H-1240.1			

HOUSE BILL 1897

State of Washington 58th Legislature 2003 Regular Session

By Representatives Kenney, Chandler, Conway and Condotta

Read first time 02/13/2003. Referred to Committee on Commerce & Labor.

- 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, 18.140.070, 18.140.100,
- 3 18.140.110, 18.140.120, 18.140.130, 18.140.140, 18.140.150, 18.140.155,
- 4 18.140.160, 18.140.170, 18.140.200, 18.140.202, 18.140.220, and
- 5 18.140.260; adding new sections to chapter 18.140 RCW; and declaring an
- 6 emergency.
- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 **Sec. 1.** RCW 18.140.005 and 1996 c 182 s 1 are each amended to read 9 as follows:
- 10 <u>(1)</u> It is the intent of the legislature that only individuals who 11 meet and maintain minimum standards of competence and conduct
- 12 established under this chapter for certified ((or)), licensed, or
- 13 <u>registered</u> real estate appraisers may provide real estate appraisal
- 14 services to the public.
- 15 (2) It is the further intent of the legislature to provide for the
- 16 proper supervision and training of new entrants to the appraiser
- 17 profession through the implementation of the state-registered appraiser
- 18 trainee classification.

p. 1 HB 1897

Sec. 2. RCW 18.140.010 and 2000 c 249 s 1 are each amended to read 2 as follows:

- ((As used in this chapter,)) The ((following terms have the meanings indicated)) definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
 - (1) "Appraisal" means the act or process of estimating value; an estimate of value; or of or pertaining to appraising and related functions.
 - (2) "Appraisal report" means any communication, written or oral, of an appraisal, review, or consulting service in accordance with the standards of professional conduct or practice, adopted by the director, that is transmitted to the client upon completion of an assignment.
 - (3) "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, or would be perceived by third parties or the public as acting, as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion relating to the value of specified interests in, or aspects of, identified real estate. The term "appraisal assignment" may apply to valuation work and analysis work.
 - (4) "Brokers price opinion" means an oral or written report of property value that is prepared by a real estate broker or salesperson licensed under chapter 18.85 RCW.
- (5) "Certified appraisal" means an appraisal prepared or signed by a state-certified real estate appraiser. A certified appraisal represents to the public that it meets the appraisal standards defined in this chapter.
- (6) "Client" means any party for whom an appraiser performs a service.
- 29 (7) "Commission" means the real estate appraiser commission of the 30 state of Washington.
 - (8) "Comparative market analysis" means a brokers price opinion.
 - (9) "Department" means the department of licensing.
 - (10) "Director" means the director of the department of licensing.
- 34 (11) "Expert review appraiser" means a state-certified or state-35 licensed real estate appraiser chosen by the director for the purpose 36 of providing appraisal review assistance to the director.
- 37 (12) "Federal department" means an executive department of the

United States of America specifically concerned with housing finance issues, such as the department of housing and urban development, the department of veterans affairs, or their legal federal successors.

- (13) "Federal financial institutions regulatory agency" means the board of governors of the federal reserve system, the federal deposit insurance corporation, the office of the comptroller of the currency, the office of thrift supervision, the national credit union administration, their successors and/or such other agencies as may be named in future amendments to 12 U.S.C. Sec. 3350(6).
- (14) "Federal secondary mortgage marketing agency" means the federal national mortgage association, the government national mortgage association, the federal home loan mortgage corporation, their successors and/or such other similarly functioning housing finance agencies as may be federally chartered in the future.
- (15) "Federally related transaction" means any real estate-related financial transaction that the federal financial institutions regulatory agency or the resolution trust corporation engages in, contracts for, or regulates; and that requires the services of an appraiser.
- (16) "Financial institution" means any person doing business under the laws of this state or the United States relating to banks, bank holding companies, savings banks, trust companies, savings and loan associations, credit unions, consumer loan companies, and the affiliates, subsidiaries, and service corporations thereof.
- (17) "Licensed appraisal" means an appraisal prepared or signed by a state-licensed real estate appraiser. A licensed appraisal represents to the public that it meets the appraisal standards defined in this chapter.
- (18) "Mortgage broker" for the purpose of this chapter means a mortgage broker licensed under chapter 19.146 RCW, any mortgage broker approved and subject to audit by the federal national mortgage association, the government national mortgage association, or the federal home loan mortgage corporation as provided in RCW 19.146.020, any mortgage broker approved by the United States secretary of housing and urban development for participation in any mortgage insurance under the national housing act, 12 U.S.C. Sec. 1201, and the affiliates, subsidiaries, and service corporations thereof.

