
SUBSTITUTE HOUSE BILL 3040

State of Washington 61st Legislature 2010 Regular Session

By House Commerce & Labor (originally sponsored by Representatives Conway, Wood, Appleton, Rolfes, Sells, Sullivan, and Finn)

READ FIRST TIME 02/03/10.

1 AN ACT Relating to the licensing of appraisal management companies;
2 adding a new chapter to Title 18 RCW; reenacting and amending RCW
3 18.235.020; prescribing penalties; and providing an effective date.

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

5 NEW SECTION. **Sec. 1.** INTENT. It is the intent of the legislature
6 that only companies which meet and maintain minimum standards of
7 competence and conduct may provide appraisal management services.

8 NEW SECTION. **Sec. 2.** SHORT TITLE. This chapter may be known and
9 cited as the appraisal management company act.

10 NEW SECTION. **Sec. 3.** DEFINITIONS. The definitions in this
11 section apply throughout this chapter unless the context clearly
12 requires otherwise.

13 (1) "Appraisal" means the act or process of estimating value; an
14 estimate of value; or of pertaining to appraising and related
15 functions.

16 (2) "Appraisal management company" means an entity that performs
17 appraisal management services, regardless of the use of the term

1 appraisal management company, mortgage technology provider, lender
2 processing services, lender services, loan processor, mortgage
3 services, real estate closing services provider, settlement services
4 provider, or vendor management company, or any other term.

5 (3) "Appraisal management services" means to perform any or all of
6 the following functions on behalf of a lender, financial institution,
7 mortgage broker, loan originator, or any other person:

8 (a) Administer an appraiser panel;
9 (b) Recruit, qualify, verify licensing or certification, and
10 negotiate fees and service level expectations with persons who are part
11 of an appraiser panel;

12 (c) Receive an order for an appraisal from one person, or entity,
13 and deliver the order for the appraisal to an appraiser that is part of
14 an appraiser panel for completion;

15 (d) Track and determine the status of appraisal orders;

16 (e) Conduct quality control of a completed appraisal prior to the
17 delivery of the appraisal to the person that ordered the appraisal; and

18 (f) Provide a completed appraisal performed by an appraiser to one
19 or more persons that have ordered an appraisal.

20 (4) "Appraiser" means a person who is licensed or certified under
21 chapter 18.140 RCW or under similar laws of another state.

22 (5) "Appraiser fee schedule" means a list of the various appraisal
23 products requested by an appraisal management company from appraisers
24 and the fees that the appraisal management company is willing to pay an
25 appraiser for the performance of the appraisals.

26 (6) "Appraiser panel" means a network of appraisers who are
27 independent contractors of an appraisal management company that have:

28 (a) Independently applied to or responded to an invitation,
29 request, or solicitation from an appraisal management company to
30 perform appraisals for persons, or entities, that have ordered
31 appraisals through the appraisal management company, or to perform
32 appraisals for the appraisal management company directly, on a periodic
33 basis, as assigned by the appraisal management company; and

34 (b) Been selected, and approved, by an appraisal management company
35 to perform appraisals for a person, or entity, that has ordered an
36 appraisal through the appraisal management company, or to perform
37 appraisals for the appraisal management company directly, on a periodic
38 basis, as assigned by the appraisal management company.

1 (7) "Controlling person" means:

2 (a) An owner, officer, or director of a corporation, partnership,
3 or other business entity seeking to offer appraisal management services
4 in this state;

5 (b) An individual employed, appointed, or authorized by an
6 appraisal management company that has the authority to enter into a
7 contractual relationship with other persons for the performance of
8 appraisal management services and has the authority to enter into
9 agreements with appraisers for the performance of appraisals;

10 (c) An individual who possesses the power to direct or cause the
11 direction of the management or policies of an appraisal management
12 company;

13 (d) Any person who controls a partnership, company, association, or
14 corporation through one or more intermediaries, alone or in concert
15 with others, or a ten percent or greater interest in a partnership,
16 company, association, or corporation; or

17 (e) Any person who controls a limited liability company or is the
18 owner of a sole proprietorship.

