

# Washington State Real Estate Appraisers Commission meeting transcript

October 12, 2023

Sandy:

... just a minute or two. So this is a reminder to please keep yourself on mute unless you are speaking. We'll get started in a minute or two.

Scott Biethan:

We're going to start in a minute. Stan, Commissioner Sidor is attempting to get in but somehow he wasn't being let into the meeting, so hopefully he'll be in in just a second. I think if you don't mind us waiting another minute, just so we can get the full commission here, and I think that would be best. So for those of you who are here, I apologize about the wait, but we just want to make sure we get him in if we can.

Sandy:

We have let everyone in that was waiting in the lobby. Commissioner Sidor, have you been able to log in?

Scott Biethan:

He's working on it right now. Like I said, we'd give him about a minute, I think. And if you can't then we'll start the meeting.

Sandra:

Scott, if you're talking, you're muted currently.

Scott Biethan:

Sorry, Sandy, what'd you say?

Sandy:

I-

Sandra:

That was me. I was just saying, if you were talking, you were muted.

Scott Biethan:

Yeah, no, I knew that. I think we're going to go ahead and start. Stan, is either going to-

Sandy:

As soon as he gets-

Scott Biethan:

Sorry?

Sandy:

As soon as we see him in the lobby, we'll get... There he is. We'll get him admitted.

Scott Biethan:

You got him?

Sandy:

There he is.

Scott Biethan:

Good.

Sandy:

All right. We're ready to go.

Stan Sidor:

Sorry about that.

Scott Biethan:

No, we all have those problems. Okay, so I'm going to go ahead and get started. Good morning, I'm Scott Biethan, the Chair of the Real Estate Commission. Now it's 10:03 by my clock, Thursday, October 12, 2023. We're going to call the meeting to order. This meeting is open to the public. We will take time at the end of the meeting for public comment period. We ask the folks that provide commentary to keep it to three minutes. I think they're probably going to put up a clock. We try not to be rigid about it, but we also want to make sure we give equal opportunity for folks that dial in and make it fair and equitable, so please do your best to keep it to three minutes. We ask that folks mute themselves while they are not speaking and then remind to unmute yourself.

Participants:

[inaudible 00:04:07].

Scott Biethan:

I'll probably forget to unmute myself more than once during this meeting. And the last thing, if you could please state your name when you start your commentary so that we can keep that in the minutes, for the record in the minutes. I'm going to ask Sandra Schafer to call roll, confirming attendance of the commissioners. And so once you hear your name if you can verbally say "here" or "present". Go ahead, Sandra.

Sandra:

Thank you, Chair Biethan. And Chair Biethan, I will call you.

Scott Biethan:

Yep, here.

Sandra:

Thank you. Vice Chair Elston?

Claire Elston:

Here.

Sandra:

Thank you. Dean Potter?

Dean Potter:

Here.

Sandra:

Thank you. Commissioner Sporn?

Jay Sporn

Here.

Sandra:

Thank You. Commissioner Sidor?

Stan Sidor:

Here.

Sandra:

And Denise Stephens:?

Denise Stephens:

Here.

Sandra:

Thank you. Back to you, Scott Biethan.

Scott Biethan:

Okay, thanks. Look for motion to approve the agenda.

Participants:

So moved. Second.

Scott Biethan:

Okay. All in favor say, "Aye."

Participants:

Aye.

Scott Biethan:

Motion carries. We've distributed the meeting minutes from July 13, 2023. First question, are there any changes or corrections to the minutes?

Participants:

I move to approve. Second.

Scott Biethan:

All in favor?

Participants:

Aye. Aye.

Scott Biethan:

Motion carries. Okay. So there we go. I think we're going to move into item number five on the agenda and I guess I'm going to turn over to staff and then I'm probably going to say something as well. Maybe anyone else would like to.

Sandy:

All right. Good morning, everyone. Commissioner Palmer has served several terms on the commission beginning back in 1989. He has served his final term ending this year and we would really like to thank him for his decades of service. He has brought valuable knowledge to the commission and participated over several decades, lending his knowledge and his expertise to the commission. Unfortunately, he was not able to attend today's meeting, but we are recording this meeting and we will send him a link to the meeting as soon as it's posted. So at this time I would really like commissioners and DOL staff to chime in and share their departing thoughts so that he can listen back to this meeting and remember his service fondly.

Scott Biethan:

Yeah, I'd like to start. I know, Dean, you've probably known him for a real long time as well. And I got to tell you, Brent, when I first joined, when I first started to come into the appraisal business Brent was one of the first clients that I ever dealt with and I've known him since I started over 35 years ago. He has been one of those guys that just gives and gives. He's a great guy. He was a demanding client and he made me a better appraiser. And then when I saw what he did for the Real Estate Commission over the years, I was just in awe. And so, yeah, I hope he listens to this because Brent has added a lot to the state for all of his service.

Dean Potter:

This is Dean Potter. Brent, sorry to see you go. Brent and I have served on the commission a lot at the same time. I've been his vice chair, he's been my vice chair when we've been chairs. Brent's knowledge of the appraisal foundation, the trustees, the appraisal subcommittee, AQB, ASB is immense. And if

there's one thing Brent will be remembered for, he will always be remembered for keeping us on task. Whenever the commission would see a rabbit hole way off in the distance and head for it and get ready to jump in, Brent would be there and say, "Now, wait a second. Is this really our mission? Let's take a step back and think about what we're doing." Brent always had very, very good advice for us. He served on a lot of work groups. I just can't say enough about him.

The first time I met Brent, I got a letter from a bank he was working for in Seattle and he asked to come to my office. He was thinking, they were right back when they were starting to have approved appraiser lists, and he said, "I want to come to your office and see what you're about before I approve you." I'm assuming he did that to others, not just me. But he came to my office, we had a nice chat, and we did a lot of work together over the years. Like Scott, he made me a better appraiser too. He was a demanding client, but he made me a better appraiser, so I can't say enough for about him. I wish you the very best in your retirement, Brent, and you're going to be missed. Thank you.

Stan Sidor:

This is Commissioner Sidor. I think I'd like to throw in my two cents. I have known Brent for actually just probably a few years prior to him joining the commission, if he started in '89. I didn't realize, actually, that he has been involved for that long of a period of time in one way or another. If not for Brent, I would not likely be on the commission or have achieved some of the things that I have achieved. And so like others have said, yes, he's always very helpful, very supportive. He gives of himself quite a lot and he's given to the profession and we wish him all the very best. I certainly do. And be sad to see him not be partaking of our meetings and involved, unless he decides he wants to come back once more. Thanks.

Scott Biethan:

Last call for anyone who'd like to comment, otherwise we'll move on. But I want to make sure if somebody wants to speak, we give them that opportunity. All right. Brent, thank you. Okie-doke. So, I guess, we're turning it over to Marcus Glasper.

Marcus Glasper:

Well, good morning, everyone. Thank you for allowing me to pop into your meeting for a few minutes, just with the opportunity to introduce myself. As you just said, I am Marcus Glasper. I use he/him pronouns. Been here at the Department of Licensing for six months now, probably six months and almost two weeks. I'm certainly grateful for the opportunity to be here in this great agency. I just thought I would give you a little bit about my background and who I am. As the slide says, I'm southern grown, hailing from the State of Louisiana, where I was reared and got my Undergraduate Degree in Mechanical Engineering. And then I moved to the Tri-Cities shortly thereafter to work for the Department of Energy at the Hanford nuclear cleanup site. While there I also had the opportunity to get my Master's in Engineering Management from Washington State University, so go, Cougs.

