
SUBSTITUTE HOUSE BILL 1860

State of Washington

54th Legislature

1995 Regular Session

By House Committee on Financial Institutions & Insurance (originally sponsored by Representatives L. Thomas, Goldsmith and Robertson)

Read first time 03/01/95.

1 AN ACT Relating to real estate appraisers; amending RCW 18.140.005,
2 18.140.010, 18.140.020, 18.140.030, 18.140.060, 18.140.090, 18.140.120,
3 18.140.130, 18.140.140, 18.140.150, 18.140.160, 18.140.170, and
4 18.140.180; adding new sections to chapter 18.140 RCW; adding a new
5 section to chapter 50.04 RCW; repealing RCW 18.140.085; prescribing
6 penalties; providing effective dates; and declaring an emergency.

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

8 **Sec. 1.** RCW 18.140.005 and 1993 c 30 s 1 are each amended to read
9 as follows:

10 It is the intent of the legislature that only individuals who meet
11 and maintain minimum standards of competence and conduct (~~may~~
12 provide) established under this chapter for certified or licensed real
13 estate appraisers may provide real estate appraisal services to the
14 public. It is further the intent of the legislature to provide for
15 proper training of new appraisers through the implementation of the
16 trainee real property appraiser program.

17 **Sec. 2.** RCW 18.140.010 and 1993 c 30 s 2 are each amended to read
18 as follows:

1 As used in this chapter, the following terms have the meanings
2 indicated unless the context clearly requires otherwise.

3 (1) ~~"Appraisal" ((or "real estate appraisal")) means ((an analysis,~~
4 ~~opinion, or conclusion relating to the nature, quality, value, or~~
5 ~~utility of specified interests in, or aspects of, identified real~~
6 ~~estate, for or in expectation of compensation. An appraisal may be~~
7 ~~classified by subject matter into either a valuation or an analysis.~~
8 ~~A "valuation" is an estimate of the value of real estate or real~~
9 ~~property. An "analysis" is a study of real estate or real property~~
10 ~~other than estimating value)) the act or process of estimating value;~~
11 ~~an estimate of value; or of or pertaining to appraising and related~~
12 ~~functions.~~

13 (2) "Appraisal report" means any communication, written or oral, of
14 an appraisal, ~~((except that all appraisal reports in federally related~~
15 ~~transactions are required to be written reports)) review, or consulting~~
16 ~~service in accordance with the standards of professional conduct or~~
17 ~~practice, adopted by the director, that is transmitted to the client~~
18 ~~upon completion of an assignment.~~

19 (3) "Appraisal assignment" means an engagement for which an
20 appraiser is employed or retained to act, or would be perceived by
21 third parties or the public as acting, as a disinterested third party
22 in rendering an unbiased analysis, opinion, or conclusion relating to
23 the ~~((nature, quality,)) value((, or utility)) of specified interests~~
24 in, or aspects of, identified real estate. The term "appraisal
25 assignment" may apply to valuation work and analysis work.

26 (4) "Brokers price opinion" means an oral or written report of
27 property value that is prepared by a real estate broker or salesperson
28 licensed under chapter 18.85 RCW for listing, sale, purchase, or rental
29 purposes.

30 (5) "Certified appraisal" means an appraisal prepared or signed by
31 a state-certified real estate appraiser. A certified appraisal
32 represents to the public that it meets the appraisal standards defined
33 in this chapter.

34 ~~((+5)) (6) "Client" means any party for whom an appraiser performs~~
35 ~~a service.~~

36 (7) "Committee" means the real estate appraiser advisory committee
37 of the state of Washington.

38 ~~((+6)) (8) "Comparative market analysis" means a brokers price~~
39 ~~opinion.~~

1 (9) "Department" means the department of licensing.

2 (~~(7)~~) (10) "Director" means the director of the department of
3 licensing.

4 (~~(8)~~) (11) "Expert review appraiser" means a state-certified or
5 state-licensed real estate appraiser chosen by the director for the
6 purpose of providing appraisal review assistance to the director.

