
SUBSTITUTE HOUSE BILL 1375

State of Washington 59th Legislature 2005 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Kenney, Condotta, Conway, Crouse, Wood, Fromhold, Priest, Eickmeyer, Rodne and McCoy)

READ FIRST TIME 02/28/05.

1 AN ACT Relating to real estate appraisers; amending RCW 18.140.005,
2 18.140.010, 18.140.020, 18.140.030, 18.140.060, 18.140.070, 18.140.100,
3 18.140.110, 18.140.120, 18.140.130, 18.140.140, 18.140.150, 18.140.155,
4 18.140.160, 18.140.170, 18.140.200, 18.140.202, 18.140.220, 18.140.230,
5 18.140.260, and 43.84.092; reenacting and amending RCW 43.84.092;
6 adding a new section to chapter 18.140 RCW; providing effective dates;
7 providing an expiration date; and declaring an emergency.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 **Sec. 1.** RCW 18.140.005 and 1996 c 182 s 1 are each amended to read
10 as follows:

11 (1) It is the intent of the legislature that only individuals who
12 meet and maintain minimum standards of competence and conduct
13 established under this chapter for certified ((~~or~~)), licensed, or
14 registered real estate appraisers may provide real estate appraisal
15 services to the public.

16 (2) It is the further intent of the legislature to provide for the
17 proper supervision and training of new entrants to the appraiser
18 profession through the implementation of the state-registered appraiser
19 trainee classification.

1 **Sec. 2.** RCW 18.140.010 and 2000 c 249 s 1 are each amended to read
2 as follows:

3 (~~(As used in this chapter,)~~) The (~~following terms have the~~
4 ~~meanings indicated~~) definitions in this section apply throughout this
5 chapter unless the context clearly requires otherwise.

6 (1) "Appraisal" means the act or process of estimating value; an
7 estimate of value; or of or pertaining to appraising and related
8 functions.

9 (2) "Appraisal report" means any communication, written or oral, of
10 an appraisal, review, or consulting service in accordance with the
11 standards of professional conduct or practice, adopted by the director,
12 that is transmitted to the client upon completion of an assignment.

13 (3) "Appraisal assignment" means an engagement for which an
14 appraiser is employed or retained to act, or would be perceived by
15 third parties or the public as acting, as a disinterested third party
16 in rendering an unbiased analysis, opinion, or conclusion relating to
17 the value of specified interests in, or aspects of, identified real
18 estate. The term "appraisal assignment" may apply to valuation work
19 and analysis work.

20 (4) "Brokers price opinion" means an oral or written report of
21 property value that is prepared by a real estate broker or salesperson
22 licensed under chapter 18.85 RCW.

23 (~~(5) ("Certified appraisal" means an appraisal prepared or signed~~
24 ~~by a state certified real estate appraiser. A certified appraisal~~
25 ~~represents to the public that it meets the appraisal standards defined~~
26 ~~in this chapter.~~

27 (~~6~~) "Client" means any party for whom an appraiser performs a
28 service.

29 (~~7~~) (6) "Commission" means the real estate appraiser commission
30 of the state of Washington.

31 (~~8~~) (7) "Comparative market analysis" means a brokers price
32 opinion.

33 (~~9~~) (8) "Department" means the department of licensing.

34 (~~10~~) (9) "Director" means the director of the department of
35 licensing.

36 (~~11~~) (10) "Expert review appraiser" means a state-certified or
37 state-licensed real estate appraiser chosen by the director for the
38 purpose of providing appraisal review assistance to the director.

1 ~~((12))~~ (11) "Federal department" means an executive department of
2 the United States of America specifically concerned with housing
3 finance issues, such as the department of housing and urban
4 development, the department of veterans affairs, or their legal federal
5 successors.

6 ~~((13))~~ (12) "Federal financial institutions regulatory agency"
7 means the board of governors of the federal reserve system, the federal
8 deposit insurance corporation, the office of the comptroller of the
9 currency, the office of thrift supervision, the national credit union
10 administration, their successors and/or such other agencies as may be
11 named in future amendments to 12 U.S.C. Sec. 3350(6).

12 ~~((14))~~ (13) "Federal secondary mortgage marketing agency" means
13 the federal national mortgage association, the government national
14 mortgage association, the federal home loan mortgage corporation, their
15 successors and/or such other similarly functioning housing finance
16 agencies as may be federally chartered in the future.

17 ~~((15))~~ (14) "Federally related transaction" means any real
18 estate-related financial transaction that the federal financial
19 institutions regulatory agency or the resolution trust corporation
20 engages in, contracts for, or regulates; and that requires the services
21 of an appraiser.

22 ~~((16))~~ (15) "Financial institution" means any person doing
23 business under the laws of this state or the United States relating to
24 banks, bank holding companies, savings banks, trust companies, savings
25 and loan associations, credit unions, consumer loan companies, and the
26 affiliates, subsidiaries, and service corporations thereof.

27 ~~((17))~~ "~~Licensed appraisal~~" ~~means an appraisal prepared or signed~~
28 ~~by a state licensed real estate appraiser. A licensed appraisal~~
29 ~~represents to the public that it meets the appraisal standards defined~~
30 ~~in this chapter.~~

31 ~~((18))~~ (16) "Mortgage broker" for the purpose of this chapter means
32 a mortgage broker licensed under chapter 19.146 RCW, any mortgage
33 broker approved and subject to audit by the federal national mortgage
34 association, the government national mortgage association, or the
35 federal home loan mortgage corporation as provided in RCW 19.146.020,
36 any mortgage broker approved by the United States secretary of housing
37 and urban development for participation in any mortgage insurance under

1 the national housing act, 12 U.S.C. Sec. 1201, and the affiliates,
2 subsidiaries, and service corporations thereof.

