be renewed no more than two times, but must be completed within seven years, unless the period is interrupted by service in the armed forces.

A certified appraiser in good standing may supervise a trainee within the scope of the credential held by the supervising appraiser. Both the trainee and the supervisory appraiser must sign and accept responsibility for the content, analyses and conclusion of a report prepared by the trainee under the supervision of the supervising appraiser.

The Director of DOL must consider the recommendations of the Real Estate Appraiser Commission in determining (a) the educational requirements for appraiser trainees, and (b) the maximum number of appraiser trainees that a supervisory appraiser may supervise.

An appraiser may be disciplined for being associated as a supervisory appraiser, independent contractor, or employer of a certified, licensed or registered appraiser whose certificate, license, or registration has been suspended or revoked.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** Sections 1, 2, 4, 5, 7, 9, 13 and 20, which relate to the establishment of trainee registration program, take effect on July 1, 2005.

Sections 3, 6, 8, 10-12, 14-18 and 21, which regulate appraiser trainees, take effect on April 1, 2006.

Section 22, which relates to the characterization of accounts in the state treasury, takes effect 90 days after adjournment of the session in which the bill is passed, and expires July 1, 2006.

Section 23, which also relates to the characterization of accounts in the state treasury, takes effect on July 1, 2006.

**Testimony For:** The profession supports this bill which has been before the Legislature before. Adding a classification for trainee real estate appraisers will improve the quality of appraiser work, protect public welfare, and provide trainees with a career path. Adding this classification will protect and enhance the profession, as well as put the profession in line with appraiser classifications nationwide.

**Testimony Against:** None.

**Who Testified:** PRO: William King, Appraisal Institute; Marcos Campos, Campos Appraisals, Inc.; Bob Mitchell, WA Association of Realtors; William David Santhuff,

Department of Licensing; TK Bentler, ACOW; Linda Owings-Rosenburgh, private citizen; Sheridan Shaffer, ACOW, IFA.

**House Amendment(s):** Effective date changes are made to make the effective date for registration delays in the Act consistent with other sections regarding registration delays, and makes the effective date of the dedicated fund consistent with the interest earning provision.

Passed House: 91-3.