Working out at the Hanford site, I did that for about 10 years before joining Washington State Government in 2003. I've moved around a bit over the last 20 years, with licensing being my fourth agency. Over my 30-year career, it really has taken me to some interesting places, I'd like to say, from nuclear waste to prisons to taxes to gambling and now to licensing. But all of these experiences, however, have been grounded in public service, which I've always believed to be my calling. And as I

said, I think licensing is truly a great fit for me as we touch the lives of almost every Washingtonian, which is nearing about 8 million folks these days. But as you can imagine, even though I've been here for six months, I am still in the learning phase as the breadth of licensing's mission is extensive. But I just wanted to kind of mention a few of my focus areas over the next couple of years.

One of the things I want to do is really step back and evaluate the agency's strategic framework. I think it's important that we take the opportunity to understand what guides our work and what guides our decision making and then work together collaboratively to make improvements for the residents of Washington. A second area is really kind of preparing the agency for future stability. This agency has a central role in collecting revenue, mainly for the transportation system. We collect over 3 billion a year. We know some of those revenues are declining, and so we want to make sure that we are partnering with others to figure out what the future of funding our transportation system looks like. Clearly, we also have a role in Washington's traffic safety platform, and so we want to make sure that we are advancing traffic safety initiatives for Washington roadways by partnering with others in our state who also have a central role in that.

Another key area is, of course, why I'm here today supporting you and why you are here, is supporting our businesses and professions. I also want to take the opportunity to look at our infrastructure around that so that we ensure that we're making it easier for our businesses and professions to obtain licensure. Clearly, because we serve so many people in the State of Washington, we always need to be looking at and evaluating the customer experience. Given that there's 8 million folks, almost, in Washington, I think that we are the face of state government because we touch almost every one of those. And so we make sure that we are meeting the needs of our residents here. Internally, I want to make sure that we are ensuring a diverse, equitable and inclusive culture. We have to make sure that we are looking internally so we are providing the best service externally to the residents of Washington. And then operational excellence, looking at our systems and processes internally to make sure that we have the public trust and that we are enhancing organizational performance in everything that we do.

That's just a short brief overview of me and some of the things that are on my mind. Just wanted to introduce myself to you. I certainly look forward to working with all of you in the future. But I want to take the time and the opportunity to thank you for your service to this advisory board. Seems as though some board members serve decades on here, so that's exciting to see. But thank you for your service to this board, to your profession, and really to the residents of Washington for the work you do to provide your advice and expertise to the department. It's really essential in helping our licensees as well as our consumers. So thank you very much and I hope you enjoy the rest of your meeting.

Scott Biethan:

Welcome.

Marcus Glasper:

Thank you.

Scott Biethan:

Thank you very much.

Marcus Glasper:

I'm actually happy to take any questions, if anyone has any as well. I might not be able to answer them, but I'm happy to take the questions.

Scott Biethan:

Okay. Well, I do see that there is one hand raised and so I suppose you've offered. Careful what you wish for, right?

Marcus Glasper:

That's right.

Scott Biethan:

George Nervik?

George Nervik:

Yes. Glad to meet the director here. Don't mean to ambush you here, but I've been trying to get in touch with your office and you for over two months, all to no avail. And-

Marcus Glasper:

To me directly?

George Nervik:

Yes, to you directly, and wanting to talk to you about an issue that is important to appraisers, and that deals with property data collectors, which are basically being allowed to operate illegally in the State of Washington under the auspices of the Department of Licensing. I've been preparing a document that I am going to send to the governor and to the attorney general, but I'd be happy to revise it if you can set up a time where you and I can have a conversation privately.

Marcus Glasper:

Who else have you been conversing with, George? I'm unfamiliar with you trying to reach out to me and I apologize for that. But, certainly, me and my staff. Again, I'm only here six months, so I want to make sure that I am providing you with good information and certainly happy to talk with you offline. I more than likely will include someone else who has knowledge of the subject matter, but we're certainly happy to get together with you.

George Nervik:

Well, let me see if I can get the right window to open up here.

Scott Biethan:

Yeah, and I would suggest, unless, director, if you would like to continue with exchanging data here or if you want to take it offline. Whatever you think is best.

Marcus Glasper:

Yeah, we should take that offline. I'm sure Sandy can work with me to connect with George.

Sandy:

Absolutely, Mr. Nervik. If you'd go ahead and email the DOL board's inbox, we can absolutely exchange that data. That email will be posted at the end of the meeting.

George Nervik:

Okay. I've also emailed repeatedly the director at DOL and numerous other emails, but, like I say, just can't seem to get any response. So if you could pass my email along to the director, George-

Sandy:

Absolutely.

George Nervik:

George-

Sandy:

Absolutely. Are you saying it out loud? Okay, go ahead. I'm writing it down.

George Nervik:

Yes. It's George, G-E-O-R-G-E, @all-appraisal-service.com

Sandy:

all-appraisal-service.com?

George Nervik:

Correct.

Sandy:

All right. Thank you very much. I'll forward that information.

George Nervik:

Okay.

Marcus Glasper:

Thanks, George.

George Nervik:

Thank you.

Scott Biethan:

Good. Any other questions for Mr. Glasper?

Stan Sidor:

Well, this is Commissioner Sidor, and I don't have a question, but I did want to welcome Director Glasper. Thank you for taking the time to share with us this morning a little of your background. It's good to know who we've got at the upper echelons of the agency. Thank you.

Marcus Glasper:

Well, thank you, Commissioner Sidor. It's a pleasure to be here.

Scott Biethan:

Good. Yeah, I think we all echo that. It's good to have you here. All right. I'm going to pause. And then we're seeing no other questions. Again, thanks a lot for being here and also opening yourself up to questions. It's always nice to have the folks who are doing the things that you do be available, so thank you. Great.

Marcus Glasper:

Thank you so much. Enjoy your meeting.

Scott Biethan:

Moving on to 5.3, Jason Lin.

Jason Lin:

Hey, good morning. My name is Jason Lin and I've been with the department here for about three weeks. Thank you for inviting me here to be able to introduce myself and to speak with you a little bit about what I'll be doing here at the Department of Licensing. Just a quick background, born and raised in Florida, and then I attended the University of Alabama. Got my Bachelor's Degree in Finance. Roll tide. I guess we're allowed to do that since we got a, "Go Cougs," earlier. And then I went to the Navy for 20 years, served as a linguist, Arabic and Pashto, within the intelligence community while I was serving my time in the Navy. I just retired just about a month ago and then ended up applying and getting this role, which will help support the military spouse community here in the State of Washington.

Here at the Department of Licensing, we're doing a lot to try and enhance and help provide opportunities for military spouses to work within the professions and careers that we end up regulating here at the Department of Licensing. And so this is a new program. We're getting it up and running. Part of that implementation that I'm required to take part in is helping provide training for our boards and commissions. Everyone on the board should have received an email with a mildly short, about half-an-hour training about the culture and the experience of military spouses. It'll really give you a good background and some good information as to why these programs are important.

Good information as to why these programs are important, what we'll be doing and a lot of the barriers that we will hope to bring down to help the military spouse community be better prepared to help find employment here in Washington. Learning from the director, I guess I probably won't take questions. But if you want to reach out to me, you can do so at the outreach email box or just get with Sandy, she knows how to get in touch with me as well. So if you don't have any comments that I'll just go ahead and conclude my introduction. Thank you.

PART 1 OF 4 ENDS [00:24:04]

Scott Biethan:

Thank you very much. All right, moving into old business, turn it over to staff. We're going to be talking about House Bill 1110.