3 ~~((+19+))~~ (17) "Real estate" means an identified parcel or tract of
4 land, including improvements, if any.

5 ~~((+20+))~~ (18) "Real estate-related financial transaction" means any
6 transaction involving:

7 (a) The sale, lease, purchase, investment in, or exchange of real
8 property, including interests in property, or the financing thereof;

9 (b) The refinancing of real property or interests in real property;
10 and

11 (c) The use of real property or interests in property as security
12 for a loan or investment, including mortgage-backed securities.

13 ~~((+21+))~~ (19) "Real property" means one or more defined interests,
14 benefits, or rights inherent in the ownership of real estate.

15 ~~((+22+))~~ (20) "Review" means the act or process of critically
16 studying an appraisal report prepared by another.

17 ~~((+23+))~~ (21) "Specialized appraisal services" means all appraisal
18 services ~~((which))~~ that do not fall within the definition of appraisal
19 assignment. The term "specialized appraisal service" may apply to
20 valuation work and to analysis work. Regardless of the intention of
21 the client or employer, if the appraiser would be perceived by third
22 parties or the public as acting as a disinterested third party in
23 rendering an unbiased analysis, opinion, or conclusion, the work is
24 classified as an appraisal assignment and not a specialized appraisal
25 service.

26 ~~((+24+))~~ (22) "State-certified general real estate appraiser" means
27 a person certified by the director to develop and communicate real
28 estate appraisals of all types of property. A state-certified general
29 real estate appraiser may designate or identify an appraisal rendered
30 by him or her as a "certified appraisal."

31 ~~((+25+))~~ (23) "State-certified residential real estate appraiser"
32 means a person certified by the director to develop and communicate
33 real estate appraisals of all types of residential property of one to
34 four units without regard to transaction value or complexity and
35 nonresidential property having a transaction value as specified in
36 rules adopted by the director. A state certified residential real
37 estate appraiser may designate or identify an appraisal rendered by him
38 or her as a "certified appraisal."

1 ~~((26))~~ (24) "State-licensed real estate appraiser" means a person
2 licensed by the director to develop and communicate real estate
3 appraisals of noncomplex one to four residential units and complex one
4 to four residential units and nonresidential property having
5 transaction values as specified in rules adopted by the director.

6 (25) "State-registered appraiser trainee," "trainee," or "trainee
7 real estate appraiser" means a person registered by the director under
8 section 21 of this act to develop and communicate real estate
9 appraisals under the immediate and personal direction of a state-
10 certified real estate appraiser. Appraisals are limited to those types
11 of properties that the supervisory appraiser is permitted by their
12 current credential, and that the supervisory appraiser is competent and
13 qualified to appraise. By signing the appraisal report, or being
14 identified in the certification or addenda as having lent significant
15 professional assistance, the state-registered appraiser trainee accepts
16 total and complete individual responsibility for all content, analyses,
17 and conclusions in the report.

18 (26) "Supervisory appraiser" means a person holding a currently
19 valid certificate issued by the director as a state-certified real
20 estate appraiser providing direct supervision to another state-
21 certified, state-licensed, or state-registered appraiser trainee. The
22 supervisory appraiser must be in good standing in each jurisdiction
23 that he or she is credentialed. The supervisory appraiser must sign
24 all appraisal reports. By signing the appraisal report, the
25 supervisory appraiser accepts full responsibility for all content,
26 analyses, and conclusions in the report.

27 **Sec. 3.** RCW 18.140.020 and 1998 c 120 s 1 are each amended to read
28 as follows:

29 (1) No person other than a state-certified or state-licensed real
30 estate appraiser may receive compensation of any form for a real estate
31 appraisal or an appraisal review, except that a state-registered
32 appraiser trainee may receive compensation from one or more supervisory
33 appraisers or the supervisory appraiser's employer for appraisal
34 assignments. ~~((However,))~~

35 (2) Compensation may be provided for brokers price opinions
36 prepared by a real estate licensee, licensed under chapter 18.85 RCW.

1 ~~((+2))~~ (3) No person, other than a state-certified ~~((~~o~~))~~, state-
2 licensed real estate appraiser, or a state-registered appraiser trainee
3 may assume or use that title or any title, designation, or abbreviation
4 likely to create the impression of certification ~~((~~o~~))~~, licensure, or
5 registration as a real estate appraiser by this state.

6 ~~((+3))~~ (4) A person who is not certified ~~((~~o~~))~~, licensed, or
7 registered under this chapter shall not prepare any appraisal of real
8 estate located in this state, except as provided under subsection
9 ~~((+1))~~ (2) of this section.

10 ~~((+4))~~ (5) This section does not preclude a staff employee of a
11 governmental entity from performing an appraisal or an appraisal
12 assignment within the scope of his or her employment insofar as the
13 performance of official duties for the governmental entity are
14 concerned. Such an activity for the benefit of the governmental entity
15 is exempt from the requirements of this chapter.

