

HB 2189 STAFF MEASURE SUMMARY

House Committee On Business and Labor

Prepared By: Jan Nordlund, LPRO Analyst

Meeting Dates: 2/27

WHAT THE MEASURE DOES:

Establishes that cause of action arising out of real estate appraisal activity must be commenced before earlier of applicable period of limitation or five years from real estate appraisal activity. Provides exception when claim of fraud or misrepresentation. Applies to causes of action arising on or after effective date of Act.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Real estate appraisers can be sued for alleged defects in appraisals. Under current law, the "discovery rule" allows a suit to be filed for a period of time after the plaintiff discovers an alleged defect in an appraisal. Since the appraisal may have been performed many years in the past, the appraiser may not have the records to defend themselves, as records must be retained for only five years under the Uniform Standards of Professional Appraisal Practice. House Bill 2189 provides a statute of repose of five years from the time of the appraisal or an otherwise applicable period of limitation, whichever is earlier.