
SENATE BILL 6635

State of Washington

61st Legislature

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By Senators Fraser, Berkey, Rockefeller, Kohl-Welles, and Kline

Read first time 01/19/10. Referred to Committee on Environment, Water & Energy.

1 AN ACT Relating to the appraisal of green buildings; amending RCW
2 18.140.010; and adding a new section to chapter 18.140 RCW.

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

4 **Sec. 1.** RCW 18.140.010 and 2005 c 339 s 2 are each amended to read
5 as follows:

6 The definitions in this section apply throughout this chapter
7 unless the context clearly requires otherwise.

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

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

15 (3) "Appraisal assignment" means an engagement for which an
16 appraiser is employed or retained to act, or would be perceived by
17 third parties or the public as acting, as a disinterested third party
18 in rendering an unbiased analysis, opinion, or conclusion relating to

1 the value of specified interests in, or aspects of, identified real
2 estate. The term "appraisal assignment" may apply to valuation work
3 and analysis work.

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

7 (5) "Client" means any party for whom an appraiser performs a
8 service.

9 (6) "Commission" means the real estate appraiser commission of the
10 state of Washington.

11 (7) "Comparative market analysis" means a brokers price opinion.

12 (8) "Department" means the department of licensing.

13 (9) "Director" means the director of the department of licensing.

14 (10) "Expert review appraiser" means a state-certified or state-
15 licensed real estate appraiser chosen by the director for the purpose
16 of providing appraisal review assistance to the director.

17 (11) "Federal department" means an executive department of the
18 United States of America specifically concerned with housing finance
19 issues, such as the department of housing and urban development, the
20 department of veterans affairs, or their legal federal successors.

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

27 (13) "Federal secondary mortgage marketing agency" means the
28 federal national mortgage association, the government national mortgage
29 association, the federal home loan mortgage corporation, their
30 successors and/or such other similarly functioning housing finance
31 agencies as may be federally chartered in the future.

32 (14) "Federally related transaction" means any real estate-related
33 financial transaction that the federal financial institutions
34 regulatory agency or the resolution trust corporation engages in,
35 contracts for, or regulates; and that requires the services of an
36 appraiser.

37 (15) "Financial institution" means any person doing business under
38 the laws of this state or the United States relating to banks, bank

1 holding companies, savings banks, trust companies, savings and loan
2 associations, credit unions, consumer loan companies, and the
3 affiliates, subsidiaries, and service corporations thereof.

4 (16) "Green building" means a residential or commercial structure
5 that has been certified as being built or renovated in accordance with
6 the requirements of a widely accepted, professionally developed
7 standard that addresses some or all of the following areas:
8 Sustainable site development; water conservation; energy efficiency;
9 use of renewable energy sources; sustainable, recycled, or locally or
10 regionally produced materials and resources; indoor air quality; and
11 waste reduction.

12 (17) "Mortgage broker" for the purpose of this chapter means a
13 mortgage broker licensed under chapter 19.146 RCW, any mortgage broker
14 approved and subject to audit by the federal national mortgage
15 association, the government national mortgage association, or the
16 federal home loan mortgage corporation as provided in RCW 19.146.020,
17 any mortgage broker approved by the United States secretary of housing
18 and urban development for participation in any mortgage insurance under
19 the national housing act, 12 U.S.C. Sec. 1201, and the affiliates,
20 subsidiaries, and service corporations thereof.

21 ((+17)) (18) "Real estate" means an identified parcel or tract of
22 land, including improvements, if any.

23 ((+18)) (19) "Real estate-related financial transaction" means any
24 transaction involving:

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

27 (b) The refinancing of real property or interests in real property;
28 and

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

31 ((+19)) (20) "Real property" means one or more defined interests,
32 benefits, or rights inherent in the ownership of real estate.

33 ((+20)) (21) "Review" means the act or process of critically
34 studying an appraisal report prepared by another.

35 ((+21)) (22) "Specialized appraisal services" means all appraisal
36 services that do not fall within the definition of appraisal
37 assignment. The term "specialized appraisal service" may apply to
38 valuation work and to analysis work. Regardless of the intention of

1 the client or employer, if the appraiser would be perceived by third
2 parties or the public as acting as a disinterested third party in
3 rendering an unbiased analysis, opinion, or conclusion, the work is
4 classified as an appraisal assignment and not a specialized appraisal
5 service.

6 ~~((+22))~~ (23) "State-certified general real estate appraiser" means
7 a person certified by the director to develop and communicate real
8 estate appraisals of all types of property. A state-certified general
9 real estate appraiser may designate or identify an appraisal rendered
10 by him or her as a "certified appraisal."

11 ~~((+23))~~ (24) "State-certified residential real estate appraiser"
12 means a person certified by the director to develop and communicate
13 real estate appraisals of all types of residential property of one to
14 four units without regard to transaction value or complexity and
15 nonresidential property having a transaction value as specified in
16 rules adopted by the director. A state certified residential real
17 estate appraiser may designate or identify an appraisal rendered by him
18 or her as a "certified appraisal."

19 ~~((+24))~~ (25) "State-licensed real estate appraiser" means a person
20 licensed by the director to develop and communicate real estate
21 appraisals of noncomplex one to four residential units and complex one
22 to four residential units and nonresidential property having
23 transaction values as specified in rules adopted by the director.

24 ~~((+25))~~ (26) "State-registered appraiser trainee," "trainee," or
25 "trainee real estate appraiser" means a person registered by the
26 director under RCW 18.140.280 to develop and communicate real estate
27 appraisals under the immediate and personal direction of a state-
28 certified real estate appraiser. Appraisals are limited to those types
29 of properties that the supervisory appraiser is permitted by their
30 current credential, and that the supervisory appraiser is competent and
31 qualified to appraise. By signing the appraisal report, or being
32 identified in the certification or addenda as having lent significant
33 professional assistance, the state-registered appraiser trainee accepts
34 total and complete individual responsibility for all content, analyses,
35 and conclusions in the report.

36 ~~((+26))~~ (27) "Supervisory appraiser" means a person holding a
37 currently valid certificate issued by the director as a state-certified
38 real estate appraiser providing direct supervision to another state-

1 certified, state-licensed, or state-registered appraiser trainee. The
2 supervisory appraiser must be in good standing in each jurisdiction
3 that he or she is credentialed. The supervisory appraiser must sign
4 all appraisal reports. By signing the appraisal report, the
5 supervisory appraiser accepts full responsibility for all content,
6 analyses, and conclusions in the report.

7 NEW SECTION. **Sec. 2.** A new section is added to chapter 18.140 RCW
8 to read as follows:

9 No state-certified or state-licensed real estate appraiser may
10 appraise a residential or commercial green building unless the
11 certificate or license holder has presented evidence satisfactory to
12 the director of successful completion of a state-accredited course on
13 the appraisal of the applicable type of green building.

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