
SUBSTITUTE SENATE BILL 6457

State of Washington **65th Legislature** **2018 Regular Session**

By Senate Labor & Commerce (originally sponsored by Senator Conway)

READ FIRST TIME 02/02/18.

1 AN ACT Relating to real estate appraisals and appraisers;
2 amending RCW 18.140.130, 18.140.060, and 18.140.160; and adding a new
3 section to chapter 18.140 RCW.

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

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 18.140
6 RCW to read as follows:

7 (1) Any action to recover damages against a real estate appraiser
8 arising out of the appraiser's real estate activity shall be brought
9 within one year from the date of discovery of the act or omission
10 giving rise to the action, but in no event shall an action to recover
11 damages against a real estate appraiser be brought more than three
12 years after the report date.

13 (2) An appraisal report or appraisal review report, including any
14 data, work papers, opinion of market value, certification, and
15 statement is deemed prepared at the request of and exclusively for
16 the benefit of the client and intended user, and for the intended use
17 specified in the appraisal report or appraisal review report. An
18 appraiser:

19 (a) Shall not be liable in a court of law for any action arising
20 out of the appraiser's real estate activity, to any person or entity
21 other than the client or intended user; and

1 (b) Shall only be subject to disciplinary action stemming from a
2 complaint arising out of the appraiser's real estate activity, if it
3 originated from the client or intended user.

4 (3) The definitions in this subsection apply to this section:

5 (a) "Intended use" means the use of an appraisal report or
6 appraisal review report as identified by the appraiser.

7 (b) "Intended user" means the client or any other party as
8 identified by name or type, as a user of the appraiser's appraisal
9 report or appraisal review report.

10 (c) "Report date" means the date the appraiser signed the
11 appraisal report or appraisal review report.

12 **Sec. 2.** RCW 18.140.130 and 2005 c 339 s 10 are each amended to
13 read as follows:

14 (1) Each original and renewal certificate, license, or
15 registration issued under this chapter shall expire on the
16 applicant's second birthday following issuance of the certificate,
17 license, or registration.

18 (2) To be renewed as a state-certified or state-licensed real
19 estate appraiser or state-registered appraiser trainee, the holder of
20 a valid certificate, license, or registration shall apply and pay the
21 prescribed fee to the director no earlier than one hundred twenty
22 days prior to the expiration date of the certificate, license, or
23 registration and shall demonstrate satisfaction of any continuing
24 education requirements.

25 (3) If a person fails to renew a certificate, license, or
26 registration prior to its expiration and no more than one year has
27 passed since the person last held a valid certificate, license, or
28 registration, the person may obtain a renewal certificate, license,
29 or registration by satisfying all of the requirements for renewal and
30 paying late renewal fees.

31 ~~((The director shall cancel the certificate, license, or
32 registration of any person whose renewal fee is not received within
33 one year from the date of expiration. A person may obtain a new
34 certificate, license, or registration by satisfying the procedures
35 and qualifications for initial certification, licensure, or
36 registration, including the successful completion of any applicable
37 examinations.))~~

38 (4)(a) If a person's certificate, license, or registration is not
39 renewed within one year after the expiration date of the certificate,

1 license, or registration, the director must place the certificate,
2 license, or registration in inactive status.

3 (b) A person whose certificate, license, or registration is
4 placed in inactive status may apply for reinstatement of the
5 certificate, license, or registration by paying the prescribed fee
6 and meeting the requirements established by the director. The
7 director may require reinstatement applicants to pass an appropriate
8 examination and to complete continuing education requirements in
9 order for the certificate, license, or registration to be reinstated.
10 If the director requires a work experience log to qualify for
11 reinstatement, the director may accept previously approved work
12 experience to satisfy the requirement.

13 (c) A person applying for reinstatement as a state-certified
14 general real estate appraiser, a state-certified residential real
15 estate appraiser, or a state-licensed real estate appraiser may apply
16 to work as a state-registered appraiser trainee for a supervisory
17 appraiser, subject to the requirements established by the director,
18 while completing the requirements for reinstatement.

19 (d) The director must cancel a certificate, license, or
20 registration that is not renewed or reinstated within five years
21 after the date of expiration of the certificate, license, or
22 registration.

23 **Sec. 3.** RCW 18.140.060 and 2005 c 339 s 5 are each amended to
24 read as follows:

25 (1) Applications for examinations, original certification,
26 licensure, or registration, ~~((and))~~ renewal certification, licensure,
27 or registration ~~((shall))~~, and the reinstatement of a certificate,
28 license, or registration must be made in writing to the department on
29 forms approved by the director. Applications for original and renewal
30 certification, licensure, or registration ~~((shall))~~ or the
31 reinstatement of a certificate, license, or registration must include
32 a statement confirming that the applicant ~~((shall))~~ must comply with
33 applicable rules and regulations and that the applicant understands
34 the penalties for misconduct.

35 (2) The appropriate fees ~~((shall))~~ must accompany all
36 applications for examination, reexamination, original certification,
37 licensure, or registration, ~~((and))~~ renewal certification, licensure,
38 or registration, and the reinstatement of a certificate, license, or
39 registration.

1 **Sec. 4.** RCW 18.140.160 and 2007 c 256 s 1 are each amended to
2 read as follows:

3 In addition to the unprofessional conduct described in RCW
4 18.235.130, the director may take disciplinary action for the
5 following conduct, acts, or conditions:

6 (1) Failing to meet the minimum qualifications for state
7 certification, licensure, or registration established by or pursuant
8 to this chapter;

9 (2) Paying money other than the fees provided for by this chapter
10 to any employee of the director or the commission to procure state
11 certification, licensure, or registration under this chapter;

12 (3) Continuing to act as a state-certified real estate appraiser,
13 state-licensed real estate appraiser, or state-registered appraiser
14 trainee when his or her certificate, license, or registration is on
15 an expired or inactive status;

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

18 (5) Issuing an appraisal report on any real property in which the
19 appraiser has an interest unless his or her interest is clearly
20 stated in the appraisal report;

21 (6) Being affiliated as an employer, independent contractor, or
22 supervisory appraiser of a state-certified real estate appraiser,
23 state-licensed real estate appraiser, or state-registered appraiser
24 trainee whose certification, license, or registration is currently in
25 a suspended or revoked status;

26 (7) Failure or refusal without good cause to exercise reasonable
27 diligence in performing an appraisal practice under this chapter,
28 including preparing an oral or written report to communicate
29 information concerning an appraisal practice; and

30 (8) Negligence or incompetence in performing an appraisal
31 practice under this chapter, including preparing an oral or written
32 report to communicate information concerning an appraisal practice.

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