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

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

21 NEW SECTION. **Sec. 4.** POWERS AND DUTIES OF DIRECTOR. The director
22 has the following powers and duties:

23 (1) To adopt rules;

24 (2)(a) To approve or deny applications for licensure under this
25 chapter;

26 (b) To establish appropriate administrative procedures for the
27 processing of the applications;

28 (c) To issue licenses to qualified companies under the provisions
29 of this chapter; and

30 (d) To maintain a roster of the names and addresses of companies
31 licensed under this chapter;

32 (3) To employ professional, clerical, and technical assistance as
33 may be necessary to properly administer the work of the director;

34 (4) To establish forms necessary to administer this chapter;

35 (5) To oversee the performance of any background checks;

36 (6) To initiate and oversee investigations and any audits;

37 (7) To establish grounds for disciplinary actions;

1 (8) To adopt fees under RCW 43.24.086; and

2 (9) To do all other things necessary to carry out the provisions of
3 this chapter and minimally meet the requirements of federal and other
4 guidelines regarding appraisal management companies.

5 NEW SECTION. **Sec. 5.** IMMUNITY. The director or individuals
6 acting on behalf of the director are immune from suit in any action,
7 civil or criminal, based on any acts performed in the course of their
8 duties except for their intentional or willful misconduct.

9 NEW SECTION. **Sec. 6.** APPLICATIONS--ORIGINAL AND RENEWAL
10 REGISTRATION. (1) Applications for licensure must be made to the
11 department on forms approved by the director. Applications for
12 original and renewal licenses must include a statement confirming that
13 the company must comply with applicable rules and regulations and that
14 the company understands the penalties for misconduct.

15 (2) The appropriate fees must accompany all applications for
16 original licensure and renewal registration.

17 (3) Each applicant shall file and maintain a surety bond, approved
18 by the director, executed by the applicant as obligor and by a surety
19 company authorized to do a surety business in this state as surety,
20 whose liability as the surety may not exceed in the aggregate the penal
21 sum of the bond. The penal sum of the bond must be a minimum of
22 twenty-five thousand dollars and based on the annual volume of
23 appraisal orders in the state. The bond must run to the state of
24 Washington as obligee for the use and benefit of the state and of any
25 person or persons who may have a cause of action against the obligor
26 under this chapter. The bond must be conditioned that the obligor as
27 licensee will faithfully conform to and abide by this chapter and all
28 the rules adopted under this chapter. The bond will pay to the state
29 and any person or persons having a cause of action against the obligor
30 all moneys that may become due and owing to the state and those persons
31 under and by virtue of this chapter.

32 NEW SECTION. **Sec. 7.** OUT OF STATE COMPANIES--CONSENT FOR SERVICE
33 OF PROCESS. Every company seeking licensure whose headquarters is not
34 based in the state of Washington shall submit, with the application for
35 licensure, an irrevocable consent that service of process upon the

1 controlling person or persons may be made by service on the director
2 if, in an action against the entity in a Washington state court arising
3 out of the entity's activities as an appraisal management company, the
4 plaintiff cannot, in the exercise of due diligence, obtain personal
5 service upon the company.

6 NEW SECTION. **Sec. 8.** LICENSURE--REQUIRED USE OF FULL LEGAL NAME.

7 (1) A license issued under this chapter must bear the signature or
8 facsimile signature of the director and a license number assigned by
9 the director.

10 (2) Each licensed appraisal management company shall place its full
11 legal name on any engagement document issued, including but not limited
12 to requests for bids, requests for appraiser availability, fax orders,
13 e-mail orders, and letters.

14 (3) An appraisal management company licensed in this state shall
15 disclose the full legal name provided to it by the department on all
16 print and electronic advertising, including any electronic advertising
17 or communication via the internet.

18 (4) All appraisal management company full legal names are required
19 to be included on all appraisals ordered by the appraiser management
20 company.

21 NEW SECTION. **Sec. 9.** LICENSURE REQUIRED. (1) It is unlawful for

22 a person to engage or attempt to engage in business as an appraisal
23 management company, to engage or attempt to perform appraisal
24 management services, or to advertise or hold itself out as engaging in
25 or conducting business as an appraisal management company without first
26 obtaining a license issued by the department under this chapter.

