



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

DATE: November 17, 2022
TIME: 9:00 AM
LOCATION: ZOOM – Virtual Meeting

MEMBERS PRESENT: **Dean Potter**, Chair
Scott Biethan, Vice Chair
Claire Elston, Commissioner
Sheryl Knittel, Commissioner
Stan Sidor, Commissioner
Heather Sullivan, Commissioner
Brent Palmer, Commissioner

STAFF PRESENT: **Sandra Baur**, Program Specialist
Saundra Schafer, Program Specialist
Alyssa Woods, Administrative Assistant
Katherine McDaniel, Administrator (Joined Later)
Michael George, Administrator
Tim Allen, Management Analyst
Bill Dutra, Assistant Administrator (Joined Later)

OPEN SESSION: 9:24 AM

1. Call to Order 9:24 AM

Due to technical difficulties with scheduled Zoom meeting, meeting was held via Teams.

1.1. Introductions

Program Specialist Sandra Baur conducted roll call for Commission Members and Staff.

Chair Dean Potter shared that Commissioner Heather Sullivan has been appointed to Appraisal Standards Board.

1.2. Order of Agenda

Chair Potter asked for three things to be added to the agenda: King 5 article under DEI and two items for Commissioner Sullivan to discuss under Other Business.

It was decided by Commission Staff that the Annual Board Training would be moved to the next meeting because of technical issues causing the late start.

MOTION: Vice Chair Scott Biethan made a **MOTION** to change agenda as described. Commissioner Stan Sidor seconded the **MOTION**, and it passed unanimously.

1.3. Approval of Minutes: August 18, 2022

MOTION: Commissioner Brent Palmer made a **MOTION** to approve the minutes as presented. Chair Potter seconded the **MOTION**, and it passed.

1.4. Review of Communications

None.

2. Old Business

2.1. DEI Update

Commissioner Sidor sent a comprehensive summary that was recently published with legislation that pertains to valuation issues, appraisers, education, pay, et cetera. Notes that everything's pretty much either in process, stuck in committee or pending.

Commissioner Sullivan brought up the King 5 article that discusses valuation bias and discrimination. She wanted to ensure the Commission is prepared to receive complaints and that investigators have necessary training. She wants to get an understanding of what the complaint process looks like from the consumer perspective.

Assistant Administrator Bill Dutra assured the Commission the Department of Licensing (DOL) is ready to handle this type of complaint and has partnered with the Human Rights Commission. DOL can also engage an expert review appraisal panel when necessary.

Chair Potter request to keep item DEI update on agenda.

2.2. DOL/DOR/AQB Questions Report Out

Ms. Baur discussed the differences between Department of Revenue (DOR) Mass Appraiser credentials and DOL Appraiser license. The DOR issues credentials for Mass Appraisers, such as County Assessor, differently than a "for fee" Appraiser, it does not require the same qualifying education. A County Assessor may use their Mass Appraisal experience to apply for an Appraisal License, but must still complete the QE and become a trainee under the supervision of a Certified Appraiser.

The Commission would like clarification for state certified appraiser, mentors, logging hours and the requirements.

The Commission would like to see a clear path of what constitutes a case-by-case basis and more direction of the pathway.

ACTION ITEM Expand on what experience can be used. The DOL to review requirements to see if there is a role within the DOR that would qualify someone to be a supervising appraiser, so their experience can count towards the DOL experience requirement.

2.3. ASC Grants (Appraisal Subcommittee)

Ms. Baur gave update for ASC grants. She shared that grants are available for three years and up to \$120,00 per year with the possibly of extending time and increasing the funds.

Administrator Michael George spoke about the grants and his conversation with Jim Parks. Four to six states have applied for the grant, and a grant director will be hired to help define a clear path for the application process.

2.4. PAREA and AQB WAC Update

Mr. George spoke about the code update. The DOL will be filing the Code Revisory (CR) 101, and then moving on to CR 102. There will be a public hearing and, if there are no issues, the rules will be completed March 24, 2023, which would be the earliest possible effective date.

PAREA will adopt the rule change, possibly as early as September 2023.

2.5. Review Master Action Item List

Ms. Baur reviewed the Master Action Item List.

3. New Business

3.1. 2023 Commission Meeting Schedule on “Teams”

Ms. Baur proposed the meeting dates of January 12, 2023, April 13, 2023, July 13, 2023, and October 12, 2023, at 10:00 AM with a possible hybrid meeting occurring later in the year.

MOTION: Commissioner Palmer made a **MOTION** to approve the meeting dates as presented. Commissioner Sullivan seconded **MOTION**, and it passed.

3.2. AARO Annual Conference Report Out

Vice Chair Beithan gave a report out. Great information was presented, with Appraisers Qualifications Board (AQB), a session on mass appraisers, gaining experience, certification and licensure were all discussed. He considered a discussion on diversity, equity and inclusion to be most valuable.

Management Analyst Tim Allen shared that he valued the education he received from the conference with fair housing, licensing and appraisers.

Mr. George shared that he enjoyed networking with different jurisdictions and states. He stressed the importance on building relationships.

3.2. Election of Officers Elect Chair and Vice Chair.

Chair Potter placed a nomination of Commissioner Scott Beithan for the office of Chair and Commissioner Claire Elston for the office of Vice Chair. Chair Potter then closed the floor for nominations. Commissioner Sullivan moved and Commissioner Palmer seconded, and all was in favor.