Sandy:

Good morning. We have invited Mr. Beau Perschbacher from our policy and legislative unit to come and give us a good brief on house Bill 1110. So at this time I would like to turn it over to him to give his quick brief.

Beau Perschbacher:

Hi everyone. Beau Perschbacher, legislative Policy Director, Department of Licensing. I think I've got Kelsey Stone with me here who is our policy analyst for the business professions area. Kelsey, are you on?

Kelsey Stone:

I am.

Beau Perschbacher:

All right. I think Kelsey has been working on, this is not a DOL bill, but we have been trying, we are aware of some of the concerns about its impact and Kelsey's been working with Department of Commerce on those, so I'm going to let her kind of give you an update on how that's progressing. So Kelsey, go ahead, introduce yourself.

Kelsey Stone:

Hi everybody, my name is Kelsey Stone. I am the legislative policy Analyst for the Business and Professions Division at DOL. As Beau mentioned, HB 1110 is not a DOL bill. This is primarily Department of Commerce bill during session. So this is one that didn't really have a lot of impacts for our agency since we primarily deal with issuing of licenses. But we did hear a lot of concerns from the appraisal industry and as this is an industry that we work really closely with in the licensing sphere, we wanted to make sure that we were kind of doing the best that we could to help alleviate some of those problems and some of those concerns. We met with some industry representatives and Representative Bateman who was the primary sponsor of this building session and it kind of came about that we think that the best way to handle some of the concerns that are floating around about the bill is we're going to be holding a listening session that's going to be jointly hosted by DOL and Department of Commerce.

We're going to be sending out some information within the next couple of weeks about how to participate, what the purpose of the listening session is and what we hope to get out of it. Essentially, we really want to go over a summary of the bill from Department of Commerce's perspective since this is primarily their bill. And then we'll go over any kind of questions that everybody has related to the bill that can be directed to commerce or DOL. Obviously we will answer as best as we can for what is within our authority in our jurisdiction. And then afterwards we'll be compiling kind of an FAQ for the industry on the bill and its potential impacts. We're going to be holding this listening session on November 13th and like I said, we'll be sending out some information on exactly how to participate and the specific timeline and everything like that within the next couple of weeks.

We're going to send that out to the real estate appraiser listserv that DOL has. We'll be sending it out to all of the commission members as well. So please feel free to distribute that to any folks that you think may be interested in participating in the listening session and some stakeholder groups that we've already heard feedback from. So we want to make sure that we're casting a really wide net so we can get as much information out there as possible. What we can do within our sphere, since this isn't a DOL issue specifically, we're also going to be posting all of the information about this listening session and linking to commerce's website on Doll's website onto the appraiser licensing page and we'll be sure to get everybody all of the information as soon as we have that communication finalized. So those are kind of the next steps that we're taking.

We understand that this is a concern for a lot of folks. We want to make sure that we're being very good partners at DOL and talking to you all and listening to those concerns, providing the best information possible we can about our next steps. But this is something that we're working really closely with Department of Commerce with since they're the primary agency in charge of implementing this bill. I think that Bill Dutra is also on the line. I'm happy to see if he has anything else that he would like to add because I've been working in tandem pretty closely with him on these efforts with Department of Commerce. But if not, we're happy to take any questions. We'll be taking some notes here and we look forward to seeing a lot of you at the listening sessions. We can chat a little more about this. Thanks

Bill Dutra:

Kelsey and Beau, but certainly I think Kelsey, you covered it all, you and Beau. So if we have any questions from the commission members, Kelsey and Beau and myself are here. So from commission members, any questions?

Claire Elston:

Yes, this is Commissioner Elston. I read a article yesterday in the working real estate magazine that suggests that residential appraisals performed under this new legislation might not be compliant. Most lenders under federal guidelines require appraisals to be compliant. So this would mean that lenders and borrowers could not use these appraisals for lending purposes. If so, the consequences would be a grave disservice to both lenders and the general public in the state of Washington. I want to make sure as you cast your net, that you include other federal agencies including re and lenders, so that that question can be answered because I'm pretty sure the state wouldn't want to implement or enforce legislation that might harm the general public. Thank you.

Dean Potter:

This is Dean Potter in also, I echo Commissioner Elston's comments, but make sure that you include real estate agents and mortgage bankers in your invitations. This has a huge potential to create a choke point in the flow of a transaction that a real estate agent sells and then is mortgage financed. And it could create a shortage of appraisers that are reluctant to appraise some of these properties that have a potential for six units outside of their scope of their credential. And so in the past when things like this have come up and they just kind of perk along and no one's paying too much attention, when you get the real estate agents and the bankers involved, you start to get more action because they have bigger numbers and they have more at risk. So please make sure you incorporate the real estate agents and the mortgage bankers in your invitation to this listening session.

Scott Biethan:

There's another issue and we'll talk about what we can do as a commission here in just a few minutes. There's another issue that might warrant some consideration and that is the relationship of appraisers and their E&O insurance compared to what might be construed by some is a violation of USPAP like he just was just mentioned. And if someone could perfect that argument, then the appraiser's E&O insurance would be void. So there's an attorney, Peter Christensen is his name, who specializes in appraisal litigation and he does all things appraisal related. Someone like that might be good to add to the listening session because again, I'm not an attorney and nor do I fully understand all of the ramifications of the legislation related to licensure, but E&O I mean, if you can operate safely without assurance that your email is going to cover you, then if I don't have any email policy, I'm not going to write a value.

And so even though I'm generally certified and we've got announcements of people coming and going, I don't know if that's what you intended. Anyway, so I think that's another aspect of this, but I'm really glad that you're doing this because as the issue has become more and more apparent, I mean the DOL can only write rules based on legislation and enforce rules. We are an advisory and we have forwarded to the DOL that we're concerned about this. And I think that we're going to be here in a minute with the commission's approval forming a work group to at least also concurrently study the issue and maybe get feedback also as a commission. Because this is, I'm concerned about this.

Dean Potter:

Hey Stan, or excuse me, Scott, were you saying that even a general certified appraiser would, there's a possibility their E&O insurance?

Scott Biethan:

No, I'm saying because I'm generally certified, I'm less affected professionally.

Dean Potter:

Okay, okay. All right.

Scott Biethan:

But I'm very concerned.

Dean Potter:

Okay. Yeah. Okay, thank you. But this has a potential to create a huge shortage of qualified appraisers to do this type of work when these circumstances present themselves, right?

Scott Biethan:

You're asking me that question?

Dean Potter:

Yeah.

Scott Biethan:

Yeah. I think there's that potential. Again, I don't fully understand everything, the actual legislation, this relationship to re, and we've seen information coming back from DOL and they're also exploring this too. Nobody's trying to sideline it, but it's a complex issue. But yeah, I think there's a real concern there. That's my personal concern. My personal opinion. Are there any other questions to the staff then I'd like if we could as a commission have a short conversation around this as well. Okay. Seeing none. So I'm going to remind us, I've had conversations with different people. Some folks will start to talk about is it right that the state did this or what do you think about this in related to the city's ability to do zoning versus the state's ability to have things that affect zoning? Our purview is licensure and licensure enforcement. And when I say purview, I mean as a commission I believe that our discussion should stay in the context of licensure.

And again, we're advisory. The DOL doesn't make legislation nor do they lobby. We can only ask, I think though that we do have a responsibility to stakeholders and the stakeholders include the DOL appraisers and users of appraisal services. And like I said, the staff knows this. I'm a little concerned about the unintended consequences and it also a very complex issue. What I would like to propose to do is I would like, and I think I need a motion I can never remember, I think I need a motion to do this. I'd like to ask us as a commission to form a subcommittee to perhaps also do their own information gathering. Maybe have the DOL send out a survey like they did to par.

