

SENATE BILL REPORT

SB 6635

As of January 21, 2010

Title: An act relating to the appraisal of green buildings.

Brief Description: Concerning the appraisal of green buildings.

Sponsors: Senators Fraser, Berkey, Rockefeller, Kohl-Welles and Kline.

Brief History:

Committee Activity: Environment, Water & Energy: 1/20/10.

SENATE COMMITTEE ON ENVIRONMENT, WATER & ENERGY

Staff: William Bridges (786-7416)

Background: Real Estate appraisers in Washington are licensed and certified by the Department of Licensing (DOL), which requires appraisers to complete DOL-approved continuing education (CE) classes. By rule, DOL requires 28 CE hours every two years, seven of which must be an update of the national Uniform Standards of Professional Appraisal Practice (USPAP). Other than the USPAP update, DOL does not require CE hours in any particular subject.

Some builders of green homes have raised concerns about the undervaluing of green homes by some appraisers.

Summary of Bill: Appraisers of residential or commercial green buildings must successfully complete a state-accredited course on the appraisal of green buildings.

A green building is defined as a residential or commercial structure that has been certified using a widely accepted, professionally developed standard that addresses such areas as water conservation and energy efficiency.

Appropriation: None.

Fiscal Note: Requested on January 19, 2010.

Committee/Commission/Task Force Created: No.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

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

Staff Summary of Public Testimony: PRO: Appraisers need to be educated about new energy efficiency technologies and techniques so they can properly price green buildings. A green home builder's personal experience with appraisers demonstrates that properly educated appraisers recognize the value of green homes.

CON: Appraisers must already follow competency rules and dissatisfied clients can file complaints with DOL. Cost, price, and value are not always the same in the market place. Should specialized training also be required to appraise timber properties, view amenities or water front properties?

Persons Testifying: PRO: Senator Fraser, prime sponsor; Scott Bergford, Scott Homes, Inc.

CON: T.K. Bentler, Stan Sidor, Appraiser's Coalition of WA; Rick Wells, Ace PS., Inc.