



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
REAL ESTATE APPRAISER COMMISSION
MEETING MINUTES

DATE: July 13, 2023
TIME: 10:00 AM
LOCATION: Virtual via Microsoft Teams

COMMISSIONERS: Scott Biethan, Chair
Clare Elston, Vice Chair
Stan Sidor, Commissioner
Brent Palmer, Commissioner
Dean Potter, Commissioner
Denise Stephens, Commissioner
Jay Sporn, Commissioner

STAFF MEMBERS: Sandy Baur, Program Specialist
Saundra Schaefer, Program Specialist
Bill Dutra, Administrator
Debra Allen-Bâ, Assistant Administrator
Sydney Muhle, Program Specialist

1. Call to Order

Chair Scott Biethan called the meeting to order at **10:00 AM**.

2. Roll Call

Chair Biethan, Vice Chair Elston, Commissioner Sidor, Commissioner Palmer, Commissioner Potter, Commissioner Sporn, Commissioner Stephens

Program Specialist Saundra Schaefer conducted roll call. All Commissioners were present.

3. Approval of Agenda

3.1. Approval of July 13, 2023 Agenda

Commissioner Dean Potter made a **MOTION** to approve the order of agenda as presented. Commissioner Brent Palmer **SECONDED** the motion, and it was **APPROVED** by a vote of 7-0.

4. Approval of Minutes

4.1. Approval of May 18, 2023 Minutes

Commissioner Stan Sidor made a **MOTION** to approve the meeting minutes from the May 18, 2023, meeting. Commissioner Potter **SECONDED** the motion, and it was **APPROVED** by a vote of 7-0.

5. Awards/Recognition

5.1. Recognition of Sheryl Knittel's Service

Program Specialist Sandy Baur thanked Ms. Knittel for her service with the Commission. Other Commissioners expressed kind words to Ms. Knittel for her work with the Commission.

5.2. Welcoming New Commissioners

Program Specialist Sandy Baur introduced the newly appointed Commissioners, Jay Sporn and Denise Stephens and provided an overview of their backgrounds. Chair Biethan shared his appreciation for the new Commissioners and the expertise and perspectives that they each bring to the Commission's work.

6. Old Business

6.1. Practical Applications of Real Estate Appraisers (PAREA), Appraisers Qualifications Board (AQB) Update

Staff will provide an update regarding the rulemaking process involving adopting the updated AQB Standards and approving PAREA as an alternative pathway to licensure.

Ms. Baur gave an update, stating that the appraisals rulemaking team was working on PAREA and AQB updates with a specialty team assigned to implement [House Bill \(HB\) 1797](#). Staff will keep the Commission informed of the progress. She said the changes would take effect possibly by the end of 2023 or the beginning of 2024.

Chair Biethan asked about an update from the PAREA survey. Ms. Baur said she would send the Commission the data from the survey.

AGENDA ITEM: Discuss the PAREA survey.

7. New Business

7.1. House Bill (HB) 1110 Update

The Commission will discuss 2023 [HB 1110](#), with a focus on potential impacts section 3.1 may have to residential real estate appraisals in big cities.

Administrator Bill Dutra gave a brief on House Bill (HB) 1110. He said there had been many concerns raised about the bill eliminating certain appraisers from work in urban growth areas.

The Commission and Mr. Dutra discussed HB 1110, including:

- DOL staff had not discussed the bill with the Appraisal Standards Board (ASB) yet. They had asked the Attorney General's Office (AGO) to look at the immediate impacts and effects are first. Staff will update the Commission on the AGO's findings.

- Stakeholders could reach out to representatives to express concerns and visit the legislative web page to listen to the testimony and comments that were brought forth on the bill.
- Whether the Commission would send a letter to the Department of Licensing (DOL) Director sharing their concerns and position on the bill.

The Commission agreed to hear public comment for this topic only. Chair Biethan **OPENED THE FLOOR** for the public to address the Commission regarding the specific topic of HB 1110.

Tom Stowe addressed the Commission as a member of the King County Council and said this bill must be addressed with [HB 1337](#). Tom said bills go into effect later this month and explained the process and timeline.

Todd Reddington addressed the Commission, discussed concerns with this bill and encouraged the Commission to read the June 30, 2023 email Todd sent to DOL for additional concerns.

Bob Mossuto addressed the Commission and shared concerns regarding this bill and [Senate Bill \(SB\) 5190](#), the companion bill to HB 1110. Bob highlighted things to be considered while reviewing and provided an opinion on the Commission's roles and responsibilities in their advisory capacity.

