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**ENGROSSED HOUSE BILL 1797**

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AS AMENDED BY THE SENATE

Passed Legislature - 2023 Regular Session

**State of Washington                      68th Legislature                      2023 Regular Session**

**By** Representatives Cheney, Goodman, Hutchins, and Graham

Read first time 02/08/23.                      Referred to Committee on Consumer Protection & Business.

1            AN ACT Relating to real estate appraisers; amending RCW  
2 18.140.030; adding new sections to chapter 18.140 RCW; and providing  
3 a contingent effective date.

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) A state-licensed appraiser or state-certified appraiser may  
8 perform evaluations for financial institutions. An appraiser  
9 performing evaluations is not engaged in real estate appraisal  
10 activity, requiring compliance with the uniform standards of  
11 professional appraisal practice, when the appraiser includes a  
12 disclaimer as described in subsection (3) of this section.

13            (2) A state-licensed appraiser or state-certified appraiser  
14 engaged to perform an evaluation is still engaged in real estate  
15 appraisal activity and remains under the regulatory authority of the  
16 state of Washington.

17            (3) When completing an evaluation, the appraiser must include a  
18 disclaimer that: (a) Is located immediately above the appraiser's  
19 signature; and (b) includes the following language in at least 10-  
20 point boldface type: "I am a state-licensed appraiser or a state-  
21 certified appraiser. This evaluation was not prepared in my capacity

1 as a real estate appraiser and might not comply with the uniform  
2 standards of professional appraisal practice."

3 (4) As used in this section, "evaluation" means an estimate of  
4 the market value of real property or real estate provided to a  
5 financial institution in conformance with the interagency appraisal  
6 and evaluation guidelines adopted jointly by the federal financial  
7 institution's regulatory agencies for use in real estate-related  
8 financial transactions that do not require an appraisal. Nothing in  
9 this subsection may be construed to excuse a financial institution or  
10 affiliate from complying with the provisions of Title XI of the  
11 federal financial institutions reform, recovery, and enforcement act  
12 of 1989 (12 U.S.C. Sec. 3310 et seq.).

13 **Sec. 2.** RCW 18.140.030 and 2005 c 339 s 4 are each amended to  
14 read as follows:

15 The director shall have the following powers and duties:

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

19 (2) To receive and approve or deny applications for certification  
20 or licensure as a state-certified or state-licensed real estate  
21 appraiser and for registration as a state-registered appraiser  
22 trainee under this chapter; to establish appropriate administrative  
23 procedures for the processing of such applications; to issue  
24 certificates, licenses, or registrations to qualified applicants  
25 pursuant to the provisions of this chapter; and to maintain a roster  
26 of the names and addresses of individuals who are currently  
27 certified, licensed, or registered under this chapter;

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

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

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

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

38 (7) To consider recommendations by the real estate appraiser  
39 commission relating to the experience, education, and examination

1 requirements for each classification of state-certified appraiser and  
2 for licensure;

3 (8) To consider recommendations by the real estate appraiser  
4 commission relating to the educational requirements for the state-  
5 registered appraiser trainee classification;

6 (9) To consider recommendations by the real estate appraiser  
7 commission relating to the maximum number of state-registered  
8 appraiser trainees that each supervisory appraiser will be permitted  
9 to supervise;

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

13 (11) To consider recommendations by the real estate appraiser  
14 commission relating to standards of professional appraisal conduct or  
15 practice in the enforcement of this chapter;

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

19 (13) To establish forms necessary to administer this chapter;

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

33 (15) To do all other things necessary to carry out the provisions  
34 of this chapter and minimally meet the requirements of federal  
35 guidelines regarding state certification or licensure of appraisers  
36 and registration of state-registered appraiser trainees that the  
37 director determines are appropriate for state-certified and state-  
38 licensed appraisers and state-registered appraiser trainees in this  
39 state, except as provided for in section 1 of this act.

1        NEW SECTION.    **Sec. 3.**    A new section is added to chapter 18.140  
2 RCW to read as follows:

3        The department shall adopt administrative rule amendments to  
4 chapter 308-125 WAC that require:

5        (1) Appraisers and appraiser trainees to adhere to the  
6 nondiscrimination and fair housing provisions as provided in the  
7 ethics rule in accordance with the appraisal standards board and the  
8 uniform standards of professional appraisal practice;

9        (2) Appraiser and appraiser trainees to adhere to all education  
10 criteria in accordance with the appraiser qualifications board as  
11 provided in the real property appraiser qualifications criteria.

12        NEW SECTION.    **Sec. 4.**    (1) This act takes effect upon the  
13 adoption of the administrative rules required in section 3 of this  
14 act.

15        (2) The department must provide notice of the effective date of  
16 this section to affected parties, the chief clerk of the house of  
17 representatives, the secretary of the senate, the office of the code  
18 reviser, and others as deemed appropriate by the department.

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