16 ~~((+5))~~ (6) This chapter does not preclude an individual person
17 licensed by the state of Washington as a real estate broker or as a
18 real estate salesperson from issuing a brokers price opinion. However,
19 if the brokers price opinion is written, or given as evidence in any
20 legal proceeding, and is issued to a person who is not a prospective
21 seller, buyer, lessor, or lessee as the only intended user, then the
22 brokers price opinion shall contain a statement, in an obvious location
23 within the written document or specifically and affirmatively in spoken
24 testimony, that substantially states: "This brokers price opinion is
25 not an appraisal as defined in chapter 18.140 RCW and has been prepared
26 by a real estate licensee, licensed under chapter 18.85 RCW, who
27 (is/is not) also state_certified or state_licensed as a real
28 estate appraiser under chapter 18.140 RCW." However, the brokers price
29 opinion issued under this subsection may not be used as an appraisal in
30 conjunction with a federally related transaction.

31 ~~((+6))~~ (7) This section does not apply to an appraisal or an
32 appraisal review performed for a financial institution or mortgage
33 broker by an employee or third party, when such appraisal or appraisal
34 review is not required to be performed by a state-certified or state-
35 licensed real estate appraiser by the appropriate federal financial
36 institutions regulatory agency.

37 ~~((+7))~~ (8) This section does not apply to an attorney licensed to

1 practice law in this state or to a certified public accountant, as
2 defined in RCW 18.04.025, who evaluates real property in the normal
3 scope of his or her professional services.

4 **Sec. 4.** RCW 18.140.030 and 2002 c 86 s 238 are each amended to
5 read as follows:

6 The director shall have the following powers and duties:

7 (1) To adopt rules in accordance with chapter 34.05 RCW necessary
8 to implement this chapter and chapter 18.235 RCW, with the advice and
9 approval of the commission;

10 (2) To receive and approve or deny applications for certification
11 or licensure as a state-certified or state-licensed real estate
12 appraiser and for registration as a state-registered appraiser trainee
13 under this chapter; to establish appropriate administrative procedures
14 for the processing of such applications; to issue certificates ~~((~~or~~))~~,
15 licenses, or registrations to qualified applicants pursuant to the
16 provisions of this chapter; and to maintain a ~~((register))~~ roster of
17 the names and addresses of individuals who are currently certified
18 ~~((or))~~, licensed, or registered under this chapter;

19 (3) To provide administrative assistance to the members of and to
20 keep records for the real estate appraiser commission;

21 (4) To solicit bids and enter into contracts with educational
22 testing services or organizations for the preparation of questions and
23 answers for certification or licensure examinations;

24 (5) To administer or contract for administration of certification
25 or licensure examinations at locations and times as may be required to
26 carry out the responsibilities under this chapter;

27 (6) To enter into contracts for professional services determined to
28 be necessary for adequate enforcement of this chapter;

29 (7) To consider recommendations by the real estate appraiser
30 commission relating to the experience, education, and examination
31 requirements for each classification of state-certified appraiser and
32 for licensure;

33 (8) To consider recommendations by the real estate appraiser
34 commission relating to the educational requirements for the state-
35 registered appraiser trainee classification;

36 (9) To consider recommendations by the real estate appraiser

1 commission relating to the maximum number of state-registered appraiser
2 trainees that each supervisory appraiser will be permitted to
3 supervise;

4 (10) To consider recommendations by the real estate appraiser
5 commission relating to continuing education requirements as a
6 prerequisite to renewal of certification or licensure;

7 ((+9)) (11) To consider recommendations by the real estate
8 appraiser commission relating to standards of professional appraisal
9 conduct or practice in the enforcement of this chapter;

10 ((+10)) (12) To employ such professional, clerical, and technical
11 assistance as may be necessary to properly administer the work of the
12 director;

13 ((+11)) (13) To establish forms necessary to administer this
14 chapter;

15 ((+12)) (14) To establish an expert review appraiser roster
16 comprised of state-certified or licensed real estate appraisers whose
17 purpose is to assist the director by applying their individual
18 expertise by reviewing real estate appraisals for compliance with this
19 chapter. Qualifications to act as an expert review appraiser shall be
20 established by the director with the advice of the commission. An
21 application to serve as an expert review appraiser shall be submitted
22 to the real estate appraiser program, and the roster of accepted expert
23 review appraisers shall be maintained by the department. An expert
24 review appraiser may be added to or deleted from that roster by the
25 director. The expert review appraiser shall be reimbursed for expenses
26 in the same manner as the department reimburses the commission; and

27 ((+13)) (15) To do all other things necessary to carry out the
28 provisions of this chapter and minimally meet the requirements of
29 federal guidelines regarding state certification or licensure of
30 appraisers and registration of state-registered appraiser trainees that
31 the director determines are appropriate for state-certified and state-
32 licensed appraisers and state-registered appraiser trainees in this
33 state.

34 **Sec. 5.** RCW 18.140.060 and 1993 c 30 s 6 are each amended to read
35 as follows:

36 (1) Applications for examinations, original certification ((~~or~~)),
37 licensure, or registration, and renewal certification ((~~or~~)),

1 licensure, or registration shall be made in writing to the department
2 on forms approved by the director. Applications for original and
3 renewal certification (~~((or))~~), licensure, or registration shall include
4 a statement confirming that the applicant shall comply with applicable
5 rules and regulations and that the applicant understands the penalties
6 for misconduct.

7 (2) The appropriate fees shall accompany all applications for
8 examination, reexamination, original certification (~~((or))~~), licensure,
9 or registration, and renewal certification (~~((or))~~), licensure, or
10 registration.