So you all would be doing, seeing back the staff you're listening session, which I'm really glad to hear that you're doing that. But then perhaps there are folks that can't make it that would like to weigh in sending that out to the listserv and getting back any kind of commentary. But also just again, we have no authority to do anything binding, but we can be a voice of the profession of the stakeholders. And so I guess I'm looking forward to start with any conversation about that. And if there is none, then I would see if we would entertain a motion to form this committee or group.

Stan Sidor:

Chair Betham, this is Commissioner Sidor or I move that we form a work group subcommittee to do some outreach and research so we can better make recommendations or suggestions to our stakeholders and or the DOL.

Dean Potter:

I'll second that.

Scott Biethan:

Okay. Is there any discussion on this

Dean Potter:

When we talk about outreach? I think, am I correct when we're saying that we are going to seek people's information about how this is going to impact the appraisal profession and different things like E&O insurance and not being able to do certain appraisals in certain areas and things like that? That's what you mean by outreach, is that correct? Commissioner...

Brian:

My name's Brian. I'm an appraiser. I have an assignment for Abby Woods Lot 12 and was calling to is the house how far along in construction?

Sandy:

Excuse me. Excuse me. Chair Betham, are you taking comments from the public at this time?

Scott Biethan:

No, I'm really sorry and I know that it's frustrating, we would like the comments from the public, but if we could hold off until we do that later in the meeting, I would certainly appreciate it. And Dean, I see you've got your hand raised. Really appreciate the input, it's valuable input, but we're going to, going to hold off for now.

Stan Sidor:

This is Commissioner Seedor to attempt to answer Dean Potter's question. Yes, I believe that it would be to as Commissioner Betham had mentioned, send out a survey via a serve, set up some meetings probably more likely via Zoom or teams like this and seek input perspective comments from stakeholders of all sorts and types like those that were mentioned earlier.

Dean Potter:

Yeah, thank you for that. Like I said, like Chair Betham said you may have a personal opinion about whether the state was, it was a good idea for them, the state to start influence locally zoning. But I think as chair Betham points out, we have to keep this in the context of licensure and how it affects our function as appraisers in the community. Yeah. Okay. Thank you for answering my question.

Scott Biethan:

Yeah, absolutely. Okay. Any other discussion among the commissioners on this before we move to a vote? Okay. I think what I'm going to do is I'd like to do a friendly amendment to this because I'd like to request slash appoint and Bob, I know you've got your hand raised. If we can wait until the Q and A that would be, or the public comments, I would appreciate it. I'd like to request slash appoint commissioners, Sporn and Seedor and then we've talked in the past about having experts or at least volunteers from outside the commission. And the third person we'd like to appoint to this is Todd Reddington who has been in front of the commission with information has studied the issue. And that would also bring in kind of a wider net of thoughts and he's got a background with some involvement with A-cal moving his data through there. And he's also sent his information into the commission.

Stan Sidor:

So I accept as an amendment

Scott Biethan:

And the second is okay as well.

Dean Potter:

Second.

Scott Biethan:

Okay, thanks. So to reiterate, it's been moved and seconded that we form a task force and that we have Commissioner Sidor and Sporn on that task force along with Todd Reddington. Any other discussion? All in favor?

Claire Elston:

Aye.

Scott Biethan:

Any opposed? Seeing none. Motion carries. All right, thank you. Yep.

Stan Sidor:

Is it your expectation or desire that the work group try to have something ready to present by the next commission meeting in three months.

Scott Biethan:

If possible? Yeah, I mean I think you can only do what you can do, but that would be desired.

Stan Sidor:

I mean considering that we are entering into the holiday period too.

Scott Biethan:

Now. Yeah, like I say, we're all doing the best we can. So Okay.

Sandy:

Chair be I'll go ahead and reach out to each of those work group members and I will organize some meeting schedules and get things on people's calendars.

Scott Biethan:

Great. And also safe to say that we could also do some reaching out and there may be some questions already formulated that we could forward to that work group and say Hey, what do you think about those? So, okay. All right, we're going to move to 6.2. I'm going to turn it over to staff.

Sandy:

All right, we're super excited. We are moving forward with the WAC updates for PERA and the AQB updates. So everyone on the commission has been provided a copy of the draft language and I hope you had an opportunity to read it. So I'm just going to briefly do an overview of the proposed changes. First and foremost were the updates to the AQB requirements for certified general. It is 3000 hours and not less than 18 months certified residential, 1000 hours in not less than 12 months. And state licensed real estate appraiser, the transaction value has been increased to \$4,000 and then also the 1000 hours in not less than six months. Next slide please.

Also some other changes. The state licensed applicants 1000 hours within six months, but no more than seven years certified residential. The 1000 hours in one year, and again, no more than seven years to achieve those certified general applicants 3000 hours within that 18 months and then again a maximum of seven years. Next slide please. All right. So we are also adding, using PREA as an alternate pathway to licensure for the PREA licensed residential program. Licensed residential appraisers can use up to 100 of that, a hundred percent of that for a hundred percent of their required hours. Certified residential up to 67% of their required hours, certified general up to 33% of the required hours. And then moving on to the PREA certified residential program, both licensed residential and certified residential can use up to 100% of their hours and certified general can use up to 50% of their hours with this program. And with that I am happy to answer any questions.

Stan Sidor:

Sandy, this is commissioner Sidor didn't the Washington state, are we still issuing state licensed appraiser licenses or have we done away? I thought we did away with state licensed.

Sandy:

I believe we do still offer state licensing, state licensed appraisers.

Stan Sidor:

Interesting. And what is the difference on this particular page, the difference between pyre licensed versus PREA certified for what you showed down below as certified residential or certified general? I'm not sure about the distinctions between licensed and certified.

Sandy:

I believe that is the differences in the program that PREA offers. They offer a licensed program and then they also offer a certified program.

Stan Sidor:

Do you know what the distinctions are between those two?

Sandy:

I do not.

Stan Sidor:

I was unaware of that. Thank you.

Sandy:

We made these changes and updates based on the input from AQB and from their PREA representative.

Stan Sidor:

Thank you.

Sandy:

So are there any other questions with the proposed language updates for the WAC?

Scott Biethan:

A quick question, and I have to ask this because I'm forgetting. Have we taken through this process, are we changing our required hours, experience hours back to the A Q B minimum standard? Is that correct?

Sandy:

That's correct. We're changing every, we're changing the requirements to match the AQB requirements.

Scott Biethan:

Okay. Yeah, I think that's a good thing.

Sandy:

Exactly.

Scott Biethan:

I don't have any other questions. Anyone else?

Sandy:

All right. If there aren't any other questions, all we need is the commission's approval and we can move forward.

Scott Biethan:

So that needs to be done in a motion.

Sandy:

A motion and a vote? Yes, please.

Scott Biethan:

Okay. Yeah, do a motion to not vote, right? No, just kidding. Okay, so I guess we would entertain a motion to recommend to proposed changes support, again, recommend the proposed changes to the DOL.

Stan Sidor:

This is commission Seedor or I so move that we accept these proposed revisions or changes for DOL to accept.

Dean Potter:

Seconded.

Stan Sidor:

Whatever the wording is that would apply.

Jay Sporn:

Seconded.

Speaker 2:

Whatever the wording is that would apply.

PART 2 OF 4 ENDS [00:48:04]

Scott Biethan:

Yep. Any discussion?

Speaker 1:

And I must apologize. Who was it that seconded?