7 (12) "Federal department" means an executive department of the
8 United States of America specifically concerned with housing finance
9 issues, such as the department of housing and urban development, the
10 department of veterans affairs, or their legal federal successors.

11 (13) "Federal financial institutions regulatory agency" means the
12 board of governors of the federal reserve system, the federal deposit
13 insurance corporation, the office of the comptroller of the currency,
14 the office of thrift supervision, the national credit union
15 administration, their successors and/or such other agencies as may be
16 named in future amendments to 12 U.S.C. Sec. 3350(6).

17 (14) "Federal secondary mortgage marketing agency" means the
18 federal national mortgage association, the government national mortgage
19 association, the federal home loan mortgage corporation, their
20 successors and/or such other similarly functioning housing finance
21 agencies as may be federally chartered in the future.

22 (15) "Financial institution" means any person doing business under
23 the laws of this state or the United States relating to banks, bank
24 holding companies, savings banks, trust companies, savings and loan
25 associations, credit unions, consumer loan companies, and the
26 affiliates, subsidiaries, and service corporations thereof.

27 (16) "Licensed appraisal" means an appraisal prepared or signed by
28 a state-licensed real estate appraiser. A licensed appraisal
29 represents to the public that it meets the appraisal standards defined
30 in this chapter.

31 (~~(9)~~) (17) "Mortgage broker" for the purpose of this chapter
32 means a mortgage broker licensed under chapter 19.146 RCW, any mortgage
33 broker approved and subject to audit by the federal national mortgage
34 association, the government national mortgage association, or the
35 federal home loan mortgage corporation as provided in RCW 19.146.020,
36 any mortgage broker approved by the United States secretary of housing
37 and urban development for participation in any mortgage insurance under
38 the national housing Act, 12 U.S.C. Sec. 1201, and the affiliates,
39 subsidiaries, and service corporations thereof.

1 (18) "Real estate" means an identified parcel or tract of land,
2 including improvements, if any.

3 (~~(10)~~) (19) "Real property" means one or more defined interests,
4 benefits, or rights inherent in the ownership of real estate.

5 (~~(11)~~) (20) "Review" means the act or process of critically
6 studying an appraisal report prepared by another.

7 (21) "Specialized appraisal services" means all appraisal services
8 which do not fall within the definition of appraisal assignment. The
9 term "specialized appraisal service" may apply to valuation work and to
10 analysis work. Regardless of the intention of the client or employer,
11 if the appraiser would be perceived by third parties or the public as
12 acting as a disinterested third party in rendering an unbiased
13 analysis, opinion, or conclusion, the work is classified as an
14 appraisal assignment and not a specialized appraisal service.

15 (~~(12)~~) (22) "State-certified general real estate appraiser" means
16 a person certified by the director to develop and communicate real
17 estate appraisals of all types of property. A state-certified general
18 real estate appraiser may designate or identify an appraisal rendered
19 by him or her as a "certified appraisal."

20 (~~(13)~~) (23) "State-certified residential real estate appraiser"
21 means a person certified by the director to develop and communicate
22 real estate appraisals of all types of residential property of one to
23 four units without regard to transaction value or complexity and
24 nonresidential property having a transaction value as specified in
25 rules adopted by the director. A state certified residential real
26 estate appraiser may designate or identify an appraisal rendered by him
27 or her as a "certified appraisal."

28 (~~(14)~~) (24) "State-licensed real estate appraiser" means a person
29 licensed by the director to develop and communicate real estate
30 appraisals of noncomplex one to four residential units and complex one
31 to four residential units and nonresidential property having
32 transaction values as specified in rules adopted by the director.

33 (25) "Supervising appraiser" means either a state-certified real
34 estate appraiser or a state-licensed real estate appraiser providing
35 direct supervision to another appraiser certified, licensed, or
36 registered under this chapter.

37 (26) "Trainee real property appraiser" means a person who is not
38 certified or licensed under this chapter but is registered by the
39 director, prior to the commencement of such activity, to assist in the

1 development and communication of real estate appraisals for the purpose
2 of gaining experience consistent with the purpose of this chapter
3 concerning those types of properties that the supervising appraiser is
4 permitted to appraise.