11 **Sec. 6.** RCW 18.140.070 and 1993 c 30 s 7 are each amended to read
12 as follows:

13 There shall be two categories of state-certified real estate
14 appraisers, one category of state-licensed real estate appraisers, and
15 (~~((two categories of state-certified real estate appraisers))~~) one
16 category of state-registered appraiser trainee as follows:

- 17 (1) The (~~((state-licensed))~~) state-certified general real estate
18 appraiser;
- 19 (2) The state-certified residential real estate appraiser;
- 20 (3) The (~~((state-certified general))~~) state-licensed real estate
21 appraiser; and
- 22 (4) The state-registered appraiser trainee.

23 **Sec. 7.** RCW 18.140.100 and 1993 c 30 s 10 are each amended to read
24 as follows:

25 An original (~~((license or))~~) certificate or license shall be issued
26 to persons who have satisfactorily passed the written examination as
27 endorsed by the Appraiser Qualifications Board of the Appraisal
28 Foundation and as adopted by the director.

29 **Sec. 8.** RCW 18.140.110 and 1993 c 30 s 11 are each amended to read
30 as follows:

31 Every applicant for (~~((licensing or))~~) certification, licensing, or
32 registration who is not a resident of this state shall submit, with the
33 application for (~~((licensing or))~~) certification, licensing, or
34 registration an irrevocable consent that service of process upon him or
35 her may be made by service on the director if, in an action against the

1 applicant in a court of this state arising out of the applicant's
2 activities as a state-certified or state-licensed real estate appraiser
3 or (~~state-certified real estate~~) state-registered appraiser trainee,
4 the plaintiff cannot, in the exercise of due diligence, obtain personal
5 service upon the applicant.

6 **Sec. 9.** RCW 18.140.120 and 1993 c 30 s 12 are each amended to read
7 as follows:

8 An applicant for (~~licensure or~~) certification or licensure who is
9 currently (~~licensed or~~) certified or licensed and in good standing
10 under the laws of another state may obtain a (~~license or~~) certificate
11 or license as a Washington (~~state-licensed or~~) state-certified or
12 state-licensed real estate appraiser without being required to satisfy
13 the examination requirements of this chapter if: The director
14 determines that the (~~licensure or~~) certification or licensure
15 requirements are substantially similar to those found in Washington
16 state; and that the other state has a written reciprocal agreement to
17 provide similar treatment to holders of Washington state (~~licenses~~
18 ~~and/or~~) certificates and/or licenses.

19 **Sec. 10.** RCW 18.140.130 and 1996 c 182 s 6 are each amended to
20 read as follows:

21 (1) Each original and renewal (~~license or~~) certificate, license,
22 or registration issued under this chapter shall expire on the
23 applicant's second birthday following issuance of the (~~license or~~)
24 certificate, license, or registration.

25 (2) To be renewed as a (~~state-licensed or~~) state-certified or
26 state-licensed real estate appraiser or state-registered appraiser
27 trainee, the holder of a valid (~~license or~~) certificate, license, or
28 registration shall apply and pay the prescribed fee to the director no
29 earlier than one hundred twenty days prior to the expiration date of
30 the (~~license or~~) certificate, license, or registration and shall
31 demonstrate satisfaction of any continuing education requirements.

32 (3) If a person fails to renew a (~~license or~~) certificate,
33 license, or registration prior to its expiration and no more than one
34 year has passed since the person last held a valid (~~license or~~)
35 certificate, license, or registration, the person may obtain a renewal

1 (~~license or~~) certificate, license, or registration by satisfying all
2 of the requirements for renewal and paying late renewal fees.

3 The director shall cancel the (~~license or~~) certificate, license,
4 or registration of any person whose renewal fee is not received within
5 one year from the date of expiration. A person may obtain a new
6 (~~license or~~) certificate, license, or registration by satisfying the
7 procedures and qualifications for initial (~~licensure or~~)
8 certification, licensure, or registration, including the successful
9 completion of any applicable examinations.

10 **Sec. 11.** RCW 18.140.140 and 1996 c 182 s 7 are each amended to
11 read as follows:

12 (1) A (~~license or~~) certificate, license, or registration issued
13 under this chapter shall bear the signature or facsimile signature of
14 the director and a (~~license or~~) certificate, license, or registration
15 number assigned by the director.

16 (2) Each (~~state-licensed or~~) state-certified or state-licensed
17 real estate appraiser or state-registered appraiser trainee shall place
18 his or her (~~license or~~) certificate, license, or registration number
19 adjacent to or immediately below the title (~~"state-licensed real~~
20 ~~estate appraiser,"~~) "state-certified (~~residential~~) general real
21 estate appraiser," (~~or~~) "state-certified (~~general~~) residential real
22 estate appraiser," "state-licensed real estate appraiser," or "state-
23 registered appraiser trainee" when used in an appraisal report or in a
24 contract or other instrument used by the (~~licensee or~~) certificate
25 holder, licensee, or registered appraiser trainee in conducting real
26 property appraisal activities, except that the (~~license or~~)
27 certificate, license, or registration number shall not be required to
28 appear when the title is not accompanied by a signature as is typical
29 on such promotional and stationery items as brochures, business cards,
30 forms, or letterhead.

31 (3) Each state-registered appraiser trainee shall place his or her
32 registration number adjacent to or immediately below the title "state-
33 registered appraiser trainee" when used in an appraisal report and the
34 supervisory appraiser shall place his or her certificate number
35 adjacent to or immediately below the title "state-certified general
36 real estate appraiser" or "state-certified residential real estate
37 appraiser."