27 (2) The license required by subsection (1) of this section must, at
28 a minimum, include the following information:

- 29 (a) Name of the entity seeking licensure;
- 30 (b) Business address of the entity seeking licensure;
- 31 (c) Phone contact information of the entity seeking licensure;
- 32 (d) If the entity is not a corporation that is domiciled in this
33 state, the name and contact information for the company's agent for
34 service of process in this state;
- 35 (e) The name, address, and contact information for any individual

1 or any corporation, partnership, or other business entity that owns ten
2 percent or more of the appraisal management company;

3 (f) The name, address, and contact information for a controlling
4 person;

5 (g) A certification that the entity has a system and process in
6 place to verify that a person being added to the appraiser panel of the
7 appraisal management company holds a license or certificate in good
8 standing under chapter 18.140 RCW;

9 (h) A certification that the entity has a system in place to review
10 the work of appraisers that are performing real estate appraisal
11 services on a periodic basis and to require that the real estate
12 appraisal services are being conducted in accordance with chapter
13 18.140 RCW and other applicable state and federal laws;

14 (i) A certification that the entity maintains a detailed record of
15 each service request that it receives and the appraiser that performs
16 the real estate appraisal services under section 14 of this act;

17 (j) A certification that the entity maintains a complete copy of
18 the completed appraisal report performed as a part of any request, for
19 a minimum period of five years, seven years if the property or the
20 appraisal becomes involved in any litigation, under uniform standards
21 of professional appraisal practice provisions, and that the appraisals
22 must be provided to the department upon demand;

23 (k) An irrevocable uniform consent to service of process, under
24 section 7 of this act; and

25 (l) Any other information required by the department.

26 NEW SECTION. **Sec. 10.** OWNER REQUIREMENTS. (1) An appraisal
27 management company may not be more than ten percent owned by:

28 (a) A person who has had a license or certificate to act as an
29 appraiser refused, denied, canceled, or revoked in any state; or

30 (b) An entity that is more than ten percent owned by any person who
31 has had a license or certificate to act as an appraiser refused,
32 denied, canceled, or revoked in any state.

33 (2)(a) Each person that owns more than ten percent of an appraisal
34 management company must:

35 (i) Be of good moral character, as determined by the department;
36 and

1 (ii) Submit to a background investigation, as determined by the
2 department.

3 (b) Each appraisal management company applying for a license in
4 this state shall certify to the department that it has reviewed each
5 and every individual or entity that owns more than ten percent of the
6 appraisal management company and that no entity that owns more than ten
7 percent of the appraisal management company is more than ten percent
8 owned by any person that has had a license or certificate to act as an
9 appraiser refused, denied, canceled, or revoked.

10 NEW SECTION. **Sec. 11.** CONTROLLING PERSON REQUIREMENTS. (1)(a) An
11 appraisal management company shall designate one controlling person
12 that will be the main contact for all communication between the
13 department and the appraisal management company.

14 (b) Should the controlling person change, the appraisal management
15 company must notify the director within fourteen days and provide the
16 name and contact information of the new controlling person.

17 (2) The controlling person designated pursuant to subsection (1) of
18 this section shall:

19 (a) Have never had a license or certificate to act as an appraiser
20 surrendered in lieu of disciplinary action, refused, denied, canceled,
21 or revoked in any state;

22 (b) Be of good moral character, as determined by the department;
23 and

24 (c) Submit to any background investigation, as determined by the
25 department.

26 NEW SECTION. **Sec. 12.** EMPLOYEE REQUIREMENTS. (1) An appraisal
27 management company may not employ as an appraiser or review appraiser:

28 (a) Any person who has ever had a license or certificate to act as
29 an appraiser in this state, or in any other state, surrendered in lieu
30 of disciplinary action, refused, denied, canceled, or revoked;

31 (b) Any person who is under indictment for, or has been convicted
32 of, an offense that reflects adversely upon the applicant's integrity,
33 competence or fitness to meet the responsibilities of an approved
34 mortgagee;

35 (c) Any person who has been convicted of, or who has pled guilty or

1 nolo contendere to, a felony related to participation in the real estate
2 or mortgage loan industry:

3 (i) During the seven-year period preceding the date of the
4 application for licensing and registration; or

5 (ii) At any time preceding the date of application, if the felony
6 involved an act of fraud, dishonesty, or a breach of trust, or money
7 laundering;

8 (d) Any person who is in violation of chapter 19.146 or 30.04 RCW;
9 or

10 (e) Any person who is in violation of any other requirement as
11 established by the director.

