

HOUSE BILL REPORT

ESSB 5480

As Reported by House Committee On: Consumer Protection & Business

Title: An act relating to the renewal of real estate appraiser certificates, licenses, and registrations.

Brief Description: Concerning the renewal of real estate appraiser certificates, licenses, and registrations.

Sponsors: Senate Committee on Labor & Commerce (originally sponsored by Senators Brown, Conway, Honeyford and Takko).

Brief History:

Committee Activity:

Consumer Protection & Business: 3/7/19, 3/11/19 [DP].

Brief Summary of Engrossed Substitute Bill

- Provides that a real estate appraiser license not renewed within one year of expiration is inactive.
- Allows for reinstatement of a license within eight years of inactive status under certain circumstances.
- Prohibits reinstatement of trainee registration.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: Do pass. Signed by 10 members: Representatives Kirby, Chair; Reeves, Vice Chair; Vick, Ranking Minority Member; Hoff, Assistant Ranking Minority Member; Barkis, Blake, Dufault, Santos, Volz and Ybarra.

Staff: Serena Dolly (786-7150).

Background:

Washington Certified Real Estate Appraiser Act.

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.

Real estate appraisers estimate the value of real property. Under the Washington Certified Real Estate Appraiser Act (Act), the Department of Licensing (DOL) certifies and licenses real estate appraisers. The Act prohibits a person from receiving compensation for appraisal services unless certified or licensed by the state.

Types of Credentials.

The Act authorizes four types of credentials issued to real estate appraisers, from highest to lowest education and experience requirements:

- state-licensed real estate appraiser;
- state-certified residential real estate appraiser;
- state-certified general real estate appraiser; and
- state-registered appraiser trainee.

Each level of licensing and certification authorizes certain types of appraisal work and allowable transaction values. State-registered trainees may only work under the direct supervision of state-certified real estate appraisers.

Expiration of Certificate, License, or Registration.

Each certificate, license, or registration expires on the applicant's second birthday following issuance. To be renewed, the holder must apply and pay the fee no earlier than 120 days before the expiration and demonstrate satisfaction of any continuing education requirements.

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

The DOL must cancel the certificate, license, or registration of any person whose renewal fee is not received within one year from the date of expiration. A person may obtain a new certificate, license, or registration by satisfying the procedures and qualifications for initial certification, licensure, or registration, including the successful completion of any applicable examinations.

Trainee Renewals.

The DOL may issue an original registration as a state-registered real estate appraiser trainee, to be valid for a term not exceeding two years together with a maximum of two renewals, which must be completed within seven years from the original date of registration, unless either period is interrupted by service in the Armed Forces.

Summary of Bill:

A real estate appraiser certificate or license is inactive if not renewed within one year of expiration. Within eight years of the inactive status, the licensee may apply for reinstatement if the person has maintained the continuing education requirements, completed a 15-hour National Uniform Standards of Professional Appraisal Practice (USPAP) course within 180

days before reinstatement, and paid a fee. Licenses not renewed or reinstated within eight years are cancelled.

Trainee registration may not be reinstated; however, the class hours continue to count for licensing purposes for five years, except the 15-hour USPAP course which only counts for two years. Trainee licenses may only be renewed one time if the trainee failed to meet the education and experience requirements necessary to take the written exam.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on September 1, 2020.

Staff Summary of Public Testimony:

(In support) Real estate appraisers must undergo rigorous training and education requirements to be licensed, and it typically takes two or three years to complete the requirements. This bill allows people to take a break for family, medical, or other reasons and then come back into the profession. This change would allow the state to keep good, well-qualified appraisers.

(Opposed) None.

Persons Testifying: Senator Brown, prime sponsor; Robert Mossuto, Appraisers' Coalition of Washington; and Bob Mitchell, Washington REALTORS.

Persons Signed In To Testify But Not Testifying: None.