1 **Sec. 12.** RCW 18.140.150 and 1996 c 182 s 8 are each amended to
2 read as follows:

3 (1) The term (~~("state-licensed" or~~) "state-certified real estate
4 appraiser," "state-licensed real estate appraiser," or "state-
5 registered appraiser trainee" may only be used to refer to individuals
6 who hold the (~~(license or~~) certificate, license, or registration and
7 may not be used following or immediately in connection with the name or
8 signature of a firm, partnership, corporation, group, or limited
9 liability company, or in such manner that it might be interpreted as
10 referring to a firm, partnership, corporation, group, limited liability
11 company, or anyone other than an individual holder of the (~~(license~~
12 ~~or~~) certificate, license, or registration.

13 (2) No (~~(license or~~) certificate, license, or registration may be
14 issued under this chapter to a corporation, partnership, firm, limited
15 liability company, or group. This shall not be construed to prevent a
16 (~~(state-licensed or~~) state-certified or state-licensed appraiser from
17 signing an appraisal report on behalf of a corporation, partnership,
18 firm, group practice, or limited liability company, nor may it be
19 construed to prevent a state-registered appraiser trainee from signing
20 an appraisal report under the supervision of a state-certified real
21 estate appraiser on behalf of a corporation, partnership, firm, group
22 practice, or limited liability company.

23 **Sec. 13.** RCW 18.140.155 and 2001 c 78 s 1 are each amended to read
24 as follows:

25 (1) A real estate appraiser from another state who is (~~(licensed~~
26 ~~or~~) certified or licensed by another state may apply for registration
27 to receive temporary (~~(licensing or~~) certification or licensing in
28 Washington by paying a fee and filing a notarized application with the
29 department on a form provided by the department.

30 (2) The director is authorized to adopt by rule the term or
31 duration of the (~~(licensing and~~) certification and licensing
32 privileges granted under the provisions of this section. (~~(Licensing~~
33 ~~or~~) Certification or licensing shall not be renewed. However, an
34 applicant may receive an extension of a temporary practice permit to
35 complete an assignment, provided that a written request is received by
36 the department prior to the expiration date, stating the reason for the
37 extension.

1 (3) A temporary practice permit issued under this section allows an
2 appraiser to perform independent appraisal services required by a
3 contract for appraisal services.

4 (4) Persons granted temporary (~~licensing or~~) certification or
5 licensing privileges under this section shall not advertise or
6 otherwise hold themselves out as being (~~licensed or~~) certified or
7 licensed by the state of Washington.

8 (5) Persons granted temporary (~~licensure or~~) certification or
9 licensure are subject to all provisions under this chapter.

10 **Sec. 14.** RCW 18.140.160 and 2002 c 86 s 239 are each amended to
11 read as follows:

12 In addition to the unprofessional conduct described in RCW
13 18.235.130, the director may take disciplinary action for the following
14 conduct, acts, or conditions:

15 (1) Failing to meet the minimum qualifications for state
16 (~~licensure or~~) certification, licensure, or registration established
17 by or pursuant to this chapter;

18 (2) Paying money other than the fees provided for by this chapter
19 to any employee of the director or the commission to procure state
20 (~~licensure or~~) certification, licensure, or registration under this
21 chapter;

22 (3) Continuing to act as a (~~state-licensed or~~) state-certified
23 real estate appraiser, state-licensed real estate appraiser, or state-
24 registered appraiser trainee when his or her (~~license or~~)
25 certificate, license, or registration is on an expired status;

26 (4) Violating any provision of this chapter or any lawful rule made
27 by the director pursuant thereto;

28 (5) Issuing an appraisal report on any real property in which the
29 appraiser has an interest unless his or her interest is clearly stated
30 in the appraisal report; and

31 (6) Being affiliated as an (~~employee or independent contractor~~
32 ~~with a state-licensed or state-certified real estate appraiser when the~~
33 ~~appraiser's license or certificate has been revoked due to disciplinary~~
34 ~~action)) employer, independent contractor, or supervisory appraiser of
35 a state-certified real estate appraiser, state-licensed real estate
36 appraiser, or state-registered appraiser trainee whose certification,
37 license, or registration is currently in a suspended or revoked status.~~

1 **Sec. 15.** RCW 18.140.170 and 2002 c 86 s 240 are each amended to
2 read as follows:

3 The director may investigate the actions of a (~~(state-licensed or)~~)
4 state-certified or state-licensed real estate appraiser or a state-
5 registered appraiser trainee or an applicant for (~~(licensure or)~~)
6 certification, licensure, or registration or (~~(relicensure or)~~)
7 recertification, relicensure, or reregistration. Upon receipt of
8 information indicating that a (~~(state-licensed or)~~) state-certified or
9 state-licensed real estate appraiser or state-registered appraiser
10 trainee under this chapter may have violated this chapter, the director
11 may cause one or more of the staff investigators to make an
12 investigation of the facts to determine whether or not there is
13 admissible evidence of any such violation. If technical assistance is
14 required, a staff investigator may consult with one or more of the
15 members of the commission.

16 **Sec. 16.** RCW 18.140.200 and 1996 c 293 s 19 are each amended to
17 read as follows:

18 The director shall suspend the certificate (~~(or)~~), license, or
19 registration of any person who has been certified by a lending agency
20 and reported to the director for nonpayment or default on a federally
21 or state-guaranteed educational loan or service-conditional
22 scholarship. Prior to the suspension, the agency must provide the
23 person an opportunity for a brief adjudicative proceeding under RCW
24 34.05.485 through 34.05.494 and issue a finding of nonpayment or
25 default on a federally or state-guaranteed educational loan or service-
26 conditional scholarship. The person's certificate (~~(or)~~), license, or
27 registration shall not be reissued until the person provides the
28 director a written release issued by the lending agency stating that
29 the person is making payments on the loan in accordance with a
30 repayment agreement approved by the lending agency. If the person has
31 continued to meet all other requirements for certification (~~(or)~~),
32 licensure, or registration during the suspension, reinstatement shall
33 be automatic upon receipt of the notice and payment of any
34 reinstatement fee the director may impose.