Dave Towne addressed the Commission and shared concerns regarding the bill, highlighting specific points from the bill that were concerning, and an opinion on the impacts of the bill.

Chair Biethan **CLOSED THE FLOOR** for public comment on this item.

Vice Chair Elston made a **MOTION** to draft a letter to the Director to express the Commission's concerns with HB 1110. Commissioner Sidor **SECONDED** the motion, and it was **PASSED** by a vote of 7-0.

ACTION ITEM: Commission staff to continue reviewing HB 1110 with the AGO to determine how DOL will enforce violations.

ACTION ITEM: Commission staff to provide background information on how the bill was passed - DOL was not involved in the legislative process, so staff will reach out to the Department of Commerce.

ACTION ITEM: Commission staff to work with Chair Biethan and Vice Chair Elston on a letter to the DOL Director concerning HB 1110, HB 1337, and SB 5190 and requesting an investigation into the issues, including enforcement with appraisers doing their job.

7.2. Third Party Property Data Collection (PDC)

The Commission will discuss the use of non-appraisers conducting property inspections. Discussion will include the topics of providing opinions on the quality and condition of the property, the Federal National Mortgage Association's (FNMA) Value Acceptance PDC protocols, and the scope of work for a PDC to include hybrid appraisals.

Mr. Dutra provided an overview of this item and discussed the work being done to investigate the concerns around this topic.

Commissioner Potter asked, when this was looked at before, whether there was an opinion on property quality and conditions. Mr. Dutra said in 2017 it was brought to DOL's attention. There are continued conversations and will continue to look at all the information that comes to DOL.

Chair Biethan asked this item to remain an item for Commission discussion at the next meeting.

ACTION ITEM: Staff to provide additional clarity on third-party PDC issue.

8. Reports

8.1. Committee Reports

8.1.1. Diversity Equity & Inclusion (DEI) Update

The DEI Subcommittee will provide an update on DEI as it relates to the Commission.

Commissioners Sidor and Potter provided an update on the committee, saying they did not have any new information to report and providing some historical background.

Chair Biethan voiced his objection, saying DEI will be an issue that will need continued discussion.

Commissioner Potter made a **MOTION** to fully retire the DEI Committee. Commissioner Sidor **SECONDED** the motion. It was **APPROVED** by a vote of 6-1 with Chair Biethan voting nay.

8.2. Staff Reports

8.2.1. Appraisal Subcommittee (ASC) Audit Update

Staff will provide an update regarding ASC Audit.

Ms. Baur provided an overview of the ASC audit and the process for when it occurs. The audit will occur at the Black Lake Office on August 1-3, 2023. August 1st will be the on-site portion of the audit and on August 3rd will be the exit conference finalized. Reports will be available in approximately 60 days and will be shared with the Commission.

8.2.2. Complaint Case Counts

Staff will provide data on the status of current and closed complaint cases.

Ms. Baur reviewed the Case Counts report with the Commission.

Vice Chair Elston asked if staff could provide a summary of complaint issues and how closed cases were resolved. Program Specialist Sydney Muhle said staff was getting this request from all Boards and Commissions. She said historical data had initially not been tracked when DOL transitioned to the Professional Online Licensing and Regulatory Information System (POLARIS) program. About two months prior, Board and Commission staff requested historical data from the DOL Central Audit & Investigations Unit (CIAU), who began tracking it. Staff will be able to provide meaningful reports in early 2024.

Assistant Administrator Debra Allen-Bâ said compliance work stopped during Covid-19 and the CIAU was working through the backlog, explaining why the report reflected higher numbers of open cases than the Commission was used to seeing.

8.2.3. Licensee Counts

Staff will provide data on the current licensees by age, status, and county. Additionally, they will provide clarification on whether licensee counts report includes mass appraisers.

Ms. Baur reviewed licensee counts report with the Commission.

8.2.4. Review Master Action Items List

Staff will provide a review of the current and ongoing action items.

Ms. Baur reviewed the master action item list with the Commission.

9. Public Comments

The public may address the Commission on matters within the Commission's jurisdiction, either verbally during the meeting or by submitting written comments. Verbal comments are limited to one three-minute comment. Written comments are limited to no more than 500 words and must be emailed to DOLBoards@dol.wa.gov no less than two business days prior to the meeting with the subject line "Public Comment: Real Estate Appraiser Commission".

In response to all public comments, the Commission is limited to requesting that the matter be added to a future agenda for discussion or directing staff to study the matter further. Inflammatory comments and language will not be permitted.

Ms. Baur presented a public comment, submitted by Bob Mossuto via email with the intent to be shared at the May 2023 meeting. The email was sent to the Commission prior to the current meeting, and Ms. Baur read the email into the record.

