



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

**DATE:** Thursday, July 18, 2024  
**TIME:** 10:00 a.m.

**COMMISSIONERS:** Scott Biethan, Chair  
Claire Elston, Vice Chair  
Dean Potter, Commissioner  
Denise Stephens, Commissioner  
Jay Sporn, Commissioner  
Joe Moore, Commissioner  
Stan Sidor, Commissioner

**STAFF MEMBERS:** Jennifer Clawson, Assistant Director  
Bill Dutra, Administrator  
Debra Allen-Bâ, Assistant Administrator  
Tanya Hessler, Program Manager  
Jessica Koenig, Program Manager  
Nathan Buck, Investigation Supervisor  
Sandy Baur, Program Specialist  
Saundra Schaefer, Program Specialist

**1. Call to Order**

Chair Biethan called the meeting to order at **10:01 a.m.**

**2. Roll Call**

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

**3. Approval of Agenda**

Motion to approve by Commissioner Stan Sidor. Motion seconded by Commissioner Dean Potter. Commissioner Sidor noted a typo for the next commission meeting, it should be in October. Approved with noted change 7-0.

#### **4. Approval of Minutes**

##### **4.1. Approval of April 18, 2024 Minutes**

Motion to approve by Commissioner Sidor. Motion seconded by Commissioner Jay Sporn. Approved 7-0.

#### **5. Announcements**

##### **5.1. Fee Discussion**

Program Specialist Sandy Baur introduced Assistant Director Jennifer Clawson and Administrator Bill Dutra.

Ms. Clawson introduced herself and Mr. Dutra to the Commission and proceeded to discuss fee increases scheduled to take place in October.

The Commission and staff discussed benefits, potential industry impacts, and commissioner's concerns regarding the fee increase.

Ms. Clawson and Mr. Dutra assured the Commission that Department leadership would continue to monitor the industry for impacts, and that they would report out on any updates at future Commission meetings.

#### **6. Awards/Recognition**

##### **6.1. Welcoming New Commissioner**

*Staff and commissioners will welcome a new member to the Commission.*

Ms. Baur introduced and welcomed new Commission member Joe Moore and provided his background. Commissioner Moore introduced himself and said he appreciated the opportunity to serve.

Chair Biethan welcomed Commissioner Moore and said he would be a great addition to the group.

#### **7. Old Business**

##### **7.1. Upzoning Updates**

*Appraisers Coalition of Washington (ACOW) President Kathy Walsh will present updates.*

Chair Biethan introduced ACOW President Kathy Walsh and the discussion topic.

Ms. Walsh addressed the Commission and provided background on Engrossed 2<sup>nd</sup> Substitute House Bill (HB) 1110, particularly regarding the highest and best use analysis. She said the Attorney General's Office had provided a published opinion, and it had been added as an FAQ on the DOL website.

Ms. Walsh also provided an update on ACOW's response to HB 1110 and its impacts to the industry. She acknowledged that there were still challenges and appraisers were feeling vulnerable about them.

Chair Biethan asked about Spokane upzoning to unlimited. Ms. Walsh clarified “if it fits you can build it”. Chair Biethan thanked her for her time and presentation.

## **8. New Business**

### **8.1. License Reciprocity**

*DOL staff will provide an update on license reciprocity for industry professionals moving to Washington State.*

Ms. Baur introduced this item and Program Specialist Jason Lenn.

Mr. Lenn thanked the commission for the invitation to talk about the work he has done in the past year. Last year when he spoke to the Commission, he talked about expedited licensure for the military community. Over the last year, the department put in a lot of work to ensure federal compliance requiring acceptance of licensure when licensees move due to military orders. The work is intended to help reduce that time and help them get to work sooner. He then said that the department is in compliance and is beginning to see a payoff. He further explained the process for service members and spouses to become licensed sooner. This applies to all licensing agencies and the department has received a lot of praise from people in this area. DOL is setting the standard.