12 (2) An appraisal management company may not:

13 (a) Enter into any independent contractor arrangement, whether in
14 verbal, written, or other form, with any person who has ever had a
15 license or certificate to act as an appraiser in this state, or in any
16 other state, surrendered in lieu of disciplinary action, refused,
17 denied, canceled, or revoked; and

18 (b) Knowingly enter into any contract, agreement, or other business
19 relationship, whether in verbal, written, or other form, with any
20 entity that employs, has entered into an independent contractor
21 arrangement, or has entered into any contract, agreement, or other
22 business relationship, whether in verbal, written, or any other form,
23 with any person who has ever had a license or certificate to act as an
24 appraiser in this state or in any other state surrendered in lieu of
25 disciplinary action, refused, denied, canceled, or revoked.

26 (3) Any employee of the appraisal management company, or any
27 contractor working in any capacity on behalf of the appraisal
28 management company, that has any involvement in the actual performance
29 of appraisal services, or review and analysis of completed appraisals
30 must be a state licensed or state certified appraiser in the state in
31 which the property is located, and must have geographic and product
32 competence according to uniform standards of professional appraisal
33 practice. Employees completing appraisal reviews must have a minimum
34 of five years' appraisal experience.

35 NEW SECTION. **Sec. 13.** EXEMPTIONS. The provisions of this chapter
36 do not apply to the following:

1 (1) A person that exclusively employs persons on an employer and
2 employee basis for the performance of appraisals, and the employer is
3 responsible for ensuring that the appraisals are performed according to
4 chapter 18.140 RCW and other applicable state and federal laws;

5 (2) A department or unit within a financial institution that is
6 subject to direct regulation by an agency of the United States
7 government, or to regulation by an agency of this state, that receives
8 a request for the performance of an appraisal from one employee of the
9 financial institution, and another employee of the same financial
10 institution assigns the request for the appraisal to an appraiser that
11 is part of an appraiser panel;

12 (3) An appraiser that enters into an agreement, whether written or
13 otherwise, with another appraiser for the performance of an appraisal,
14 and upon completion of the appraisal, the report of the appraiser
15 performing the appraisal is signed by both the appraiser who completed
16 the appraisal and the appraiser who requested the completion of the
17 appraisal.

18 NEW SECTION. **Sec. 14.** RECORDKEEPING. An appraisal management
19 company must certify to the department on initial application and upon
20 renewal, that it maintains a detailed record of each service request
21 that it receives and the appraiser that performs the appraisal for the
22 appraisal management company. This statement must also certify that
23 the appraisal management company maintains a complete copy of the
24 completed appraisal report, for a minimum period of not less than five
25 years after the appraisal is completed, nor for a period of not less
26 than two years after final disposition of a judicial proceeding in
27 which testimony relating to the records was given, whichever period
28 expires later.

29 NEW SECTION. **Sec. 15.** ADJUDICATION OF DISPUTES BETWEEN AN
30 APPRAISAL MANAGEMENT COMPANY AND AN APPRAISER. (1) Except within the
31 first thirty days after an appraiser is first added to the appraiser
32 panel of an appraisal management company and in circumstances when an
33 appraiser is removed from a panel for substandard performance or
34 administrative purposes, an appraisal management company may not remove
35 an appraiser from its appraiser panel, or otherwise refuse to assign
36 requests for real estate appraisal services to an appraiser without:

1 (a) Notifying the appraiser in writing of the reasons why the
2 appraiser is being removed from the appraiser panel of the appraisal
3 management company, including if the appraiser is being removed from
4 the panel for illegal conduct, violation of uniform standards of
5 professional appraisal practice, or a violation of state licensing
6 standards, the nature of the alleged conduct or violation; and

7 (b) Providing an opportunity for the appraiser to respond to the
8 notification of the appraisal management company.

9 (2) An appraiser that is removed from the appraiser panel of an
10 appraisal management company for alleged illegal conduct or a violation
11 of state licensing standards, may file a complaint with the department
12 for a review of the decision of the appraisal management company,
13 except that in no case may the department make any determination
14 regarding the nature of the business relationship between the appraiser
15 and the appraisal management company which is unrelated to the actions
16 specified in subsection (1) of this section.

17 (3) If an appraiser files a complaint against an appraisal
18 management company pursuant to subsection (2) of this section, the
19 department may investigate the complaint within one hundred eighty
20 days.