Dallas Kiedrowski addressed the Commission regarding [RCW 18.140.240](#) citing that the Commission is to act as liaisons between the department, practitioners, and the public as well as providing recommendations to the legislature. He also addressed Mr. Dutra's comments about not having authority over PDC's and cited [RCW 18.235.130](#) as support for this. He thanked Commissioner Potter for his comments on the topic regarding enforcement on this matter, he was excited to see Commissioners Sporn and Stephens and asked that a mortgage appraiser for the GSE's be considered for the next opening position.

George Nervik addressed the Commission regarding PDCs. He stated he agreed with Mr. Kiedrowski's comments and believes PDCs need to be licensed as they meet the definition under [RCW 18.140](#) in addition to home inspector, architect, and surveyor laws. He said there have been documented cases of convicted criminals working as PDCs. He has tried to contact several members of the department, including the Director and Tanya Hessler, regarding this issue. He believes this puts the public at risk. He said he will be putting together a packet to send to several officials of the state to notify them that they are putting the public at risk so they cannot claim they did not know when a property owner is harmed.

Scott Dibisaio addressed the Commission and said that PDCs are not new and provided examples of instances in which appraisers are not doing certain general appraisers themselves. He asked that the commission be aware of the impact their actions will have on general appraisers and the use of PDCs. He also asked that they consider the impacts on use of any third-party PDCs including architects, soil engineers, building engineers and so forth and that they be cognizant of the unintended consequences across all licensing types.

Bob Mossuto addressed the Commission and agreed that there are different licenses that could be affected. He reminded the Commission of licensing requirements and cited specific statutes supporting his stance. He asked that DOL review documentation on PDCs and that unlicensed people should not be providing analysis of properties. He noted cases of criminals being hired and criminal history not being caught on background checks. He said that disciplinary actions used to be listed on the DOL website and would like to see that come back. He said HB 1797 should be in effect by the end of August.

Chair Biethan asked that Dallas Kiedrowski limit his additional comment to a very short comment or put it in an email.

Dallas Kiedrowski readdressed the Commission to clarify his PDC comment. He said the standards on mass appraisal are the only appraisal standards that addresses data collection and that Fannie Mae is not following them.

Todd Redington addressed the Commission regarding PDCs noting that other professions are licensed and PDCs are not. He requested the frequently asked questions about determination on PDCs mentioned by Mr. Dutra and would like it provided to Appraisers' Coalition of Washington (ACOW) to be distributed.

Dave Towne addressed the Commission regarding Uniform Standards of Professional Appraisal Practice (USPAP). He said there is no expiration date on the new book, most states state you cannot take the same class over and over for your license renewal. The ASB will come out with a new 7-hour updated class and if there is no update to the book in the next year, they will write a new 7-hour class. If the new book goes for 10 years, the ASB will keep writing new classes every two years.

10. Conclusion

10.1. Announcements

Staff and Commissioners will provide information, updates, and news impacting the industry. This will be informational only; no discussion or action will be taken.

None.

10.2. Requests for Agenda Items

Commissioners will request staff to add items to the next meeting agenda or master action item list based on discussion and public comments in this meeting.

- PAREA Survey Data Update
- HB 1110 Update (ongoing, as needed, until issues are resolved)
- Legislative 101 Training

10.3. Review Action Items from This Meeting

Staff will review the new action items from this meeting.

Ms. Schaefer reviewed the action items.

- Ms. Baur to email PAREA survey data to Commissioners.
- Commission staff to continue reviewing HB 1110 with the AGO to determine how DOL will enforce violations.
- Commission staff to provide background information on how the bill was passed - DOL was not involved in the legislative process, so staff will reach out to the Department of Commerce.
- Chair and Vice Chair to work with Commission Staff to draft a letter to the Director of DOL.
 - Unintended consequences to HB 1110, EHB 1337, and SB 5190, and questions about DOL's intent around enforcement.
 - Staff to forward final letter, approved by Chairs, to policy review team, the Attorney General's Office and legislatures.
- Staff to provide additional clarity on third party PDC issue.

11. Adjournment

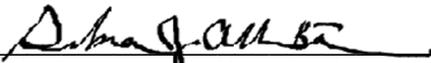
Chair Biethan **ADJOURNED** the meeting at **12:02 PM**.

Next Board Meeting:

October 12, 2023

10:00 AM

Virtual via Microsoft Teams

Submitted by: 
Debra Allen-Ba, Assistant Administrator

October 12, 2023

Date

Approved by: 
Scott Biethan, Chair

October 12, 2023

Date