p. 3 HB 1897

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

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- (20) "Real estate-related financial transaction" means any transaction involving:
 - (a) The sale, lease, purchase, investment in, or exchange of real property, including interests in property, or the financing thereof;
- (b) The refinancing of real property or interests in real property; and
- 9 (c) The use of real property or interests in property as security 10 for a loan or investment, including mortgage-backed securities.
- 11 (21) "Real property" means one or more defined interests, benefits, 12 or rights inherent in the ownership of real estate.
- 13 (22) "Review" means the act or process of critically studying an 14 appraisal report prepared by another.
 - (23) "Specialized appraisal services" means all appraisal services which do not fall within the definition of appraisal assignment. The term "specialized appraisal service" may apply to valuation work and to analysis work. Regardless of the intention of the client or employer, if the appraiser would be perceived by third parties or the public as acting as a disinterested third party in rendering an unbiased analysis, opinion, or conclusion, the work is classified as an appraisal assignment and not a specialized appraisal service.
 - (24) "State-certified general real estate appraiser" means a person certified by the director to develop and communicate real estate appraisals of all types of property. A state-certified general real estate appraiser may designate or identify an appraisal rendered by him or her as a "certified appraisal."
 - (25) "State-certified residential real estate appraiser" means a person certified by the director to develop and communicate real estate appraisals of all types of residential property of one to four units without regard to transaction value or complexity and nonresidential property having a transaction value as specified in rules adopted by the director. A state certified residential real estate appraiser may designate or identify an appraisal rendered by him or her as a "certified appraisal."
- 36 (26) "State-licensed real estate appraiser" means a person licensed 37 by the director to develop and communicate real estate appraisals of

noncomplex one to four residential units and complex one to four residential units and nonresidential property having transaction values as specified in rules adopted by the director.

- (27) "State-registered appraiser trainee," "trainee," or "trainee real estate appraiser" means a person registered by the director under section 20 of this act to develop and communicate real estate appraisals under the immediate and personal direction of a state-certified real estate appraiser. Appraisals are limited to those types of properties that the supervisory appraiser is permitted by their current credential, and that the supervisory appraiser is competent and qualified to appraise.
- (28) "Supervisory appraiser" means a person holding a currently valid certificate issued by the director as a state-certified real estate appraiser providing direct supervision to another statecertified, state-licensed, or state-registered appraiser trainee. The supervisory appraiser must be in good standing in each jurisdiction that he or she is credentialed. The supervisory appraiser must sign all appraisal reports. By signing the appraisal report, the supervisory appraiser accepts shared responsibility for all content, analyses, and conclusions in the report.
- **Sec. 3.** RCW 18.140.020 and 1998 c 120 s 1 are each amended to read 22 as follows:
 - (1) No person other than a state-certified or state-licensed real estate appraiser may receive compensation of any form for a real estate appraisal or an appraisal review, except that a state-registered appraiser trainee may receive compensation from one or more supervisory appraisers or the supervisory appraiser's employer for appraisal assignments. ((However,))
- 29 <u>(2) Compensation may be provided for brokers price opinions</u> 30 prepared by a real estate licensee, licensed under chapter 18.85 RCW.
 - $((\frac{2}{2}))$ (3) No person, other than a state-certified $(\frac{2}{2})$ state-licensed real estate appraiser, or a state-registered appraiser trainee may assume or use that title or any title, designation, or abbreviation likely to create the impression of certification $(\frac{2}{2})$ licensure, or registration as a real estate appraiser by this state.
- $((\frac{3}{3}))$ (4) A person who is not certified $(\frac{3}{3})$, licensed, or

p. 5 HB 1897

registered under this chapter shall not prepare any appraisal of real estate located in this state, except as provided under subsection $((\frac{1}{1}))$ (2) of this section.

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((4))) (5) This section does not preclude a staff employee of a governmental entity from performing an appraisal or an appraisal assignment within the scope of his or her employment insofar as the performance of official duties for the governmental entity are concerned. Such an activity for the benefit of the governmental entity is exempt from the requirements of this chapter.