21 (4) If after opportunity for hearing and review, the department
22 determines that an appraiser did not commit a violation of law or a
23 violation of state licensing standards, the department shall order that
24 an appraiser be restored to the appraiser panel of the appraisal
25 management company that was the subject of the complaint without
26 prejudice.

27 (5) Following the adjudication of a complaint to the department by
28 an appraiser against an appraisal management company, an appraisal
29 management company may not refuse to make assignments for real estate
30 appraisal services to an appraiser, or reduce the number of
31 assignments, or otherwise penalize the appraiser because of the
32 adjudicated complaint, if the department has found that the appraisal
33 management company acted improperly in removing the appraiser from the
34 appraiser panel.

35 NEW SECTION. **Sec. 16.** DISCIPLINARY ACTIONS--GROUNDS. (1) In
36 addition to the unprofessional conduct described in RCW 18.235.130, the

1 director may take disciplinary action for the following conduct, acts,
2 or conditions:

3 (a) Failing to meet the minimum qualifications for licensure
4 established by or pursuant to this chapter;

5 (b) Paying money other than the fees provided for by this chapter
6 to any employee of the director to procure licensure under this
7 chapter;

8 (c) Failing to pay appraisers no later than thirty days after the
9 loan closing documents or forty-five days after completion of the
10 appraisal service, whichever comes first, unless otherwise agreed or
11 unless the appraiser has been notified in writing that a bona fide
12 dispute exists regarding the performance or quality of the appraisal
13 service;

14 (d) Failing to pay appraisers even if the appraisal management
15 company is not paid by its client;

16 (e) Coercing, extorting, colluding, compensating, instructing,
17 inducing, intimidating, bribing an appraiser, or in any other manner
18 including:

19 (i) Withholding or threatening to withhold timely payment for an
20 appraisal;

21 (ii) Requiring the appraiser to remit a portion of the appraisal
22 fee back to the appraisal management company;

23 (iii) Withholding or threatening to withhold future business for,
24 or demoting or terminating or threatening to demote or terminate, an
25 appraiser;

26 (iv) Expressly or impliedly promising future business, promotions,
27 or increased compensation for an appraiser;

28 (v) Conditioning the request for an appraisal or the payment of an
29 appraisal fee or salary or bonus on the opinion, conclusion, or
30 valuation to be reached, or on a preliminary estimate or opinion
31 requested from an appraiser;

32 (vi) Requesting that an appraiser provide an estimated,
33 predetermined, or desired valuation in an appraisal report, or provide
34 estimated values or comparable sales at any time prior to the
35 appraiser's completion of an appraisal;

36 (vii) Providing to an appraiser an anticipated, estimated,
37 encouraged, or desired value for a subject property or a proposed or

1 target amount to be loaned to the borrower, except that a copy of the
2 sales contract for purchase transactions must be provided to the
3 appraiser;

4 (viii) Providing to an appraiser, or any entity or person related
5 to the appraiser, stock or other financial or nonfinancial benefits;

6 (ix) Allowing the removal of an appraiser from an appraiser panel,
7 without prior written notice to such appraiser and the reasons or basis
8 for removal, which notice shall include written evidence of the
9 appraiser's illegal or unprofessional conduct, violation of uniform
10 standards of professional appraisal practice or state licensing
11 standards, or other substantive reason for removal;

12 (x) Obtaining, using, or paying for a second or subsequent
13 appraisal or ordering an automated valuation model in connection with
14 a mortgage financing transaction unless there is a reasonable basis to
15 believe that the initial appraisal was flawed or tainted and such basis
16 is clearly and appropriately noted in the loan file, or unless such
17 appraisal or automated valuation model is done pursuant to a bona fide
18 prefunding or postfunding appraisal review or quality control process;
19 or

20 (xi) Any other act or practice that impairs or attempts to impair
21 an appraiser's independence, objectivity, or impartiality, or that
22 violates law or regulation including, but not limited to, uniform
23 standards of professional practice, the truth in lending act, or
24 Regulation Z;

25 (f) Altering, modifying, or otherwise changing a completed
26 appraisal report submitted by an appraiser;

27 (g) Copying and using the appraiser's signature for any purpose or
28 in any other report;

29 (h) Extracting, copying, or using only a portion of the appraisal
30 report without reference to the entire report;

31 (i) Prohibiting or attempting to prohibit the inclusion of the
32 signature on an appraisal report of a state-registered appraisal
33 trainee if the report is also signed by the supervisory appraiser;