5 **Sec. 3.** RCW 18.140.020 and 1993 c 30 s 3 are each amended to read
6 as follows:

7 (1) No person other than a state-certified or state-licensed real
8 estate appraiser may receive compensation of any form for a real estate
9 appraisal or an appraisal review, except that a state-registered
10 trainee real property appraiser may receive compensation from one or
11 more supervising appraisers or the supervising appraiser's employer.

12 (2) No person, other than a state-certified or state-licensed real
13 estate appraiser or a state-registered trainee real property appraiser,
14 may assume or use that title or any title, designation, or abbreviation
15 likely to create the impression of certification, registration, or
16 licensure as a real estate appraiser by this state.

17 (3) A person who is not certified or licensed under this chapter
18 shall not ((describe or refer to)) prepare any appraisal of real estate
19 located in this state ((by the term "certified" or "licensed."

20 ~~(2) This section does not preclude a person who is not certified or~~
21 ~~licensed as a state-certified or state-licensed real estate appraiser~~
22 ~~from appraising real estate in this state for compensation, except in~~
23 ~~federally related transactions requiring licensure or certification to~~
24 ~~perform appraisal services)), except as provided under subsection (1)~~
25 of this section.

26 (4) No person, other than a person holding a currently valid
27 registration as a trainee real property appraiser issued by the
28 director may assume or use that title or any title, designation, or
29 abbreviation likely to create the impression of trainee status as a
30 real estate appraiser by this state.

31 (5) A person who is not registered as a trainee real property
32 appraiser under this chapter shall not indicate participation in the
33 preparation of or prepare any appraisal of real estate located in this
34 state.

35 (6) This section does not preclude a staff employee of a
36 governmental entity from performing an appraisal or an appraisal
37 assignment within the scope of her or his employment insofar as the
38 performance of official duties for the governmental entity are

1 concerned. Such an activity for the benefit of the governmental entity
2 is exempt from the requirements of this chapter.

3 (7) This section does not preclude an individual person licensed by
4 the state of Washington as a real estate broker or as a real estate
5 salesperson and who performs a brokers price opinion as a service to a
6 prospective seller, buyer, lessor, or lessee as the only intended user,
7 and not for dissemination to a third party, within the scope of their
8 employment or agency. Such an activity for the sole benefit of the
9 prospective seller, buyer, lessor, or lessee is exempt from the
10 requirements of this chapter.

11 (8) This section does not apply to an appraisal or an appraisal
12 review performed for a financial institution or mortgage broker,
13 whether conducted by an employee or third party, when such appraisal or
14 appraisal review is not required to be performed by a state-certified
15 or state-licensed real estate appraiser by the appropriate federal
16 financial institutions regulatory agency.

17 (9) This section does not apply to a certified public accountant,
18 as defined in RCW 18.04.025, who evaluates real property in the normal
19 scope of his or her professional services.

20 **Sec. 4.** RCW 18.140.030 and 1993 c 30 s 4 are each amended to read
21 as follows:

22 The director shall have the following powers and duties:

23 (1) To adopt rules in accordance with chapter 34.05 RCW necessary
24 to implement this chapter;

25 (2) To receive and approve or deny applications for certification
26 or licensure as a state-certified or state-licensed real estate
27 appraiser under this chapter; to establish appropriate administrative
28 procedures for the processing of such applications; to issue
29 certificates or licenses to qualified applicants pursuant to the
30 provisions of this chapter; and to maintain a register of the names and
31 addresses of individuals who are currently certified or licensed under
32 this chapter;

33 (3) To establish, provide administrative assistance, and appoint
34 the members for the real estate appraiser advisory committee to enable
35 the committee to act in an advisory capacity to the director;