35 **Sec. 17.** RCW 18.140.202 and 1997 c 58 s 832 are each amended to
36 read as follows:

1 The director shall immediately suspend any (~~license or~~)
2 certificate, license, or registration issued under this chapter if the
3 holder has been certified pursuant to RCW 74.20A.320 by the department
4 of social and health services as a person who is not in compliance with
5 a support order (~~or a residential or visitation order~~). If the
6 person has continued to meet all other requirements for reinstatement
7 during the suspension, reissuance of the (~~license or~~) certificate,
8 license, or registration shall be automatic upon the director's receipt
9 of a release issued by the department of social and health services
10 stating that the person is in compliance with the order.

11 **Sec. 18.** RCW 18.140.220 and 1996 c 182 s 12 are each amended to
12 read as follows:

13 Any person acting as a state-certified or state-licensed real
14 estate appraiser or state-registered appraiser trainee without a
15 certificate (~~or~~), license, or registration that is currently valid is
16 guilty of a misdemeanor.

17 **Sec. 19.** RCW 18.140.230 and 2000 c 249 s 3 are each amended to
18 read as follows:

19 There is established the real estate appraiser commission of the
20 state of Washington, consisting of seven members who shall act to give
21 advice to the director.

22 (1) The seven commission members shall be appointed by the governor
23 in the following manner: For a term of six years each, with the
24 exception of the first appointees who shall be the incumbent members of
25 the predecessor real estate appraiser advisory committee to serve for
26 the duration of their current terms, with all other subsequent
27 appointees to be appointed for a six-year term.

28 (2) At least two of the commission members shall be selected from
29 the area of the state east of the Cascade mountain range and at least
30 two of the commission members shall be selected from the area of the
31 state west of the Cascade mountain range. At least two members of the
32 commission shall be certified general real estate appraisers, at least
33 two members of the commission shall be certified residential real
34 estate appraisers, and at least one member of the commission (~~shall~~)
35 may be a licensed real estate appraiser, all pursuant to this chapter.
36 No certified or licensed appraiser commission member shall be appointed

1 who has not been certified and/or licensed pursuant to this chapter for
2 less than ten years, except that this experience duration shall be not
3 less than five years only for any commission member taking office
4 before January 1, 2003. One member shall be an employee of a financial
5 institution as defined in this chapter whose duties are concerned with
6 real estate appraisal management and policy. One member shall be an
7 individual engaged in mass appraisal whose duties are concerned with ad
8 valorem appraisal management and policy and who is licensed or
9 certified under this chapter. One member may be a member of the
10 general public.

11 (3) The members of the commission annually shall elect their
12 chairperson and vice-chairperson to serve for a term of one calendar
13 year. A majority of the members of said commission shall at all times
14 constitute a quorum.

15 (4) Any vacancy on the commission shall be filled by appointment by
16 the governor for the unexpired term.

17 **Sec. 20.** RCW 18.140.260 and 2002 c 86 s 241 are each amended to
18 read as follows:

19 The real estate appraiser commission account is created in the
20 state treasury. All fees received by the department for certificates,
21 licenses, registrations, renewals, examinations, and audits must be
22 forwarded to the state treasurer who must credit the money to the
23 account. All fines and civil penalties ordered pursuant to RCW
24 18.140.020, 18.140.160, or 18.235.110 against holders of (~~licenses,~~)
25 certificates, licenses, or registrations issued under the provisions of
26 this chapter must be paid to the account. All expenses incurred in
27 carrying out the certification, licensing, and registration activities
28 of the department under this chapter must be paid from the account as
29 authorized by legislative appropriation. Any residue in the account
30 shall be accumulated and shall not revert to the general fund at the
31 end of the biennium. (~~All earnings of investments of balances in the
32 account shall be credited to the general fund.~~) Any fund balance
33 remaining in the general fund attributable to the real estate appraiser
34 commission account as of July 1, 2003, must be transferred to the real
35 estate appraiser commission account.

1 affected state agencies. The treasury income account is subject in all
2 respects to chapter 43.88 RCW, but no appropriation is required for
3 payments to financial institutions. Payments shall occur prior to
4 distribution of earnings set forth in subsection (4) of this section.

