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ENGROSSED HOUSE BILL 1797

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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 residential real estate appraisers being  
2 allowed to complete real property evaluations; amending RCW  
3 18.140.030; adding new sections to chapter 18.140 RCW; and providing  
4 a contingent effective date.

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

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

8 (1) A state-licensed appraiser or state-certified appraiser may  
9 perform evaluations for financial institutions. An appraiser  
10 performing evaluations is not engaged in real estate appraisal  
11 activity when the appraiser includes a disclaimer as described in  
12 subsection (2) of this section and is not subject to the jurisdiction  
13 of the department or commission. The appraiser may choose to comply  
14 with the uniform standards of professional appraisal practice.

15 (2) A state-licensed appraiser or state-certified appraiser  
16 engaged to perform an evaluation is not engaged in real estate  
17 appraisal activity if the evaluation includes a disclaimer that: (a)  
18 Is located immediately above the appraiser's signature; and (b)  
19 includes the following language in at least 10-point boldface type:  
20 "I am a state-licensed appraiser or a state-certified appraiser. This  
21 evaluation was not prepared in my capacity as a real estate appraiser

1 and might not comply with the uniform standards of professional  
2 appraisal practice."

3 (3) As used in this section, "evaluation" means an opinion of the  
4 market value of real property or real estate provided to a financial  
5 institution in conformance with the interagency appraisal and  
6 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.

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

11 The director shall have the following powers and duties:

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

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

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

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

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

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

34 (7) To consider recommendations by the real estate appraiser  
35 commission relating to the experience, education, and examination  
36 requirements for each classification of state-certified appraiser and  
37 for licensure;

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

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

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

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

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

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

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

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

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

1 (1) The department shall adopt rules to:  
2 (a) Require, beginning on January 1, 2024, all initial applicants  
3 for the state-registered appraiser trainee, state-licensed real  
4 estate appraiser, state-certified residential real estate appraiser,  
5 or state-certified general real estate appraiser certification to  
6 complete a seven-hour qualifying course with an examination on the  
7 topics of valuation bias and fair housing laws and regulations as  
8 part of the core modules required for registration, licensure, or  
9 certification pursuant to rules adopted by the director;  
10 (b) Require, prior to January 1, 2025, all holders of an active  
11 or inactive certification, licensure, or registration to complete a  
12 seven-hour continuing education course on the topics of valuation  
13 bias and fair housing laws and regulations as part of the continuing  
14 education requirement pursuant to rules adopted by the director; and  
15 (c) Requiring, beginning January 1, 2026, all holders of an  
16 active or inactive certification, licensure, or registration to  
17 complete a four-hour continuing education course of the topics of  
18 valuation bias and fair housing laws and regulations as part of the  
19 continuing education requirement pursuant to rules adopted by the  
20 director.

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

24 (2) The department must provide written notice of the effective  
25 date of this section to affected parties, the chief clerk of the  
26 house of representatives, the secretary of the senate, the office of  
27 the code reviser, and others as deemed appropriate by the department.

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