## **9. Reports**

*Report-outs and/or data will be shared on the following topics.*

### **9.1. Subcommittee Reports**

*Each subcommittee will provide a report-out on the progress they have made since the last Commission meeting.*

#### **9.1.1. Mass Appraisal Education Requirements (MAER) Subcommittee**

Commissioner Stephens gave an update of the committee’s work over this past quarter. The subcommittee meets every 2 months and met with Thurston County assessor last month regarding mass appraisal licensure and educational requirements. The subcommittee reviewed the portability of classes between DOL and DOR. During the research, they learned most DOR classes were not compatible enough to qualify for the educational requirement for residential appraiser licensure. She also provided updates on anticipated subcommittee work for the upcoming quarter.

Commissioner Potter said he was glad the subcommittee took that work on. He referred to IAAO courses and asked for clarification, which Commissioner Stephens provided. DOL requires different classes and hours and the IAAO course provides combined classes in less time. She further explained that DOR is getting out of the education piece of mass appraisal. In the past, their budget has not been able to support it.

### **9.1.2. House Bill (HB) 1110 Subcommittee**

Chair Biethan would like to propose renaming this subcommittee to “Upzoning.” HB 1110 is just one of many related topics. He also asked that the current members remain on that subcommittee.

Commissioner Sidor asked if only Commissioners could be a part of these subcommittees. Chair Biethan clarified that there are additional members on this subcommittee. He then deferred to ACOW on how they would like to participate moving forward.

## **9.2. Central Investigations and Audits Unit (CIAU) / Regulatory Compliance, UCC & Firearms (RCUF)**

### **9.2.1. Complaint Case Count Reports**

Central Investigations and Audits Unit Investigations Supervisor Nathan Buck presented the complaint case count report to the Commission.

### **9.2.2. Complaints by Type Report**

Mr. Buck presented the Common Complaints report to the Commission.

Commissioner Sidor was curious to know more about getting complaints of biased language in reports and asked for examples which Mr. Buck provided.

Commissioner Sidor said gentrification is an economics/real estate recognized modality and asked why that was necessarily biased. Mr. Buck said he would look at the use in relation to protected classes and said he could provide internal definition to the Commission in the future.

Chair Biethan asked if it was possible to get a list of words that the department is looking for. Mr. Buck said it would be an exhaustive list and he could provide something for the Commission at a later time. Chair Biethan asked if it was only enforceable across certain license types. What is the department able to enforce and through what mechanism. Mr. Buck provided background information for clarification.

Program Manager Jessica Koenig presented the Complaint Remedies report to the Commission.

Commissioner Sidor asked what the range of fines levied was. Ms. Koenig said it depends on several factors to include how many violations occurred, the history of prior disciplinary actions, and the nature of the violation, etc. It is not a cookie cutter process. The disciplinary actions depend on the specifics of each case.

Commissioner Sidor asked how many appraisers have had their license suspended. He also mentioned that information used to be reported on DOL website. Ms. Koenig explained the reporting requirements through ASC. The

department is still trying to work out the details of reporting those actions on the DOL website without giving out private information that isn't public record. She went on to say that the lowest fine would be \$500. There have been large fines in the past, but not recently. Fines start at \$500 and could go up to a few thousand, however, nothing more than \$10,000. License suspension is a last resort used in extreme circumstances or when a licensee refuses to follow the laws and rules.

Commissioner Sporn asked if they provide any education on what has been done or examples of what not to do. Ms. Koenig said they did not and explained why.

Clair Biethan asked how fines impacted the accounting of the program fund. Ms. Koenig said that accounting was not in her wheelhouse.

### **9.3. Licensee and Customer Support Services (LCSS)**

#### **9.3.1. Licensee Count Reports**

Licensee and Customer Support Services Program Manager Tanya Hessler presented the reports to the Commission.

Chair Biethan asked an administrative question about the need to extend the meeting time beyond 12:00. Ms. Baur answered.

### **9.4. Boards, Commissions, and Outreach (BCO)**

#### **9.4.1. Housing Market Report**

Ms. Baur presented a summary of the data in the Housing Market report to the Commission.

Commissioner Sidor asked what SAAR stood for. Commissioner Sporn answered that it stood for seasonally adjusted annual rates.

#### **9.4.2. Master Action Item List**

Ms. Schaefer and Ms. Baur reviewed the Master Action Item List with the Commission.