5 (4) Monthly, the state treasurer shall distribute the earnings
6 credited to the treasury income account. The state treasurer shall
7 credit the general fund with all the earnings credited to the treasury
8 income account except:

9 (a) The following accounts and funds shall receive their
10 proportionate share of earnings based upon each account's and fund's
11 average daily balance for the period: The capitol building
12 construction account, the Cedar River channel construction and
13 operation account, the Central Washington University capital projects
14 account, the charitable, educational, penal and reformatory
15 institutions account, the common school construction fund, the county
16 criminal justice assistance account, the county sales and use tax
17 equalization account, the data processing building construction
18 account, the deferred compensation administrative account, the deferred
19 compensation principal account, the department of retirement systems
20 expense account, the drinking water assistance account, the drinking
21 water assistance administrative account, the drinking water assistance
22 repayment account, the Eastern Washington University capital projects
23 account, the education construction fund, the election account, the
24 emergency reserve fund, The Evergreen State College capital projects
25 account, the federal forest revolving account, the health services
26 account, the public health services account, the health system capacity
27 account, the personal health services account, the state higher
28 education construction account, the higher education construction
29 account, the highway infrastructure account, the industrial insurance
30 premium refund account, the judges' retirement account, the judicial
31 retirement administrative account, the judicial retirement principal
32 account, the local leasehold excise tax account, the local real estate
33 excise tax account, the local sales and use tax account, the medical
34 aid account, the mobile home park relocation fund, the multimodal
35 transportation account, the municipal criminal justice assistance
36 account, the municipal sales and use tax equalization account, the
37 natural resources deposit account, the oyster reserve land account, the
38 perpetual surveillance and maintenance account, the public employees'

1 retirement system plan 1 account, the public employees' retirement
2 system combined plan 2 and plan 3 account, the public facilities
3 construction loan revolving account beginning July 1, 2004, the public
4 health supplemental account, the public works assistance account, the
5 Puyallup tribal settlement account, the real estate appraiser
6 commission account, the regional transportation investment district
7 account, the resource management cost account, the site closure
8 account, the special wildlife account, the state employees' insurance
9 account, the state employees' insurance reserve account, the state
10 investment board expense account, the state investment board commingled
11 trust fund accounts, the supplemental pension account, the Tacoma
12 Narrows toll bridge account, the teachers' retirement system plan 1
13 account, the teachers' retirement system combined plan 2 and plan 3
14 account, the tobacco prevention and control account, the tobacco
15 settlement account, the transportation infrastructure account, the
16 tuition recovery trust fund, the University of Washington bond
17 retirement fund, the University of Washington building account, the
18 volunteer fire fighters' and reserve officers' relief and pension
19 principal fund, the volunteer fire fighters' and reserve officers'
20 administrative fund, the Washington fruit express account, the
21 Washington judicial retirement system account, the Washington law
22 enforcement officers' and fire fighters' system plan 1 retirement
23 account, the Washington law enforcement officers' and fire fighters'
24 system plan 2 retirement account, the Washington school employees'
25 retirement system combined plan 2 and 3 account, the Washington state
26 health insurance pool account, the Washington state patrol retirement
27 account, the Washington State University building account, the
28 Washington State University bond retirement fund, the water pollution
29 control revolving fund, and the Western Washington University capital
30 projects account. Earnings derived from investing balances of the
31 agricultural permanent fund, the normal school permanent fund, the
32 permanent common school fund, the scientific permanent fund, and the
33 state university permanent fund shall be allocated to their respective
34 beneficiary accounts. All earnings to be distributed under this
35 subsection (4)(a) shall first be reduced by the allocation to the state
36 treasurer's service fund pursuant to RCW 43.08.190.

37 (b) The following accounts and funds shall receive eighty percent
38 of their proportionate share of earnings based upon each account's or

1 fund's average daily balance for the period: The aeronautics account,
2 the aircraft search and rescue account, the county arterial
3 preservation account, the department of licensing services account, the
4 essential rail assistance account, the ferry bond retirement fund, the
5 grade crossing protective fund, the high capacity transportation
6 account, the highway bond retirement fund, the highway safety account,
7 the motor vehicle fund, the motorcycle safety education account, the
8 pilotage account, the public transportation systems account, the Puget
9 Sound capital construction account, the Puget Sound ferry operations
10 account, the recreational vehicle account, the rural arterial trust
11 account, the safety and education account, the special category C
12 account, the state patrol highway account, the transportation 2003
13 account (nickel account), the transportation equipment fund, the
14 transportation fund, the transportation improvement account, the
15 transportation improvement board bond retirement account, and the urban
16 arterial trust account.

17 (5) In conformance with Article II, section 37 of the state
18 Constitution, no treasury accounts or funds shall be allocated earnings
19 without the specific affirmative directive of this section.

20 **Sec. 23.** RCW 43.84.092 and 2004 c 242 s 60 are each amended to
21 read as follows:

22 (1) All earnings of investments of surplus balances in the state
23 treasury shall be deposited to the treasury income account, which
24 account is hereby established in the state treasury.

25 (2) The treasury income account shall be utilized to pay or receive
26 funds associated with federal programs as required by the federal cash
27 management improvement act of 1990. The treasury income account is
28 subject in all respects to chapter 43.88 RCW, but no appropriation is
29 required for refunds or allocations of interest earnings required by
30 the cash management improvement act. Refunds of interest to the
31 federal treasury required under the cash management improvement act
32 fall under RCW 43.88.180 and shall not require appropriation. The
33 office of financial management shall determine the amounts due to or
34 from the federal government pursuant to the cash management improvement
35 act. The office of financial management may direct transfers of funds
36 between accounts as deemed necessary to implement the provisions of the

1 cash management improvement act, and this subsection. Refunds or
2 allocations shall occur prior to the distributions of earnings set
3 forth in subsection (4) of this section.

4 (3) Except for the provisions of RCW 43.84.160, the treasury income
5 account may be utilized for the payment of purchased banking services
6 on behalf of treasury funds including, but not limited to, depository,
7 safekeeping, and disbursement functions for the state treasury and
8 affected state agencies. The treasury income account is subject in all
9 respects to chapter 43.88 RCW, but no appropriation is required for
10 payments to financial institutions. Payments shall occur prior to
11 distribution of earnings set forth in subsection (4) of this section.