((+5+)) (6) This chapter does not preclude an individual person licensed by the state of Washington as a real estate broker or as a real estate salesperson from issuing a brokers price opinion. However, if the brokers price opinion is written, or given as evidence in any legal proceeding, and is issued to a person who is not a prospective seller, buyer, lessor, or lessee as the only intended user, then the brokers price opinion shall contain a statement, in an obvious location within the written document or specifically and affirmatively in spoken testimony, that substantially states: "This brokers price opinion is not an appraisal as defined in chapter 18.140 RCW and has been prepared by a real estate licensee, licensed under chapter 18.85 RCW, who (is/is not) also state_certified or state_licensed as a real estate appraiser under chapter 18.140 RCW." However, the brokers price opinion issued under this subsection may not be used as an appraisal in conjunction with a federally related transaction.

(((6))) (7) This section does not apply to an appraisal or an appraisal review performed for a financial institution or mortgage broker by an employee or third party, when such appraisal or appraisal review is not required to be performed by a state-certified or state-licensed real estate appraiser by the appropriate federal financial institutions regulatory agency.

 $((\frac{7}{}))$ (8) This section does not apply to an attorney licensed to practice law in this state or to a certified public accountant, as defined in RCW 18.04.025, who evaluates real property in the normal scope of his or her professional services.

Sec. 4. RCW 18.140.030 and 2002 c 86 s 238 are each amended to read as follows:

The director shall have the following powers and duties:

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

- (2) To receive and approve or deny applications for certification or licensure as a state-certified or state-licensed real estate appraiser and for registration as a state-registered appraiser trainee under this chapter; to establish appropriate administrative procedures for the processing of such applications; to issue certificates ((er)), licenses, or registrations to qualified applicants pursuant to the provisions of this chapter; and to maintain a ((register)) roster of the names and addresses of individuals who are currently certified ((er)), licensed, or registered under this chapter;
- (3) To provide administrative assistance to the members of and to keep records for the real estate appraiser commission;
- (4) To solicit bids and enter into contracts with educational testing services or organizations for the preparation of questions and answers for certification or licensure examinations;
- (5) To administer or contract for administration of certification or licensure examinations at locations and times as may be required to carry out the responsibilities under this chapter;
- (6) To enter into contracts for professional services determined to be necessary for adequate enforcement of this chapter;
- (7) To consider recommendations by the real estate appraiser commission relating to the experience, education, and examination requirements for each classification of state-certified appraiser and for licensure;
- (8) To consider recommendations by the real estate appraiser commission relating to the educational requirements for the state-registered appraiser trainee classification.
- (9) To consider recommendations by the real estate appraiser commission relating to circumstances and to the maximum number of state-registered appraiser trainees that each supervisory appraiser will be permitted to supervise;
- (10) To consider recommendations by the real estate appraiser commission relating to continuing education requirements as a prerequisite to renewal of certification or licensure;
- $((\frac{9}{}))$ To consider recommendations by the real estate

p. 7 HB 1897

appraiser commission relating to standards of professional appraisal conduct or practice in the enforcement of this chapter;

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 $((\frac{10}{10}))$ (12) To employ such professional, clerical, and technical assistance as may be necessary to properly administer the work of the director;

- $((\frac{11}{11}))$ To establish forms necessary to administer this chapter;
- $((\frac{12}{12}))$ of the stablish an expert review appraiser roster 8 comprised of state-certified or licensed real estate appraisers whose 9 purpose is to assist the director by applying their individual 10 expertise by reviewing real estate appraisals for compliance with this 11 12 chapter. Qualifications to act as an expert review appraiser shall be 13 established by the director with the advice of the commission. 14 application to serve as an expert review appraiser shall be submitted to the real estate appraiser program, and the roster of accepted expert 15 review appraisers shall be maintained by the department. An expert 16 17 review appraiser may be added to or deleted from that roster by the director. The expert review appraiser shall be reimbursed for expenses 18 in the same manner as the department reimburses the commission; and 19
 - $((\frac{(13)}{(15)}))$ To do all other things necessary to carry out the provisions of this chapter and minimally meet the requirements of federal guidelines regarding state certification or licensure of appraisers that the director determines are appropriate for state-certified and state-licensed appraisers in this state.
- 25 **Sec. 5.** RCW 18.140.060 and 1993 c 30 s 6 are each amended to read as follows:
- 27 (1) Applications for examinations, original certification $((or))_{\perp}$ licensure, or registration, and renewal certification 28 licensure, or registration shall be made in writing to the department 29 30 on forms approved by the director. Applications for original and renewal certification ((or)), licensure, or registration shall include 31 a statement confirming that the applicant shall comply with applicable 32 33 rules and regulations and that the applicant understands the penalties 34 for misconduct.
- 35 (2) The appropriate fees shall accompany all applications for examination, reexamination, original certification ((or)), licensure,

- 1 or registration, and renewal certification ((or)), licensure, or
- 2 registration.