Jay Sporn:

It was Jay Sporn.

Speaker 1:

Oh, thank you. I'm sorry, I didn't catch that. Thank you.

Scott Biethan:

Okay. Any other discussion? Okay, move to a vote. All in favor say aye.

Dean Potter:

Aye.

Speaker 2:

Aye.

Scott Biethan:

Are there any opposed? Okay. Seeing none, the motion carries.

Sandy:

Wonderful. Thank you so much everyone.

Scott Biethan:

Yep, thank you. Item 7.1. I think this is going to be a quick discussion, but it may not be. You never know. So, when I first got started in the commission, there was a lot of discussion around the educational requirements for mass appraisal certification through Department of Revenue versus DOL certification for your licensure through DOL. And we have some questions that came up and the commission discussed it. It was a hot topic for a little while. And then I was the one that was helping to push this forward. But because I don't have a mass appraiser background, I really felt like I wasn't the right person. And we waited until we had a couple of mass appraisers, or at least one. Now, we have two that

are on the board. And I've reached out to them and said, "Look, I'm not sure if there's anything we can do."

And I'll be honest with you, I don't know that we can do anything here. And I don't know if there's a way forward, but I did ask Commissioners Denise and Jay, if they would be willing to be part of a mini task force to just look into it, they know the folks both on the DOR and DOL side to just take it back up. Again, it may be that the recommendation comes back that there's really nothing we can do because it has to be the education providers who are going in for accreditation have to make it such that it could be applicable to DOL or AQB, then DOL and DOR. But I don't know that.

So, I guess what I'd like to do is ask if there's any discussion around that, and if there is none, then just form this subcommittee to research and analyze the issue. Is there any discussion on this? Because I'm the one that pushed this through and I'm not trying to... I want to make sure the commission's comfortable with what we're doing because we can say no.

Stan Sidor:

This is Commissioner Sidor. So, is it the intent that we try to discern what are the differences between what the DOR requires versus the DOL and maybe help mass appraisers who work through the DOR to be able to get some credits towards state licensing as an appraiser? I'm not sure I understand what the intent is and what we're trying to do.

Scott Biethan:

By way of background and history on this, and to make a long story short, when I first started in the profession, I remember the company I worked for, it seemed like many of the people that were in the profession had started in an assessor's office. And I think assessor's offices and assessor background, they provide a great training ground for people coming into the business. But if you go down and you get your DOR certification in mass appraisal, a lot of the classes seem likely the same to some of the classes that we all take or took to get our license, DOL license. And the question was raised to the commission, how come it can't be done such that the same classes can be applied to both tracks? So, at least it gives you a jumpstart if you want to go from one to the other. And so, we're just trying to explore that. And Jay, I see you've got your hand up.

Jay Sporn:

Yeah. The educational requirements on renewals are 15 years for the DOR as opposed to 28 for DOL. I did find out just this week that the DOR, they put on a lot of classes, but they have just made a contract to sub out that to a professional educational deal that probably does for the appraisers as well. I can't recall the name of the company. Am I correct in the fact that the experience credit in a mass appraisal office will qualify for licensing?

Scott Biethan:

No, experience does qualify for state licensing.

Jay Sporn:

It seems to me... I've just had a person take this test. I saw some of the practice questions. It was difficult. It was no different than what I've experienced early on taking a 101 class. I have another one

starting up in two weeks, and they seem very similar in that regard. But if you're going to allow the experience credits, I don't see why you wouldn't want to do the educational as well, as long as they're qualified and they're approved.

Scott Biethan:

Yeah, and that all boils down to what the AQB, you submit a course to the AQB, and you either ask for it to be qualifying or continuing education. And it's the qualifying education that's the tricky part because a lot of the courses that have been submitted to the AQB for certification, they have only submitted to be continuing ed rather than qualifying ed. So, the question is, is there a way for the State of Washington to somehow at least figure out can we use some of those same courses and have them be qualifying? And that's where it gets a little tricky. So, yeah, I think that's the question will be in front of the work group.

Okay. Any other questions or comments?

Claire Elston:

This is Commissioner Elston. So, what I hear you saying is that the work group might go to McKissock or some group that's offering a class and say, "We want to know if this will be eligible for both state DOL and state DOR." Is that correct, that you would be looking to work with third party vendors to make sure the education was acceptable for both, or am I-

Scott Biethan:

That might be a question. Yeah, that could be a good question. It's also, I think, understanding when... Because it's the education providers that submit their stuff to the AQB to say, "Hey, will you certify that this is education that will be approved by the state?" But I mean, the question is if they're doing those courses for mass appraisal certification, how come they aren't doing it for qualifying education rather than just continuing education? Because all the entry-level classes, Appraisal 101, under the ones that are being offered through the DOR, even though DOR is not offering the classes. But the education providers that provide those courses, when you go look at the website for the AQB, they're only certified or they can only be used for continuing ed and not qualifying it. And therefore, it doesn't count. You can't use the Appraisal 101 class that the content, at least from the curriculum, looks similar, but you can't use that class, take that class and then turn it into the state as part of your education to get your DOL license. That's the question. And this question, I think-

Dean Potter:

Oh, go ahead.

Scott Biethan:

... came up a couple of years ago and there was a lot of folks that really asked to have this question studied by the commission and the folks that were doing it. Then one of them left the commission. She's a great partner and so, we just put it on hold for a while. But Denise, you've got your hand up.

Denise Stephens:

Yeah. We had a IAAO meeting yesterday. I think it was yesterday. And there was the talk about the Department of Revenue not being able to offer the 101 classes anymore, that they're going to have to be put on by somebody else, which they are IAAO classes, but they're offered by the Department of Revenue. The whole topic of the conversation came up the fact that we do not have instructors in the State of Washington to supply these classes. Most of the instructors come from the East Coast. So, we're looking at our future for education as maybe spending more time training Washington State appraisers to do these classes and be able to provide this education if the Department of Revenue is not going to put on these classes anymore.

So, there's a little swing going on there that we're going to have to follow through more with. But right now, that's all I know. It was just a brief conversation in our meeting yesterday about the transition and how it'll look for the future.

Stan Sidor:

Denise, this is Commissioner Sidor. Would you contact me after the meeting to discuss that further? I would've some interest in possibly being involved in that.

Denise Stephens:

Okay.

Stan Sidor:

Thank you.

Scott Biethan:

Okay. All right. Any other discussion on this matter? Okay. Seeing none, look for a motion that we form a subcommittee to research and analyze the issue around mass appraisal education requirements, and have Commissioners Stephens and Sporn be on that committee.

Stan Sidor:

Well, also move. This is Commissioner Sidor.

Scott Biethan:

Looking for a second?

Dean Potter:

Second. This is Dean Potter.

Scott Biethan:

Okay. Any other discussion?

Stan Sidor:

Yeah, this is Commissioner Sidor again. Commissioner Sporn is also going to be part of this HB 1110 work group. Does he foresee being overburdened with two groups?

Jay Sporn:

Nah, not a problem.

Stan Sidor:

Good, man. Thank you.

Scott Biethan:

Thank you. All right. Seeing that there are no other discussion, all in favor say aye.

Speaker 2:

Aye.

Scott Biethan:

Any opposed? Motion carries. All right, onto the calendar for 2024.

Sandy:

All right, everyone, thank you. As you know, this is the last meeting of 2023, so we would like to set the dates for 2024. We are a pretty busy unit since we support nine boards and commissions. That's over 32 different board meetings per year. So, with this commission, we would like to propose the third Thursday of the end quarter and the first quarter of the year starting in January, April, July and October. So, that'll be January 18th, April 18th, July 18th, October 17th, again, beginning at 10:00 AM. That's our proposal. And if approved, that's what we'll send to the code register's office.