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

- 1 (5) To administer or contract for administration of certification
2 or licensure examinations at locations and times as may be required to
3 carry out the responsibilities under this chapter;
- 4 (6) To enter into contracts for professional services determined to
5 be necessary for adequate enforcement of this chapter;
- 6 (7) To consider recommendations by the real estate appraiser
7 advisory committee relating to the experience, education, and
8 examination requirements for each classification of state-certified
9 appraiser and for licensure;
- 10 (8) To impose continuing education requirements as a prerequisite
11 to renewal of certification or licensure;
- 12 (9) To consider recommendations by the real estate appraiser
13 advisory committee relating to standards of professional appraisal
14 practice in the enforcement of this chapter;
- 15 (10) To investigate all complaints or reports of unprofessional
16 conduct as defined in this chapter and to hold hearings as provided in
17 this chapter;
- 18 (11) To establish appropriate administrative procedures for
19 disciplinary proceedings conducted pursuant to the provisions of this
20 chapter;
- 21 (12) To compel the attendance of witnesses and production of books,
22 documents, records, and other papers; to administer oaths; and to take
23 testimony and receive evidence concerning all matters within their
24 jurisdiction. These powers may be exercised directly by the director
25 or the director's authorized representatives acting by authority of
26 law;
- 27 (13) To take emergency action ordering summary suspension of a
28 license or certification pending proceedings by the director;
- 29 (14) To employ such professional, clerical, and technical
30 assistance as may be necessary to properly administer the work of the
31 director;
- 32 (15) To establish forms necessary to administer this chapter;
- 33 (16) To adopt standards of professional conduct or practice;
- 34 ((and))
- 35 (17) To receive and approve or deny applications for registration
36 as a trainee real property appraiser under this chapter; to establish
37 appropriate administrative procedures for the processing of such
38 applications; to issue registration to qualified applicants pursuant to
39 the provisions of this chapter; and to maintain a register of the names

1 and addresses of individuals who currently hold valid registration
2 under this chapter;

3 (18) To establish an expert review appraiser roster comprised of
4 state-certified or licensed real estate appraisers whose purpose is to
5 assist the director by applying their individual expertise by reviewing
6 real estate appraisals for compliance with this chapter.
7 Qualifications to act as an expert review appraiser shall be
8 established by the director with the advice of the committee. An
9 application to serve as an expert review appraiser shall be submitted
10 to the real estate appraiser program, and the roster of accepted expert
11 review appraisers shall be maintained by the department. An expert
12 review appraiser may be added to or deleted from that roster by the
13 director. The expert review appraiser shall be reimbursed for expenses
14 in the same manner as the department reimburses the committee; and

15 (19) To do all other things necessary to carry out the provisions
16 of this chapter and minimally meet the requirements of federal
17 guidelines regarding state certification or licensure of appraisers
18 that the director determines are appropriate for state-certified and
19 state-licensed appraisers in this state.

20 **Sec. 5.** RCW 18.140.060 and 1993 c 30 s 6 are each amended to read
21 as follows:

22 (1) Applications for examinations, original certification ~~((or))~~,
23 licensure, or registration, and renewal certification ~~((or))~~,
24 licensure, or registration shall be made in writing to the department
25 on forms approved by the director. Applications for original and
26 renewal certification ~~((or))~~, licensure, or a registration shall
27 include a statement confirming that the applicant shall comply with
28 applicable rules and regulations and that the applicant understands the
29 penalties for misconduct.

30 (2) The appropriate fees shall accompany all applications for
31 examination, reexamination, original certification ~~((or))~~, licensure,
32 or registration, and renewal certification ~~((or))~~, licensure or
33 registration.

34 **Sec. 6.** RCW 18.140.090 and 1993 c 30 s 9 are each amended to read
35 as follows:

1 (1) As a prerequisite to taking an examination for certification or
2 licensure, an applicant must meet the experience requirements adopted
3 by the director.

4 (2) The preexamination experience claimed by an applicant, and
5 accepted by the department for the purpose of taking the examination,
6 shall remain subject to postlicensure auditing by the department.