4. Committee Reports None

5. Department of Licensing Report

5.1. Program Operations 5.1a Annual Board Training

It was decided to move Annual Board Training to the next meeting.

5.1b Complaint Status

None

5.1c Licensee Counts as of October 12, 2023

Chair Potter made note that the date should be October 12, 2022
Ms. Baur reviewed the graphs with the Commission.

5.1d Business & Professions Functional Alignment update: Regulatory Compliance UCC and Firearms (RCUF) presentation

Kathy McDaniel gave a presentation for Regulatory Compliance UCC and Firearms (RCUF)

6. Other Business

6.1. Any Other Business

Commissioner Sullivan added items - provided information on Demonstration Assignments and Desktop Appraisals.

Commissioner Sullivan would like clarity with demonstrations assignments that are AQB approved. There has been conflicting information as to whether DOL does demonstration assignments. Mr. George said that he would look into the DOL's role with demonstration assignments.

Commissioner Sidor wanted to know if supervisor offering the demonstration appraisal assignment need to register as the supervisor appraiser and if so, does it conflict? Commission Sullivan said if a relationship truly ended with current supervisor and a new relationship under a new supervisory appraiser would need to be established.

Commissioner Sullivan lead a discussion about desktop appraisals, assignment types and discrepancy for time frames. Timeframes given are between 6-12 hours for various appraisals, i.e., drive by, interior, exterior, virtual and even with Google Earth. Commissioner Sullivan wants to get in writing our policies for clarification.

Commissioner Elson brought up that somebody could go through with all their experience hours and have never have ever actually inspected, measured, or produced a sketch on a residential property and be certified to do so.

Commissioner Palmer and Chair Potter discuss the standard USPAP does not require any experience inspecting properties. It was determined that currently in our WAC that a supervisor determines when a trainee is competent.

Chair Potter addressed Scott Dibiasio with the Appraisal Institute, asking if there is going to be a property inspection component to PREA? Mr. Dibiasio said, yes, a person going through our PERA program will in fact have to go out and inspect and measure our property residential property.

6.2. Action Items from This Meeting

Ms. Baur listed of Action Items -

Work assessor experience

DEI ongoing

PREA and AQB ongoing

ASC grants ACTION ITEM

DOR DOL MASS Accessor -How experience transfer over and what that looks like.

Research – to see how California, possibly New Jersey interpreted the supervisor role considering AQB definition.

Need more clarity demonstrations assignments from Mr. George.

Commissioner Knittle will report on an item, discrepancy for 6–12-hour timelines.

Commissioner Sullivan talked about with desktop appraisals.

6.3. Agenda Items for Next Meeting

Board training at the very end at the next meeting

7. Public Comment

The public may address the Board on matters within the Board's jurisdiction. The Board may only direct staff to study the matter further, or request that the matter be rescheduled for

discussion and consideration at a later time. Individual comments will be limited to three (3) minutes each. Comments from the public may also be submitted in writing to RBSAdmin@dol.wa.gov. Written comments will be limited to no more than 500 words and will be provided to the Board during this portion of the meeting.

Bob Mossuto made a public comment. He would like more information about supervisor appraisers (mass appraisers). He has attended three AARO conferences and they speak to regulators that regulate this profession. Coalition of Washington publishes a list of trainees looking for supervisors and it is growing. Supervisors are struggling to provide work. We have bills going through legislation.

Commissioner Sidor addressed court rulings for architectures and home diagrams or sketches. The US Supreme Court ruled in favor of architects, any kind of depiction of a property, house or otherwise is copyright. Commissioner Sidor has been identifying it as a diagram, in anticipation to get around the potential liability.

Dave Towne made a public comment. March 23 effective date for PAREA is only for the state of Washington, but the actual course content is far from being completed. There are a lot of holes in the King 5 piece, and they are allegations. Appraisers are not using census tracts.


Todd Redington made a public comment. With the architect's court ruling, the Supreme Court didn't make a decision other than rejected putting it on their calendar and sent it back to the lower court to exhaust all the other issues before the Supreme Court makes a decision. There could be a point as we move further into the hybrid world, that an appraiser could be licensed without ever actually inspecting your property. But then at that point in time, the very first time they do per USPAP, if they're following guidelines, they would have to disclose the fact that they've never done an inspection and disclose how they would get the education and training and so on and so forth to do it properly.

Scott Dibiasio made a public comment. We are a head of schedule with changes with PAREA. Stay tuned your e-mail with something coming from AQB and mandatory qualifying, continuing education on valuation bias, fair housing and equal opportunity issues. Appraisal Institute is soliciting mentors. There is going to be a training program mentor will have to go through before they can begin mentor appraisers, aspiring appraisers in PAREA program. There is a good list of mentors and will soon go through a training program. The ASB, the Standards Board has come out with supplement materials in the student manual for students that have taken 2022-2022 7 hour USPAP course.

Fair housing requirements are a subset of valuation buys, and appraisers need to be aware of all of the laws that are in place related to those issues. Valuation bias and implicit bias can unconsciously become part of your work and going to be more of a focus of the course rather than just fair housing.

**8. Adjourn Business Meeting
11:14**

Next Board Meeting:
January 12, 2023, 10:00 AM
Virtual Meeting – Teams

Submitted by: 
Debra Allen-Ba, Assistant Administrator

01-12-2023
Date

Approved by: 
Scott Biethan, Commissioner, Chair

01-12-2023
Date