Stan Sidor:

This is Commissioner Sidor, I so move that we approve those dates.

Dean Potter:

Second.

Sandy:

Wonderful.

Scott Biethan:

Okay. All in favor?

Dean Potter:

Aye.

Jay Sporn:

Aye.

Speaker 2:

Aye.

Scott Biethan:

Any opposed? Seeing none, motion carries.

Sandy:

Excellent. Thank you so much. We'll be sending out calendar advice for that.

Scott Biethan:

Thanks. Okay. There's no subcommittee reports. So, we're going to move into 8.2.1. Legislation 101. It looks like it's either Sandy or Kelsey.

Sandy:

Good morning. Yes, we have invited Kelsey Stone to come and talk about Legislature 101 and the bill making process. Take it away, Kelsey.

Kelsey Stone:

Thanks all. So, you guys have already met me a little bit. Kelsey Stone, legislative and policy analyst for the Business and Professions Division. I'm going to give you a quick overview of the legislative process and all of the different steps between the conception of a bill to it becoming a law.

So, this coming session is 2024. Our state constitution determines how long each leg session is going to be. So, for odd years, it's considered a budget year, so it's a little bit longer. And then in even years, it's a short session where the legislature creates a supplemental budget. So, since we're heading into 2024, this year is going to be a short session. Meaning it's the second half of a biennium. So, it'll be about January to March, is usually what a short session will be like.

So, the really basic building blocks of session is bill creation. Legislative proposals can come from a lot of different places. The most common ones are from issues heard directly from constituents to a leg office or to a state agency or some type of other governmental entity, any changes in social circumstances, an issue with current laws or recently enacted legislation, and it could be in response to a court case or to changes in federal law.

Bills can be drafted by a lot of different people, citizens and interest groups, state agencies like DOL, or legislators and leg staff. Only legislators can sponsor bills though. So, no matter who is drafting it, you're going to have to secure a legislative sponsor in the house or the Senate for your bill.

So, a couple of just a really quick breakdown in the legislative process. The first step is filing your bill. Bills can be filed starting one month before session. So, we usually see what we call pre-file starting around December 5th before session starts in January. And then the next step is to have that bill introduced and have its first reading. Bills are introduced in the house of origin. So, Senate bills or SBs are introduced in the Senate. Conversely, House bills or HBs are introduced in the house and then they're assigned to a House or Senate committee based on where they originate from.

I've listed out some of the standing committees. These sometimes change yearly depending on their names. But the meat of the committee, the types of topics that they discuss usually stays the same. So,

we have the House and the Senate. You'll see a lot of different, what we call, policy committees, like Law and Justice or Environment and Energy. And then we have the two fiscal committees in the House and the Senate that never change. For the Senate, that's called Ways and Means. And in House, that's Appropriations.

Next step for a bill is going to be a hearing in the committee that it's referred to. The chair and the ranking member of that committee set the agenda and they decide which bills are pertinent. Almost all of the bills that we see during legislative session have to pass a committee before going to the chamber floor for a vote, but not always. There's always exceptions. Some bills have to be heard and passed by multiple committees. So, if it has a really high fiscal impact, normally, it'll be heard in a policy committee and a fiscal committee. Whereas some smaller bills that make corrective changes can go straight from a policy committee to the floor.

After a committee votes but before a bill heads to the floor, it has to go to the Senate or the House's Rules Committee, and it has to be pulled by a legislator to the floor. Sometimes, this is the bill sponsor usually but not always. And if they aren't pulled, that's likely where they will die during the session. Meaning they won't move any further. If a bill is passed by a majority in the chamber of origin on a floor vote, those are then sent to the opposite house. So, Senate bills go to the House. House bills go to the Senate, and then we repeat the entire process.

Bills get introduced. They're assigned and heard in a committee and potentially will be pulled to the Rules Committee to the floor for a vote. After that bill is voted on and it's passed both of the chambers, it's delivered to the governor who then signs it into a law. It's very rare that any bill will be passed during the session without being changed at all. So, amendments can be proposed by legislators to change the language of a proposed bill. They can be amended in committee or on the floor before a final vote, but amendments have to be within the bill scope to be accepted.

For example, if we're discussing something to do with health care, you can't put in anything about childhood education. So, it has to be in the same kind of subject matter area. Once a bill passes one chamber, so if a Senate bill is passed and goes to the House, the new chamber is able to make an amendment, but that requires the original chamber to either concur with the amendment, meaning that they accept it, or they have the opportunity to dispute it. In this case, a conference committee is created to determine the outcome between the two chambers. This is where we see a lot of contention during a session, and this is also something that can cause a bill to die and not move any further forward in the process.

After a bill passes both chambers and is delivered to the governor, if this occurs more than five days before the legislature adjourns, that's what we call sine die. It must be signed within five days. But if it occurs five days or less before the legislature adjourns, the governor has 20 days to sign it. Bills normally have a default effective date of 90 days after sine die, but they can have certain clauses that will make that happen sooner.

An emergency clause means that it's necessary for public health or safety, so it takes effect immediately as soon as it's signed. Sometimes that can be months before session if there's something really urgent that needs to pass. Or a bill can specify this will take place two years from now, six months from now. It's really dependent on the feedback that we get during committee and from the public.

And the final thing is the governor has the authority to veto entire non-fiscal bills or they can veto by section. So, sometimes even a bill can change once it gets to that final stage. It's not just an automatic sign into law. And that's just a really high level overview. I'm happy to answer questions if you guys have any. I've also included my contact information here. If you should think of anything later or have any comments, I'm happy to listen to those.

Scott Biethan:

Are there any questions? Seeing none. That was really helpful. I really appreciate that.

Kelsey Stone:

Happy to. Thanks for having me, everybody.

Scott Biethan:

Yeah. All right, Sandy. 8.2.2.

Sandy:

All right. Let's move on to the complete case counts. During the second quarter of 2023, we have received 11 complaints. The total investigations that have been completed is four. Total closed count is four. And then we have 11 complaints that are open in our intake unit, and that is the 11 of the total cases that we've received. They haven't been assigned to an investigation yet. And then we have 36 that are under current investigation, and then six that have been forwarded to the legal compliance unit. And with that, I'm happy to take any questions.

Okay. You want me to just take it from here, Scott Biethan?

Scott Biethan:

Yeah.

Sandy:

All right, let's move on to our licensee count. As you can see, we have them broken out by age and by classification. So, I'm just going to run through the grand totals. We have, the active licensee count is 2,982. And then we also have the reciprocity of 2,182, and that is included in that 2,982 count.

Okay, moving on. One of the things that we have been asked is to provide some visuals about what this looks like. So, we have put together some graphs. From January to September, here is the basic graph of 2023. The green is the renewals and the blue are new licensing issues. So, as you can see, the renewals go up and down, and this is cyclic in nature. But also, our new issues, our new license issues, had a nice little peak in August. And moving to the next slide.

This is a little bit more in depth detail. So, here on the left, you'll see our licensee count over time, starting in 2019. And as you can see, we've had just a little bit of a decline each year. So, we had a bit of an increase in 2020 and then a decrease starting in 2021, and then a decrease in 2022. And so far, in 2023, the data that we have captured, it still looks like we have a bit of a decrease. For the licensing stats, that's the broken out, the licensee count over time in a different way.

And with that, are there any questions about the data we've been able to capture?