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service upon the applicant.

- 3 **Sec. 6.** RCW 18.140.070 and 1993 c 30 s 7 are each amended to read 4 as follows:
- There shall be <u>two categories of state-certified real estate</u>
 appraisers, one category of state-licensed real estate appraisers, and
 ((two categories of state-certified real estate appraisers)) one
 ategory of state-registered appraiser trainee as follows:
- 9 (1) The ((state-licensed)) state-certified general real estate 10 appraiser;
- 11 (2) The state-certified residential real estate appraiser;
- 12 (3) The ((state-certified general)) state-licensed real estate 13 appraiser; and
- 14 <u>(4) The state-registered appraiser trainee</u>.
- 15 **Sec. 7.** RCW 18.140.100 and 1993 c 30 s 10 are each amended to read 16 as follows:
- An original ((license or)) certificate <u>or license</u> shall be issued to persons who have satisfactorily passed the written examination as endorsed by the Appraiser Qualifications Board of the Appraisal Foundation and as adopted by the director.
- 21 **Sec. 8.** RCW 18.140.110 and 1993 c 30 s 11 are each amended to read 22 as follows:
- Every applicant for ((licensing or)) certification, licensing, or 23 24 registration who is not a resident of this state shall submit, with the application for ((licensing or)) certification, <u>licensing</u>, or 25 registration an irrevocable consent that service of process upon him or 26 27 her may be made by service on the director if, in an action against the 28 applicant in a court of this state arising out of the applicant's 29 activities as a state-certified or state-licensed real estate appraiser or ((state-certified real estate)) state-registered appraiser trainee, 30 31 the plaintiff cannot, in the exercise of due diligence, obtain personal
- 33 **Sec. 9.** RCW 18.140.120 and 1993 c 30 s 12 are each amended to read as follows:

p. 9 HB 1897

An applicant for ((licensure or)) certification or licensure who is currently ((licensed or)) certified or licensed and in good standing under the laws of another state may obtain a ((license or)) certificate or license as a Washington ((state-licensed or)) state-certified or state-licensed real estate appraiser without being required to satisfy the examination requirements of this chapter if: The director determines that the ((licensure or)) certification or licensure requirements are substantially similar to those found in Washington state; and that the other state has a written reciprocal agreement to provide similar treatment to holders of Washington state ((licenses and/or)) certificates and/or licenses.

- **Sec. 10.** RCW 18.140.130 and 1996 c 182 s 6 are each amended to 13 read as follows:
 - (1) Each original and renewal ((license or)) certificate, license, or registration issued under this chapter shall expire on the applicant's second birthday following issuance of the ((license or)) certificate, license, or registration.
 - (2) To be renewed as a ((state-licensed or)) state-certified or state-licensed real estate appraiser or state-registered appraiser trainee, the holder of a valid ((license or)) certificate, license, or registration shall apply and pay the prescribed fee to the director no earlier than one hundred twenty days prior to the expiration date of the ((license or)) certificate, license, or registration and shall demonstrate satisfaction of any continuing education requirements.
 - (3) If a person fails to renew a ((license or)) certificate, license, or registration prior to its expiration and no more than one year has passed since the person last held a valid ((license or)) certificate, license, or registration, the person may obtain a renewal ((license or)) certificate, license, or registration by satisfying all of the requirements for renewal and paying late renewal fees.

31 The director shall cancel the ((license or)) certificate, license,
32 or registration of any person whose renewal fee is not received within
33 one year from the date of expiration. A person may obtain a new
34 ((license or)) certificate, license, or registration by satisfying the
35 procedures and qualifications for initial ((licensure or))
36 certification, licensure, or registration, including the successful
37 completion of any applicable examinations.

Sec. 11. RCW 18.140.140 and 1996 c 182 s 7 are each amended to 2 read as follows:

- (1) A (($\frac{1icense\ or}{1}$) certificate, license, or registration issued under this chapter shall bear the signature or facsimile signature of the director and a (($\frac{1icense\ or}{1}$)) certificate, license, or registration number assigned by the director.
- (2) Each ((state licensed or)) state-certified or state-licensed real estate appraiser or state-registered appraiser trainee shall place his or her ((license or)) certificate, license, or registration number adjacent to or immediately below the title (("state licensed real estate appraiser,")) "state-certified ((residential)) general real estate appraiser," ((or)) "state-certified ((general)) residential real estate appraiser," "state-licensed real estate appraiser," or "state-registered appraiser trainee" when used in an appraisal report or in a contract or other instrument used by the ((licensee or)) certificate holder, licensee, or registered appraiser trainee in conducting real property appraisal activities, except that the ((license or)) certificate, license, or registration number shall not be required to appear when the title is not accompanied by a signature as is typical on such promotional and stationery items as brochures, business cards, forms, or letterhead.
- (3) Each state-registered appraiser trainee shall place his or her registration number adjacent to or immediately below the title "state-registered appraiser trainee" when used in an appraisal report and the supervisory appraiser shall place his or her certificate number adjacent to or immediately below the title "state-certified general real estate appraiser" or "state-certified residential real estate appraiser."
- **Sec. 12.** RCW 18.140.150 and 1996 c 182 s 8 are each amended to 30 read as follows:
 - (1) The term (("state-licensed" or)) "state-certified real estate appraiser," "state-licensed real estate appraiser," or "state-registered appraiser trainee" may only be used to refer to individuals who hold the ((license or)) certificate, license, or registration and may not be used following or immediately in connection with the name or signature of a firm, partnership, corporation, group, or limited liability company, or in such manner that it might be interpreted as

p. 11 HB 1897

referring to a firm, partnership, corporation, group, limited liability company, or anyone other than an individual holder of the ((license or)) certificate, license, or registration.

- (2) No ((license or)) certificate, license, or registration may be issued under this chapter to a corporation, partnership, firm, limited liability company, or group. This shall not be construed to prevent a ((state licensed or)) state-certified or state-licensed appraiser from signing an appraisal report on behalf of a corporation, partnership, firm, group practice, or limited liability company, nor may it be construed to prevent a state-registered appraiser trainee from signing an appraisal report under the supervision of a state-certified real estate appraiser on behalf of a corporation, partnership, firm, group practice, or limited liability company.
- **Sec. 13.** RCW 18.140.155 and 2001 c 78 s 1 are each amended to read 15 as follows:
 - (1) A real estate appraiser from another state who is ((licensed or)) certified <u>or licensed</u> by another state may apply for registration to receive temporary ((licensing or)) certification <u>or licensing</u> in Washington by paying a fee and filing a notarized application with the department on a form provided by the department.
 - (2) The director is authorized to adopt by rule the term or duration of the ((licensing and)) certification and licensing privileges granted under the provisions of this section. ((Licensing or)) Certification or licensing shall not be renewed. However, an applicant may receive an extension of a temporary practice permit to complete an assignment, provided that a written request is received by the department prior to the expiration date, stating the reason for the extension.
 - (3) A temporary practice permit issued under this section allows an appraiser to perform independent appraisal services required by a contract for appraisal services.
 - (4) Persons granted temporary ((licensing or)) certification or licensing privileges under this section shall not advertise or otherwise hold themselves out as being ((licensed or)) certified or licensed by the state of Washington.
- 36 (5) Persons granted temporary ((licensure or)) certification <u>or</u> 37 <u>licensure</u> are subject to all provisions under this chapter.

Sec. 14. RCW 18.140.160 and 2002 c 86 s 239 are each amended to read as follows:

In addition to the unprofessional conduct described in RCW 18.235.130, the director may take disciplinary action for the following conduct, acts, or conditions:

- (1) Failing to meet the minimum qualifications for state ((licensure or)) certification, <u>licensure</u>, or <u>registration</u> established by or pursuant to this chapter;
- (2) Paying money other than the fees provided for by this chapter to any employee of the director or the commission to procure state ((licensure or)) certification, licensure, or registration under this chapter;
 - (3) Continuing to act as a ((state-licensed or)) state-certified real estate appraiser, state-licensed real estate appraiser, or state-registered appraiser trainee when his or her ((license or)) certificate, license, or registration is on an expired status;
- (4) Violating any provision of this chapter or any lawful rule made by the director pursuant thereto;
 - (5) Issuing an appraisal report on any real property in which the appraiser has an interest unless his or her interest is clearly stated in the appraisal report; and
 - (6) Being affiliated as an ((employee or independent contractor with a state licensed or state certified real estate appraiser when the appraiser's license or certificate has been revoked due to disciplinary action)) employer, independent contractor, or supervisory appraiser of a state-certified real estate appraiser, state-licensed real estate appraiser, or state-registered appraiser trainee whose certification, license, or registration has been suspended or revoked.
- **Sec. 15.** RCW 18.140.170 and 2002 c 86 s 240 are each amended to 30 read as follows:

31 The director may investigate the actions of a ((state-licensed or))
32 state-certified or state-licensed real estate appraiser or a state33 registered appraiser trainee or an applicant for ((licensure or))
34 certification, licensure, or registration or ((relicensure or))
35 recertification, relicensure, or reregistration. Upon receipt of
36 information indicating that a ((state-licensed or)) state-certified or
37 state-licensed real estate appraiser or state-registered appraiser

p. 13 HB 1897

1 <u>trainee</u> under this chapter may have violated this chapter, the director

- 2 may cause one or more of the staff investigators to make an
- 3 investigation of the facts to determine whether or not there is
- 4 admissible evidence of any such violation. If technical assistance is
- 5 required, a staff investigator may consult with one or more of the
- 6 members of the commission.
- 7 **Sec. 16.** RCW 18.140.200 and 1996 c 293 s 19 are each amended to 8 read as follows:
- 9 The director shall suspend the certificate ((or)), license, or registration of any person who has been certified by a lending agency 10 11 and reported to the director for nonpayment or default on a federally 12 state-quaranteed educational loan or service-conditional scholarship. Prior to the suspension, the agency must provide the 13 person an opportunity for a brief adjudicative proceeding under RCW 14 15 34.05.485 through 34.05.494 and issue a finding of nonpayment or 16 default on a federally or state-guaranteed educational loan or service-17 conditional scholarship. The person's certificate ((or)), license, or registration shall not be reissued until the person provides the 18 19 director a written release issued by the lending agency stating that 20 the person is making payments on the loan in accordance with a 21 repayment agreement approved by the lending agency. If the person has 22 continued to meet all other requirements for certification ((or)), 23 licensure, or registration during the suspension, reinstatement shall 24 be automatic upon receipt of the notice and payment of any reinstatement fee the director may impose. 25
- 26 **Sec. 17.** RCW 18.140.202 and 1997 c 58 s 832 are each amended to read as follows:

director shall immediately suspend any ((license or)) 28 The certificate, license, or registration issued under this chapter if the 29 30 holder has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with 31 32 a support order ((or a residential or visitation order)). person has continued to meet all other requirements for reinstatement 33 34 during the suspension, reissuance of the ((license or)) certificate, 35 license, or registration shall be automatic upon the director's receipt

- of a release issued by the department of social and health services stating that the person is in compliance with the order.
- 3 **Sec. 18.** RCW 18.140.220 and 1996 c 182 s 12 are each amended to 4 read as follows:

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Any person acting as a state-certified or state-licensed real estate appraiser or state-registered appraiser trainee without a certificate ((or)), license, or registration that is currently valid is guilty of a misdemeanor.

9 **Sec. 19.** RCW 18.140.260 and 2002 c 86 s 241 are each amended to 10 read as follows:

The real estate appraiser commission account is created in the state treasury. All fees received by the department for certificates, licenses, registrations, renewals, examinations, and audits must be forwarded to the state treasurer who must credit the money to the All fines and civil penalties ordered pursuant to RCW 18.140.020, 18.140.160, or 18.235.110 against holders of ((licenses,)) certificates, <u>licenses</u>, or registrations issued under the provisions of this chapter must be paid to the account. All expenses incurred in carrying out the <u>certification</u>, licensing, and registration activities of the department under this chapter must be paid from the account as authorized by legislative appropriation. Any residue in the account shall be accumulated and shall not revert to the general fund at the end of the biennium. All earnings of investments of balances in the account shall be credited to the general fund. Any fund balance remaining in the general fund attributable to the real estate appraiser commission account as of July 1, 2003, must be transferred to the real estate appraiser commission account.

- NEW SECTION. Sec. 20. A new section is added to chapter 18.140 29 RCW to read as follows:
- 30 (1) The director may issue a person only one registration as a 31 state-registered trainee real estate appraiser, to be valid for a term 32 not exceeding five years during a period of not less than ten years 33 from the date of issuance, unless either period is interrupted by 34 service in the armed forces of the United States of America.

p. 15 HB 1897

- 1 (2) A trainee real estate appraiser may not provide appraisal 2 services other than through and under the direct supervision of a 3 state-certified general real estate appraiser or a state-certified 4 residential real estate appraiser.
- 5 <u>NEW SECTION.</u> **Sec. 21.** A new section is added to chapter 18.140 6 RCW to read as follows:

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- An applicant for state-registered appraiser trainee shall present evidence satisfactory to the director that he or she has successfully completed the educational requirements adopted by the director.
- NEW SECTION. Sec. 22. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

--- END ---