7 **Sec. 7.** RCW 18.140.120 and 1993 c 30 s 12 are each amended to read
8 as follows:

9 An applicant for licensure ~~((or))~~, certification, or registration
10 who is currently licensed ~~((or))~~, certified, or registered and in good
11 standing under the laws of another state may obtain ~~((a))~~ an equivalent
12 license ((or)), certificate, or registration as a Washington state-
13 licensed or state-certified real estate or trainee real property
14 appraiser without being required to satisfy the examination
15 requirements of this chapter if: The director determines that the
16 licensure ~~((or))~~, or registration certification requirements are
17 substantially similar to those found in Washington state; and that the
18 other state has a written reciprocal agreement to provide similar
19 treatment to holders of Washington state licenses ~~((and/or))~~,
20 certificates and/or registrations.

21 **Sec. 8.** RCW 18.140.130 and 1993 c 30 s 13 are each amended to read
22 as follows:

23 (1) Each original and renewal license or certificate issued under
24 this chapter shall expire on the applicant's second birthday following
25 issuance of the license or certificate.

26 (2) To be renewed as a state-licensed or state-certified real
27 estate appraiser, the holder of a valid license or certificate shall
28 apply and pay the prescribed fee to the director no earlier than one
29 hundred twenty days prior to the expiration date of the license or
30 certificate and shall demonstrate satisfaction of any continuing
31 education requirements.

32 (3) If a person fails to renew a license or certificate prior to
33 its expiration and no more than ~~((two years have))~~ one year has passed
34 since the person last held a valid license or certificate, the person
35 may obtain a renewal license or certificate by satisfying all of the
36 requirements for renewal and paying late renewal fees.

1 The director shall cancel the license or certificate of any person
2 whose renewal fee is not received within (~~two years~~) one year from
3 the date of expiration. A person may obtain a new license or
4 certificate by satisfying the procedures and qualifications for initial
5 licensure or certification, including the successful completion of any
6 applicable examinations.

7 **Sec. 9.** RCW 18.140.140 and 1993 c 30 s 14 are each amended to read
8 as follows:

9 (1) A license (~~(or)~~), certificate, or registration issued under
10 this chapter shall bear the signature or facsimile signature of the
11 director and a license (~~(or)~~), certificate, or registration number
12 assigned by the director.

13 (2) Each state-licensed or state-certified real estate appraiser
14 shall place his or her license or certificate number adjacent to or
15 immediately below the title "state-licensed real estate appraiser,"
16 "state-certified residential real estate appraiser," or "state-
17 certified general real estate appraiser" when used in an appraisal
18 report or in a contract or other instrument used by the licensee
19 (~~(or)~~), certificate holder, or registration holder in conducting real
20 property appraisal activities, except that the license or certificate
21 number shall not be required to appear when the title is not
22 accompanied by a signature as is typical on such promotional and
23 stationary items as brochures, business cards, forms, or letterhead.

24 (3) Each state-registered trainee real estate appraiser shall place
25 his or her registration number adjacent to or immediately below the
26 title state-registered trainee real estate appraiser when used in an
27 appraisal report and the supervising appraiser shall place his or her
28 certificate number adjacent to or immediately below the title state-
29 certified residential real estate appraiser, or state-certified general
30 real estate appraiser when used in the supervised appraisal report.

31 **Sec. 10.** RCW 18.140.150 and 1993 c 30 s 15 are each amended to
32 read as follows:

33 (1) The term "state-licensed," (~~(or)~~) "state-certified real estate
34 appraiser," or "trainee real property appraiser" may only be used to
35 refer to individuals who hold the license (~~(or)~~), certificate, or
36 registration and may not be used following or immediately in connection
37 with the name or signature of a firm, partnership, corporation, (~~(or)~~)

1 group, or limited liability company, or in such manner that it might be
2 interpreted as referring to a firm, partnership, corporation, group,
3 limited liability company, or anyone other than an individual holder of
4 the license ~~((or))~~, certificate, or registration.

5 (2) No license ~~((or))~~, certificate, or registration may be issued
6 under this chapter to a corporation, partnership, firm, limited
7 liability company, or group. This shall not be construed to prevent a
8 state-licensed or state-certified appraiser from signing an appraisal
9 report on behalf of a corporation, partnership, firm, ~~((or))~~ group
10 practice, or limited liability company, nor shall it be construed to
11 prevent a state-registered trainee real estate appraiser from signing
12 an appraisal report under the supervision of a state-certified real
13 estate appraiser on behalf of a corporation, partnership, firm, group
14 practice, or limited liability company.