Excellent. Well, moving forward, we'll continue to track this data so that we can give you a little bit better picture of how your licensees are, the help that the licensees are doing over time.

Scott Biethan:

Thank you.

Sandy:

...Doing over time.

Scott Biethan:

Thank you. All right. All right. Sandra back to you.

PART 3 OF 4 ENDS [01:12:04]

Sandra:

Yeah, thank you. So this is our master action item list. These are the action items for staff. We are still in the process of researching demonstration reports, the use and intended user and the 1004 form.

Sandy:

Sandra, I do have a quick update for that.

Sandra:

Oh, go ahead.

Sandy:

So as far as the intended user, it is up to the trainee and to the supervisor to identify who that intended user will be. It is not DOL, but DOL will accept whatever intended user that the supervisor and the trainee come to together and that the supervisor has approved of.

Sandra:

Okay, thank you. And then we talked about reviewing the HB1110 already on the agenda. It sounds like we're going to form a subcommittee and then also staff is working with Department of Revenue on that. That actually may not stay on the action items. It's up to you, the commissioners, if you want to keep it on there as an ongoing item or if we want to use it just in the agenda as an ongoing item based on those subcommittee and staff report outs.

Scott Biethan:

I think it's easier to keep it in the agenda because the master action items I think are things that don't hit the agenda and we just want to make sure we don't lose track of them.

Sandra:

Okay. Yeah, exactly. So I'll take it off of the action item list then, in that case and we'll just keep it on the agenda as it comes up.

Scott Biethan:

Can I just say something? I didn't say it when we had the discussion. I want to say thanks to the staff, but Bill Dutra really did a lot of research and work around it and I do really appreciate that. And so I didn't mention that before, so I thought I need to do that now.

Sandra:

Well, thank you. And then as far as drafting a letter to the director, Chair Bethan and Vice Chair Elston did draft the letter. They sent it off to the director and I believe, Sandy, you had an update on that.

Sandy:

It has been delivered and the report out today is a result of that letter. So the director has given us guidance to start working with all of our partners and this is the result of that letter. Well done.

Sandra:

Thank you. And then providing additional clarity on third party property data collection issue. That is also complete. All right, any questions?

Stan Sidor:

This is Commissioner Sedor. And what was The result of any additional clarity on third party PDC?

Sandy:

We had reported out last meeting that the property data collectors are not considered appraisers. And if you believe that anyone that is performing appraiser duties without an appraiser's license, please feel free to file a complaint on that.

Stan Sidor:

Thank you.

Scott Biethan:

Okay, good. Any other questions? All right, seeing none-

Speaker 3:

Commissioner Bethan, This is Bill [inaudible 01:15:45]. I'd like to just clarify one thing regarding that last comment.

Scott Biethan:

Sure.

Speaker 3:

I appreciate it. If you believe there is an individual that is performing duties without a proper license, please file those complaints against those individuals regardless of the profession of what you believe that they are performing, whether that's any of the 42 different professions or organizations that the business and professions division oversees. We do still continue. We still have conversations with other entities regarding individuals and entities. I have been in meetings a few of them with some people I believe are on the phone here today that I will be back meeting with them here in the next couple of weeks as well to talk about some of their concerns and frustrations.

Scott Biethan:

Thank you. All right. Before we move into public commentary, anything else from the commission on the topics just discussed? Seeing none. So just as a reminder, please try to keep it at three minutes. And I know there's a lot of important information and there's a lot of important stakeholders. This is the time for public commentary. You can always also, here's the clock. You can always also email them in advance, and that will give you ample time to elaborate your question and it does get read into the record and considered. So I see some hands up. So I guess I'm just going to go in the order that I see on my screen if that's okay.

Sandy:

Chair Bethan, we did have a written comment that was submitted. If you'll allow me to read that first, then we can move into the in person.

Scott Biethan:

Please do.

Sandy:

Perfect. So we did receive a written comment from Vince Healy from Clearpoint Appraisal Incorporated. He states, "I have some concerns about House Bill 1110. The Washington legislature passed and the governor signed HB 110, which is doing away with a lot of single family zoning in many cities. It goes into effect the end of July. A key component is in cities with 75,000 plus populations, six plexus will be allowed within a quarter mile of a major transit stop. Or if two units are affordable. In these cities, four plexus will be allowed everywhere. The concern I have is the highest and best use question and how a residential certified appraiser cannot weigh in if the potential land use is over four units. The effect would be that if any formerly single family residents SSR lot were being appraised and it now is possible to put five or six units, a general license needs to be engaged.

If it is possible to put five or six units on most single family lots in Seattle, where I work, and in most of the adjoining cities as well, then a general license will need to be engaged. A residential license cannot appraise a property that could have a potential for five or more residences. If a large section of properties can now have up to six residences, but residential appraisal licenses cannot appraise them, there'll be a large mismatch between the need for appraisal services and those licensed to do them. As a practical matter, if someone wants a loan on one of these properties and goes to their lender, say to refinance their existing loan or to purchase that property and the lender says they need to engage an appraiser with a general license, it is going to be much more costly and take a lot more time. Also, most

of the general licensees, commercial appraisers are not experienced in residential appraiser matters the way that residential certified appraisers are.

I think the best solution to this is to increase the number of units a residential certified appraiser like me can work on from four to six. Thank you for your consideration and I look forward to your reply." That concludes the written public comments.

Scott Biethan:

Thank you very much. All right, so going in the order that I have. Todd Reddington.

Speaker 4:

Thank you Chairman Bethan. I just want to thank you for the opportunity to be a part of the HB 1110 work group. As a third generation appraiser with over 35 years of residential experience, I want to take a moment to assure the commission and those in attendance that while HB 1110 is not specifically a DOL bill, it is most definitely something that DOL will have to address and should have a clear communication available to residentially licensed appraisers regarding the issue. Specifically to your point earlier, Chairman Bethan, having spoken to my own ENO company, they have clearly stated that if an appraiser performs an appraisal on a property that exceeds the level of their licensure, the ENO coverage is void. As it is written, HB 1110 does create large areas where the zoning change will exceed what any residentially licensed appraiser is qualified to appraise for the state's licensing guidelines. I look forward to working with Commissioner Sedor and Elston in this work group to address this and other unintended consequences that HB 1110 is creating. And again, want to thank you for inviting me to be a part of the work group. That's it.

Scott Biethan:

Great.

Speaker 4:

Thank you.

Scott Biethan:

Thanks. Scott Nebaso.

Speaker 5:

Great. Good afternoon, Chair Bethan, members of the commission. A couple of quick issues. The first of which is going back to the slide related to the rulemaking, to change the experience requirements. I think you had the number of hours of experience required for the certified general credential incorrect. It was listed as 1000 hours in 12 months, I believe. And in fact the AQB requires 1500 hours and no more than 12 months. So that will need to be corrected in the rules when they're published. Or if the rules were adopted in that form, it would be very likely that you would be out of compliance with the AQB criteria. So I would urge the DOL and the commission to go back and double check that. It should be 1000 hours in six months for licensed residential, 1500 hours in 12 months for certified residential, and 3000 hours in 18 months for certified general.

Second issue, I wanted to respond to Dean Potter's question about the difference between LR and CR [inaudible 01:22:31]. And the main difference is that in CR [inaudible 01:22:33], participants are going to be exposed to more complex properties, atypical ownership, all the various characteristics that make a property a complex property and they'll also be exposed to higher level methods and technique. So it's a continuation of the LR, but I think at a much higher level.