34 (j) Prohibiting or attempting to prohibit the appraiser from
35 including or referencing the appraisal fee, the appraisal management
36 company name or identity, or the client's or lender's name or identity
37 in the appraisal report;

1 (k) Knowingly requiring an appraiser to prepare an appraisal
2 report, engaging an appraiser to perform an appraisal, or accepting an
3 appraisal from an appraiser who does not have either the geographic
4 competence or necessary expertise to complete the appraisal;

5 (l) Knowingly requiring an appraiser to prepare an appraisal report
6 under such a limited time frame when the appraiser, in the appraiser's
7 own professional judgment, has informed the appraisal management
8 company that it does not afford the appraiser the ability to meet all
9 relevant legal and professional obligations or provide a credible
10 opinion of value for the property being appraised;

11 (m) Requiring, or attempting to require, an appraiser to modify an
12 appraisal report except as permitted under subsection (2)(a) or (b) of
13 this section;

14 (n) Prohibiting, or attempting to prohibit, or inhibiting
15 reasonable legal or other allowable communication between the appraiser
16 and:

17 (i) The lender;

18 (ii) A real estate licensee;

19 (iii) A property owner; or

20 (iv) Any other party or person from whom the appraiser, in the
21 appraiser's own professional judgment, believes information would be
22 relevant or pertinent in completing the appraisal;

23 (o) Knowingly requiring or attempting to require the appraiser to
24 do anything that violates chapter 18.140 RCW or other applicable state
25 and federal laws or with any allowable assignment conditions or
26 certifications required by the client;

27 (p) Prohibiting or refusing to allow, or attempting to prohibit or
28 refuse to allow, the transfer of an appraisal from one lender to
29 another lender if the lenders are allowed to transfer an appraisal
30 under applicable federal law; or

31 (q) Violating this chapter.

32 (2) Nothing in subsection (1) of this section may be construed as
33 prohibiting the appraisal management company from requesting that an
34 appraiser:

35 (a) Provide additional information about the basis for a valuation;
36 or

37 (b) Correct objective factual errors in an appraisal report.

1 NEW SECTION. **Sec. 17.** ACTING WITHOUT REGISTRATION--PENALTY. Any
2 person or entity acting as an appraisal management company without a
3 registration that is currently valid is guilty of a misdemeanor.

4 NEW SECTION. **Sec. 18.** VIOLATIONS--INVESTIGATIONS. The director
5 may investigate the actions of a licensed appraisal management company.
6 Upon receipt of information indicating that a licensed appraisal
7 management company under this chapter may have violated this chapter,
8 the director may cause one or more staff investigators to make an
9 investigation of the facts to determine whether or not there is
10 admissible evidence of any violation.

11 NEW SECTION. **Sec. 19.** DUTIES OF ATTORNEY GENERAL. The attorney
12 general shall render to the director opinions upon all questions of law
13 relating to the construction or interpretation of this chapter, or
14 arising in the administration thereof that may be submitted by the
15 director, and shall act as attorney for the director in all actions and
16 proceedings brought by or against the director under or pursuant to any
17 provisions of this chapter.

18 NEW SECTION. **Sec. 20.** BACKGROUND INVESTIGATIONS. Background
19 investigations under this chapter consist of fingerprint-based
20 background checks through the Washington state patrol criminal
21 identification system and through the federal bureau of investigation.
22 The applicant is required to pay the current federal and state fees for
23 fingerprint-based criminal history background checks. The applicant
24 shall submit the fingerprints and required fees for the background
25 checks to the department for submission to the Washington state patrol.

26 NEW SECTION. **Sec. 21.** APPRAISAL MANAGEMENT COMPANY ACCOUNT. The
27 appraisal management company account is created in the state treasury.
28 All fees and penalties under this chapter must be paid to the account.
29 Moneys in the account may be spent only after appropriation.
30 Expenditures from the account may be used only for expenses incurred in
31 carrying out the provisions of this chapter. Any residue in the
32 account shall be accumulated and shall not revert to the general fund
33 at the end of the biennium.

1 NEW SECTION. **Sec. 22.** UNIFORM REGULATION OF BUSINESS AND
2 PROFESSIONS ACT. The uniform regulation of business and professions
3 act, chapter 18.235 RCW, governs unlicensed practice, the issuance and
4 denial of licenses, and the discipline of licensees under this chapter.