15 **Sec. 11.** RCW 18.140.160 and 1993 c 30 s 17 are each amended to
16 read as follows:

17 The director may deny an application for licensure ~~((or))~~,
18 certification, or registration and may ~~((be denied. The director may))~~
19 impose any one or more of the following sanctions against a state-
20 licensed ~~((or))~~, state-certified, or registered appraiser~~((s))~~:
21 Suspend, revoke, or levy a fine not to exceed one thousand dollars for
22 each offense and/or otherwise discipline in accordance with the
23 provisions of this chapter, for any of the following acts or omissions:

24 (1) Failing to meet the minimum qualifications for state licensure
25 ~~((or))~~, certification, or registration established by or pursuant to
26 this chapter;

27 (2) Procuring or attempting to procure state licensure ~~((or))~~,
28 certification, or registration under this chapter by knowingly making
29 a false statement, knowingly submitting false information, or knowingly
30 making a material misrepresentation on any application filed with the
31 director;

32 (3) Paying money other than the fees provided for by this chapter
33 to any employee of the director or the committee to procure state
34 licensure ~~((or))~~, certification, or registration under this chapter;

35 (4) Obtaining a license ~~((or))~~, certification, or registration
36 through the mistake or inadvertence of the director;

37 (5) Conviction of any gross misdemeanor or felony or the commission
38 of any act involving moral turpitude, dishonesty, or corruption whether

1 or not the act constitutes a crime. If the act constitutes a crime,
2 conviction in a criminal proceeding is not a condition precedent to
3 disciplinary action. Upon such a conviction, however, the judgment and
4 sentence is conclusive evidence at the ensuing disciplinary hearing of
5 the guilt of the license ((~~or~~)), certificate, or registration holder or
6 applicant of the crime described in the indictment or information, and
7 of the person's violation of the statute on which it is based. For the
8 purposes of this section, conviction includes all instances in which a
9 plea of guilty or nolo contendere is the basis for the conviction and
10 all proceedings in which the sentence has been deferred or suspended.
11 Nothing in this section abrogates rights guaranteed under chapter 9.96A
12 RCW;

13 (6) Failure or refusal without good cause to exercise reasonable
14 diligence in developing an appraisal, preparing an appraisal report, or
15 communicating an appraisal;

16 (7) Negligence or incompetence in developing an appraisal,
17 preparing an appraisal report, or communicating an appraisal;

18 (8) Continuing to act as a state-licensed or state-certified real
19 estate or trainee real property appraiser when his or her license or
20 certificate is on an expired status;

21 (9) Failing, upon demand, to disclose any information within his or
22 her knowledge to, or to produce any document, book, or record in his or
23 her possession for inspection of the director or the director's
24 authorized representatives acting by authority of law;

25 (10) Violating any provision of this chapter or any lawful rule or
26 regulation made by the director pursuant thereto;

27 (11) Advertising in a false, fraudulent, or misleading manner;

28 (12) Suspension, revocation, or restriction of the individual's
29 license ((~~or~~)), certification, or registration to practice the
30 profession by competent authority in any state, federal, or foreign
31 jurisdiction, with a certified copy of the order, stipulation, or
32 agreement being conclusive evidence of the revocation, suspension, or
33 restriction;

34 (13) Failing to comply with an order issued by the director;

35 (14) Committing any act of fraudulent or dishonest dealing or a
36 crime involving moral turpitude, with a certified copy of the final
37 holding of any court of competent jurisdiction in such matter being
38 conclusive evidence in any hearing under this chapter; and

1 (15) Issuing an appraisal report on any real property in which the
2 appraiser has an interest unless his or her interest is clearly stated
3 in the appraisal report.

