

REVENUE: No revenue impact
FISCAL: Fiscal statement issued

Action:	Do Pass the A-Engrossed Measure
Vote:	5 - 0 - 0
Yeas:	Bonamici, Boquist, George, Monroe, Shields
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	5/4

WHAT THE MEASURE DOES: Transfers regulatory duties relating to appraisal management companies (AMCs) from the Department of Consumer and Business Services to the Appraiser Certification and Licensure Board. Requires AMCs to certify they have a system to require that appraisals are conducted independently and without coercion or influence. Modifies dispute resolution process. Establishes what an AMC is prohibited from requiring of an appraiser. Eliminates statutory requirement for an audit of each AMC every two years and allows the Board to adopt rules establishing audit procedures. Allows the Board to establish AMC registration fees by rule and to impose a civil penalty not to exceed \$15,000 per violation. Requires the Board to adopt rules that require AMCs to provide documentation showing they provide training to their employees. Directs AMC employees to notify the Board if an appraiser's conduct is likely to affect the value assigned to real estate being appraised. Adds to the Board an eighth member to represent AMCs. Becomes operative January 1, 2012. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Conforms state statute with federal law
- Consensus product of work group
- Fee structure of program

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: House Bill 3624 (2010) requires appraisal management companies (AMCs) to register with the Department of Consumer and Business Services. During the rulemaking process, the Department facilitated three roundtable discussions with a large group of stakeholders and legislators to discuss various concerns with the legislation.

Also during 2010, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act, which addressed some appraisal-related issues. One key provision is a requirement that AMCs register with the state agency responsible for oversight of appraisers. The Dodd-Frank Act gives states three years to comply with this requirement. House Bill 2499-A, while modifying many provisions relating to AMCs, does transfer AMC regulatory authority from the Department to the Appraiser Certification and Licensure Board, in compliance with the Dodd-Frank Act.