12 (4) Monthly, the state treasurer shall distribute the earnings
13 credited to the treasury income account. The state treasurer shall
14 credit the general fund with all the earnings credited to the treasury
15 income account except:

16 (a) The following accounts and funds shall receive their
17 proportionate share of earnings based upon each account's and fund's
18 average daily balance for the period: The capitol building
19 construction account, the Cedar River channel construction and
20 operation account, the Central Washington University capital projects
21 account, the charitable, educational, penal and reformatory
22 institutions account, the common school construction fund, the county
23 criminal justice assistance account, the county sales and use tax
24 equalization account, the data processing building construction
25 account, the deferred compensation administrative account, the deferred
26 compensation principal account, the department of retirement systems
27 expense account, the drinking water assistance account, the drinking
28 water assistance administrative account, the drinking water assistance
29 repayment account, the Eastern Washington University capital projects
30 account, the education construction fund, the election account, the
31 emergency reserve fund, The Evergreen State College capital projects
32 account, the federal forest revolving account, the health services
33 account, the public health services account, the health system capacity
34 account, the personal health services account, the state higher
35 education construction account, the higher education construction
36 account, the highway infrastructure account, the industrial insurance
37 premium refund account, the judges' retirement account, the judicial
38 retirement administrative account, the judicial retirement principal

1 account, the local leasehold excise tax account, the local real estate
2 excise tax account, the local sales and use tax account, the medical
3 aid account, the mobile home park relocation fund, the multimodal
4 transportation account, the municipal criminal justice assistance
5 account, the municipal sales and use tax equalization account, the
6 natural resources deposit account, the oyster reserve land account, the
7 perpetual surveillance and maintenance account, the public employees'
8 retirement system plan 1 account, the public employees' retirement
9 system combined plan 2 and plan 3 account, the public facilities
10 construction loan revolving account beginning July 1, 2004, the public
11 health supplemental account, the public works assistance account, the
12 Puyallup tribal settlement account, the real estate appraiser
13 commission account, the regional transportation investment district
14 account, the resource management cost account, the site closure
15 account, the special wildlife account, the state employees' insurance
16 account, the state employees' insurance reserve account, the state
17 investment board expense account, the state investment board commingled
18 trust fund accounts, the supplemental pension account, the Tacoma
19 Narrows toll bridge account, the teachers' retirement system plan 1
20 account, the teachers' retirement system combined plan 2 and plan 3
21 account, the tobacco prevention and control account, the tobacco
22 settlement account, the transportation infrastructure account, the
23 tuition recovery trust fund, the University of Washington bond
24 retirement fund, the University of Washington building account, the
25 volunteer fire fighters' and reserve officers' relief and pension
26 principal fund, the volunteer fire fighters' and reserve officers'
27 administrative fund, the Washington fruit express account, the
28 Washington judicial retirement system account, the Washington law
29 enforcement officers' and fire fighters' system plan 1 retirement
30 account, the Washington law enforcement officers' and fire fighters'
31 system plan 2 retirement account, the Washington public safety
32 employees' plan 2 retirement account, the Washington school employees'
33 retirement system combined plan 2 and 3 account, the Washington state
34 health insurance pool account, the Washington state patrol retirement
35 account, the Washington State University building account, the
36 Washington State University bond retirement fund, the water pollution
37 control revolving fund, and the Western Washington University capital
38 projects account. Earnings derived from investing balances of the

1 agricultural permanent fund, the normal school permanent fund, the
2 permanent common school fund, the scientific permanent fund, and the
3 state university permanent fund shall be allocated to their respective
4 beneficiary accounts. All earnings to be distributed under this
5 subsection (4)(a) shall first be reduced by the allocation to the state
6 treasurer's service fund pursuant to RCW 43.08.190.

7 (b) The following accounts and funds shall receive eighty percent
8 of their proportionate share of earnings based upon each account's or
9 fund's average daily balance for the period: The aeronautics account,
10 the aircraft search and rescue account, the county arterial
11 preservation account, the department of licensing services account, the
12 essential rail assistance account, the ferry bond retirement fund, the
13 grade crossing protective fund, the high capacity transportation
14 account, the highway bond retirement fund, the highway safety account,
15 the motor vehicle fund, the motorcycle safety education account, the
16 pilotage account, the public transportation systems account, the Puget
17 Sound capital construction account, the Puget Sound ferry operations
18 account, the recreational vehicle account, the rural arterial trust
19 account, the safety and education account, the special category C
20 account, the state patrol highway account, the transportation 2003
21 account (nickel account), the transportation equipment fund, the
22 transportation fund, the transportation improvement account, the
23 transportation improvement board bond retirement account, and the urban
24 arterial trust account.

25 (5) In conformance with Article II, section 37 of the state
26 Constitution, no treasury accounts or funds shall be allocated earnings
27 without the specific affirmative directive of this section.

28 NEW SECTION. **Sec. 24.** Section 22 of this act expires July 1,
29 2006.

30 NEW SECTION. **Sec. 25.** Section 23 of this act takes effect July 1,
31 2006.

32 NEW SECTION. **Sec. 26.** (1) Sections 1, 2, 4, 7, 9, 13, 20, and 22
33 of this act are necessary for the immediate preservation of the public
34 peace, health, or safety, or support of the state government and its
35 existing public institutions, and take effect July 1, 2005.

1 (2) Sections 3, 5, 6, 8, 10 through 12, 14 through 18, and 21 of
2 this act take effect April 1, 2006.

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