4 **Sec. 12.** RCW 18.140.170 and 1993 c 30 s 18 are each amended to
5 read as follows:

6 The director may investigate the actions of a state-licensed or
7 state-certified real estate or trainee real property appraiser or an
8 applicant for licensure ((~~or~~)), certification, or registration or
9 relicensure or recertification. Upon receipt of information indicating
10 that a state-licensed or state-certified real estate or trainee real
11 property appraiser under this chapter may have violated this chapter,
12 the director shall cause one or more of the staff investigators to make
13 an investigation of the facts to determine whether or not there is
14 admissible evidence of any such violation. If technical assistance is
15 required, a staff investigator may consult with one or more of the
16 members of the committee or with a state-certified appraiser designated
17 by the committee.

18 In any investigation made by the director's investigative staff,
19 the director shall have the power to compel the attendance of witnesses
20 and the production of books, documents, records, and other papers, to
21 administer oaths, and to take testimony and receive evidence concerning
22 all matters within the director's jurisdiction.

23 If the director determines, upon investigation, that a state-
24 licensed or state-certified real estate or trainee real property
25 appraiser under this chapter has violated this chapter, a statement of
26 charges shall be prepared and served upon the state-licensed or state-
27 certified real estate or trainee real property appraiser. This
28 statement of charges shall require the accused party to file an answer
29 to the statement of charges within twenty days of the date of service.

30 In responding to a statement of charges, the accused party may
31 admit to the allegations, deny the allegations, or otherwise plead.
32 Failure to make a timely response shall be deemed an admission of the
33 allegations contained in the statement of charges and will result in a
34 default whereupon the director may enter an order under RCW 34.05.440.
35 If a hearing is requested, the time of the hearing shall be scheduled
36 but the hearing shall not be held earlier than thirty days after
37 service of the charges upon the accused. A notice of hearing shall be

1 issued at least twenty days prior to the hearing, specifying the time,
2 date, and place of hearing.

3 **Sec. 13.** RCW 18.140.180 and 1993 c 30 s 20 are each amended to
4 read as follows:

5 The administrative hearing on the allegations in the statement of
6 charges may be heard by an administrative law judge appointed under
7 chapter 34.12 RCW at the time and place prescribed by the director and
8 in accordance with the provisions of the Administrative Procedure Act,
9 chapter 34.05 RCW. If the administrative law judge determines that a
10 state-licensed or state-certified real estate or trainee real property
11 appraiser is guilty of a violation of any of the provisions of this
12 chapter, a formal decision shall be prepared that contains findings of
13 fact and recommendations to the director concerning the appropriate
14 disciplinary action to be taken.

15 In such event the director shall enter an order to that effect and
16 shall file the same in his or her office and immediately mail a copy
17 thereof to the affected party at the addresses of record with the
18 department. Such order shall not be operative for a period of ten days
19 from the date thereof. Any party aggrieved by a final decision by the
20 director in an adjudicative proceeding whether such decision is
21 affirmative or negative in form, is entitled to a judicial review in
22 the superior court under the provisions of the Administrative Procedure
23 Act, chapter 34.05 RCW.

24 NEW SECTION. **Sec. 14.** (1) A trainee real property appraiser may
25 not provide appraisal services other than through and under the direct
26 supervision of a state-certified general real estate appraiser or a
27 state-certified residential real estate appraiser.

28 (2) A person may be issued only one registration to be valid for a
29 term not exceeding five years as a trainee real property appraiser
30 during a period of not less than ten years from the date of issuance
31 unless either such period is interrupted by service in the armed forces
32 of the United States of America.

33 NEW SECTION. **Sec. 15.** (1) There is one category of trainee real
34 property appraiser. The scope of practice for the trainee real
35 property appraiser is the appraisal of those properties which the
36 supervising appraiser is permitted to appraise.

1 (2) The trainee real property appraiser is subject to the uniform
2 standards of professional appraisal practice.

3 (3) The trainee real property appraiser is entitled to obtain
4 copies of the appraisal report he or she prepared. The supervising
5 appraiser shall keep copies of appraisal reports for a period of time
6 as the directory may prescribe.