5 NEW SECTION. **Sec. 23.** The department of licensing shall, within
6 existing resources, convene a stakeholder group to determine how fees
7 charged by appraisal management companies and appraisers should be
8 charged and disclosed.

9 **Sec. 24.** RCW 18.235.020 and 2009 c 412 s 22, 2009 c 370 s 20, and
10 2009 c 102 s 5 are each reenacted and amended to read as follows:

11 (1) This chapter applies only to the director and the boards and
12 commissions having jurisdiction in relation to the businesses and
13 professions licensed under the chapters specified in this section.
14 This chapter does not apply to any business or profession not licensed
15 under the chapters specified in this section.

16 (2)(a) The director has authority under this chapter in relation to
17 the following businesses and professions:

- 18 (i) Auctioneers under chapter 18.11 RCW;
- 19 (ii) Bail bond agents and bail bond recovery agents under chapter
20 18.185 RCW;
- 21 (iii) Camping resorts' operators and salespersons under chapter
22 19.105 RCW;
- 23 (iv) Commercial telephone solicitors under chapter 19.158 RCW;
- 24 (v) Cosmetologists, barbers, manicurists, and estheticians under
25 chapter 18.16 RCW;
- 26 (vi) Court reporters under chapter 18.145 RCW;
- 27 (vii) Driver training schools and instructors under chapter 46.82
28 RCW;
- 29 (viii) Employment agencies under chapter 19.31 RCW;
- 30 (ix) For hire vehicle operators under chapter 46.72 RCW;
- 31 (x) Limousines under chapter 46.72A RCW;
- 32 (xi) Notaries public under chapter 42.44 RCW;
- 33 (xii) Private investigators under chapter 18.165 RCW;
- 34 (xiii) Professional boxing, martial arts, and wrestling under
35 chapter 67.08 RCW;
- 36 (xiv) Real estate appraisers under chapter 18.140 RCW;

1 (xv) Real estate brokers and salespersons under chapters 18.85 and
2 18.86 RCW;

3 (xvi) Security guards under chapter 18.170 RCW;

4 (xvii) Sellers of travel under chapter 19.138 RCW;

5 (xviii) Timeshares and timeshare salespersons under chapter 64.36
6 RCW;

7 (xix) Whitewater river outfitters under chapter 79A.60 RCW; (~~and~~)

8 (xx) Home inspectors under chapter 18.280 RCW; (~~and~~)

9 (xxi) Body artists, body piercers, and tattoo artists, and body
10 art, body piercing, and tattooing shops and businesses, under chapter
11 18.300 RCW; and

12 (xxii) Appraisal management companies under chapter 18.-- RCW (the
13 new chapter created in section 26 of this act).

14 (b) The boards and commissions having authority under this chapter
15 are as follows:

16 (i) The state board of registration for architects established in
17 chapter 18.08 RCW;

18 (ii) The Washington state collection agency board established in
19 chapter 19.16 RCW;

20 (iii) The state board of registration for professional engineers
21 and land surveyors established in chapter 18.43 RCW governing licenses
22 issued under chapters 18.43 and 18.210 RCW;

23 (iv) The funeral and cemetery board established in chapter 18.39
24 RCW governing licenses issued under chapters 18.39 and 68.05 RCW;

25 (v) The state board of licensure for landscape architects
26 established in chapter 18.96 RCW; and

27 (vi) The state geologist licensing board established in chapter
28 18.220 RCW.

29 (3) In addition to the authority to discipline license holders, the
30 disciplinary authority may grant or deny licenses based on the
31 conditions and criteria established in this chapter and the chapters
32 specified in subsection (2) of this section. This chapter also governs
33 any investigation, hearing, or proceeding relating to denial of
34 licensure or issuance of a license conditioned on the applicant's
35 compliance with an order entered under RCW 18.235.110 by the
36 disciplinary authority.

1 NEW SECTION. **Sec. 25.** SEVERABILITY. If any provision of this act
2 or its application to any person or circumstance is held invalid, the
3 remainder of the act or the application of the provision to other
4 persons or circumstances is not affected.

5 NEW SECTION. **Sec. 26.** Sections 1 through 23 and 25 of this act
6 constitute a new chapter in Title 18 RCW.

7 NEW SECTION. **Sec. 27.** This act takes effect July 1, 2012.

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