I wanted to also encourage the commission to include within this rulemaking some of the new requirements by the AQB for qualifying and continuing education on fair housing laws and regulations, appraisal bias, so on and so forth. While they're not required until 2026, this would be a good opportunity to include those requirements in the WAC. In addition, doing so would trigger the implementation of the evaluations law that was passed earlier this year.

And lastly, to respond to the written comment that came in encouraging the commission and DOL to increase the number of units that a certified licensed residential appraiser can appraise to six. That's not something that the commission nor DOL has the authority to do. That's controlled by federal law and it would literally require an act of Congress to be able to do that. So you're stuck with what is in [inaudible 01:24:02] and there's not much you can do to expand the scope of a residential appraiser's ability to appraise property. So, appreciate the opportunity. Happy to answer any questions.

Scott Biethan:

Scott, would you mind, because after we had a slide up with the hours that we're going to experience, would you state once again for a licensed residential, certified residential, and certified general, what are the minimum experience hours?

Speaker 5:

The one that you have incorrect is the second one down where it says certified residential applicants. That should be 1500 hours within one year.

Scott Biethan:

Okay.

Speaker 5:

And I think it's incorrect on the second slide as well.

Sandy:

I apologize. That was a typo on my part.

Scott Biethan:

Oh good, good. So the rulemaking is correct. Good. Okay. Great. Yeah, thanks. All right, Bob Masudo.

Speaker 6:

Good morning Commissioner Bethan, commissioners and the department members. I'm going to beg that you bear with me here because I'm going to go on beyond my three minutes and it appears that I'm the last guy standing here anyway. As the president of the Appraisers Coalition, I think it's important

that the commission know what's going on within our organization. So with regard to HB 1110, we are working with Representative Bateman and the department on the issues at hand here. As far as licensure goes, the problem here is with the highest and best use. If an appraiser is stating that the highest and best use is currently residential, but doesn't look into the future possibilities of up to six units and he doesn't recognize that within the context of his report, he's actually in violation of USPAP. And that becomes a licensure problem. Because that report, if reviewed, could go before the board and that appraiser could be sanctioned in some manner later down the road.

And in the meantime, that same appraiser is still writing reports in those areas that we have yet to learn about. And the impact of that is he could have a good number of reports that are technically inaccurate. So that's something to think about.

As far as the fair housing and that, we've already written that into the evaluations bill, which became law earlier this year. So when we wrote that bill, we had that consideration and those are already in law. I checked it the other day and they're there. The only thing is that there's been no communication from the DOL in regard to the effective date of the law and where the department is currently as far as the law. Because when I read it yesterday, there was some speculation as to whether it's actually valid right now as far as appraisers doing evaluations. So I would ask that the department research that and put some word out to the appraisers within the profession so that they can actually start completing evaluations.

Going back to the standards, the AQB does not have a stipulation stating that an appraiser trainee is required to complete the training within seven years. That is something that the department has put forth. And the concern there is that in today's state, appraisers aren't getting work and trainees they're getting less. So the problem there being, it may take more than seven years at this point to complete these hours of experience based on the lack of work. So that's something that the commission and the department needs to consider when they go forward with this bill or with this action.

Going to property data collectors. ACAL is working with Representative Santos on property data collectors. And the biggest issue here comes from recent survey completed by the National Association of Realtors, in which it was stated that those polled in that survey, over 30% of the people polled mentioned that the PDC represented themselves as the appraiser. The problem with that is that violates federal and state law. Nobody is allowed to represent themselves as an appraiser and get away with that. The other-

Sandy:

Mr. Masudo, we really appreciate your comments, but we really need to hold as close to three minutes as possible so that we can be fair and equitable for everyone in the meeting.

Speaker 6:

I understand that and I am almost done. Anyway. The other piece was 90% of those surveyed thought that PDC should be licensed or certified. That said, this is my last year on the ACAL board of directors. I wanted to thank all the commissioners and department personnel that I've been able to work with over the last 10 years. I will continue to support all of you. And if any of you ever have any questions of me, please feel free to reach out. Thank you for your time.

Scott Biethan:

Thanks Bob. You're done a lot of great service, so we do appreciate it. And all right, two extra minutes. You're a good man. Thanks for understanding us trying to keep it contained. And you've, you've got a lot of insights so, we appreciate it. Great. Are there any other comments from the public? All right, seeing none, I think we'll close the public comment period. And then... All right, so short discussion with the commissioner. Is there anything here that we want to bring up as a future agenda item?

Sandy:

Before that, Chair Bethan-

Scott Biethan:

Oh, I'm sorry. Yep.

Sandy:

We do have a quick announcement.

Scott Biethan:

Right.

Sandy:

Since Commissioner Palmer is leaving the commission, we will be sending out an announcement for a recruitment for a new commissioner. And we are specifically looking for an employee of a financial institution to fulfill the RCW.

Scott Biethan:

Okay. Good. Yeah, sorry about that. I guess I should have read the next action. I'm thinking, wait a minute. Where do we have the future agenda items? All right, great.

Sandy:

Thank you, Chair Bethan.

Scott Biethan:

Yeah, thank you. All right, so request for future agenda items. Is there anything that we should be taking up? Anything for the future? I guess it can open it up to the commission.

Claire Elston:

This is Commissioner Elston. I'd just like to point out the correction that was made in the public comments regarding the hours required by the AQB and I would like to make it an agenda item that gets corrected before it is implemented. Thank you.

Scott Biethan:

Let me ask a question. Sandy, the difference was it was the slide that was presented, but in the rulemaking itself, the hours are correctly stated. Am I right in stating that?

Sandy:

Yes, that is correct. And I will go back and I will double check. I will triple check to make sure that it is accurate and then I will send an email to the commission and let them know it has been updated.

Scott Biethan:

Yeah. So maybe that should be on the action item list just to make sure that box is checked. Is that okay?

Sandy:

Absolutely.

Scott Biethan:

Yeah.

Sandy:

It would help if I wasn't on mute when I said that.

Scott Biethan:

Right. I've never done that. All right. Any other items for future action? All right, seeing none. Okay. If you want to review the action items and the agenda items for the next meeting, Sandra, and then we will move to adjournment.

Sandra:

Yeah, thank you. So I didn't hear any additional agenda items specifically. I do have action items. I have commissioned staff to forward a meeting invite, or excuse me, to forward George Nevik's email information to the director's office, and I captured the email he provided. I have staff to schedule work group meeting for house bill 1110 with Commissioner Sporn and Sedor and a member of the public, Todd Reddington. And then I have scheduling a meeting, which this wasn't mentioned per se, but I put it for myself, for the other subcommittee. And then also revisiting hours and training requirements on the rule change language just to ensure that everything is accurate. Did I miss anything?

Scott Biethan:

Don't think so.

Sandra:

Okay, perfect. Thank you.

Scott Biethan:

Good. All right. Anything else with the good of the order from the commission? Okay. Seeing none, would welcome a move for adjournment.

Stan Sidor:

I so move, Commissioner Sedor.

Dean Potter:

Dean Potter, second.

Scott Biethan:

All in favor?

Group:

Aye. Aye. Aye.

Scott Biethan:

None opposed. So, thank you much for everything. And Sandy and Sandra, thank you very much for your support. You guys do a great job and we couldn't do it without you. I kiddingly say an hour before the meeting, Sandy gets a call from Scott once a quarter. "Okay. Let's make sure I got everything right." So, I couldn't do it without you. Meeting's adjourned.

Stan Sidor:

Hear, hear, for sure.

Scott Biethan:

Yep. Thanks everybody.

Sandy:

Thank you so much everyone. Thank you for your time today. We really appreciate everyone. Have a great day.

Scott Biethan:

Yep.