7 NEW SECTION. **Sec. 16.** (1) The director may elect to prescribe an
8 examination for registration as a trainee real property appraiser
9 whether or not an examination is a requirement of the trainee real
10 property appraiser classification criteria promulgated by the appraiser
11 qualification board of the appraisal foundation.

12 (2) The examination may not be less stringent than one endorsed by
13 the appraiser qualification board.

14 NEW SECTION. **Sec. 17.** (1) Whether or not an examination is
15 required for registration as a trainee real property appraiser, an
16 applicant shall present evidence satisfactory to the director that he
17 or she has successfully completed the education requirements adopted by
18 the director.

19 (2) The director shall prescribe education requirements that are
20 not less than those promulgated by the appraiser qualification board of
21 the appraisal foundation for the trainee real property appraiser
22 classification.

23 NEW SECTION. **Sec. 18.** (1) Whether or not an examination is
24 required for registration as a trainee real property appraiser, an
25 applicant shall present evidence satisfactory to the director that he
26 or she has successfully completed the experience requirements adopted
27 by the director.

28 (2) The director shall prescribe experience requirements that are
29 not less than those promulgated by the appraiser qualification board of
30 the appraisal foundation in its criteria for the trainee real property
31 appraiser classification.

32 NEW SECTION. **Sec. 19.** All fees required under this chapter shall
33 be set by the director in accordance with RCW 18.140.050 and shall be
34 paid to the state treasurer. All fees paid under the provisions of
35 this chapter shall be placed in the real estate appraiser account in

1 the state treasury. The account is subject to appropriation under
2 chapter 43.88 RCW.

3 NEW SECTION. **Sec. 20.** The director may refer a complaint for
4 violation of any section of this chapter before any court of competent
5 jurisdiction.

6 Any violation of the provisions of this chapter shall be prosecuted
7 by the prosecuting attorney of each county in which the violation
8 occurs, and if the prosecuting attorney fails to act, the director may
9 request the attorney general to take action in lieu of the prosecuting
10 attorney.

11 Process issued by the director shall extend to all parts of the
12 state, and may be served by any person authorized to serve process of
13 courts of record, or may be mailed by certified or registered mail to
14 the licensee's last business address of record in the office of the
15 director.

16 Whenever evidence satisfactory to the director suggests that any
17 person has violated any of the provisions of this chapter, or any part
18 or provision thereof, the director may bring an action, in the superior
19 court in the county where the person resides, against the person to
20 enjoin any person from continuing a violation or engaging or doing any
21 act or acts in furtherance thereof. In this action an order or
22 judgment may be entered awarding a preliminary or final injunction as
23 may be proper.

24 The director may petition the superior court in any county in this
25 state for the appointment of a receiver to take over, operate, or close
26 any real estate appraisal activity or practice in this state which is
27 found upon inspection of its books and records to be operating in
28 violation of the provisions of this chapter, pending a hearing.

29 NEW SECTION. **Sec. 21.** Any person acting as a state-certified,
30 state-licensed, or state-registered real estate appraiser without a
31 certificate, license, or registration that is currently valid or who is
32 currently subject to a revocation or suspension for violating any
33 provision of this chapter is guilty of a misdemeanor.

34 NEW SECTION. **Sec. 22.** RCW 18.140.085 and 1993 c 30 s 23 are each
35 repealed.

1 NEW SECTION. **Sec. 23.** A new section is added to chapter 50.04 RCW
2 to read as follows:

3 The term "employment" does not include services performed by an
4 appraisal practitioner certified or licensed under chapter 18.140 RCW
5 in an appraisal business if the use of the business facilities is
6 contingent upon compensation to the owner of the business facilities
7 and the person receives no compensation from the owner for the services
8 performed.

9 NEW SECTION. **Sec. 24.** Sections 14 through 21 of this act are each
10 added to chapter 18.140 RCW.

11 NEW SECTION. **Sec. 25.** This act is necessary for the immediate
12 preservation of the public peace, health, or safety, or support of the
13 state government and its existing public institutions, and shall take
14 effect July 1, 1995, except section 3 of this act, which shall take
15 effect July 1, 1996.

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