Chair Biethan asked about a workgroup for license fees. Ms. Allen-Bâ clarified that forming a workgroup to discuss license fees was outside of the Commission's scope of authority. Commissioner Sporn said not a lot can be done on the topic, and he liked the reports that were provided by staff.

Commissioner Potter reiterated that staff said fees may go down. He also said that some type of feedback about monitoring and reporting would be appreciated by the Commission. Commissioner Sidor said that used to be a regular report and he would also like to see that resume.

## 10. Public Comments

Dallas Kiedrowski addressed the Commission concerning mass appraisal requirements. MT allows mass appraisal supervisors and encourages the state to look at MT for another possible pathway. He said the Appraisal Committee has a grant committee and asked if DOL has looked at this grant program to negate the need for large fee increases.

Dave Towne addressed the Commission and said this meeting was frustrating as the audio was not great during the meeting. He asked if the state could put on the screen the written proposal for the fee increase from 5.1. He would like to see the actual fee increase shown before the meeting ends today. He would like to know the exact RCW/WAC that details fees. He appreciates what Stan Sidor said and he has attended these meetings for many years. Previously he saw more financial information and could see what was going on financially. He then said things changed after covid and he is not seeing that now. He was wondering if there is creative bookkeeping happening on the part of the state that has led to this. He would like an exact effective date for the increase.

Justin Slack said \$80 per year mentioned for ASC and Idaho decreased their appraisal fees and if there is an annual \$80 fee then Idaho must subsidize their licensees. He doesn't know if the fee is per year or per cycle, as Idaho's is different. He went on to say it is odd that he can take licensees to Idaho and be licensed through reciprocity and those licensees will have left. This logic is not rational for small businesses which most appraisers are. To not be prudent as a department and need 100% at one time does not bode well for small businesses.

Todd Reddington addressed the commission. Legislative chair for ACOW and his comments right now do not reflect his association with ACOW. He has experience in CA and he had to make a hard choice to let that license go. He can see a lot of licensees letting their license go because this may hurt more than it helps on a lot of levels. The fees we are paying, pay the salaries of investigators to ensure appraisers are doing their jobs right. Alternative is cutting costs, but why are we being held responsible for a clerical error? He also felt the point about looking to ASC grant program is valid. Being so aggressive at a time when appraisers realize pain of HB 1110 and new forms, the vast majority are older who don't like change and another impetus for them to leave the industry. He said he believes this will lead to an exodus from the industry and hopes that it has been taken into consideration.

Brandee Fish addressed the Commission. She said she does not need a license to work in mass appraisal and this fee increase is tempting her to allow that license to go inactive. People are struggling to make ends meet with lack of work. She also believes Dallas' idea is valid. She thinks the department will be stunned with the number of licensees who cancel licensure. They could go to ID and then get reciprocity.

Bob Mossuto addressed the Commission and said there are appraisal companies right now bleeding money. His company lost \$10,000 due to lack of business last year, and

now doubling fees, he may not renew in 2026. He believes he heard inactive license was going to require an annual fee. He recommended reading WAC stating that fees were only to be paid when going from inactive to active.

## 11. Conclusion

### 11.1. Requests for Future Agenda Items

Chair Biethan requested that staff review the ASC grant option. A fee increase email has gone out with fee amounts listed. He also asked that we bring back information regarding the law stating the need for self-sufficiency.

### 11.2. Review of Action Items and Agenda Items for Next Meeting

Ms. Schaefer reviewed.

- Data on inactive licensee types
- Follow up questions on fees
- ASC funding.
- WAC for self-sufficiency.
- Update on expenditures being an ongoing agenda item
- Additional info on biased language.

## 12. Adjournment

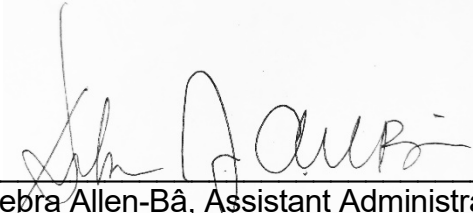
Chair Biethan adjourned the meeting at **12:13 p.m.**

### Next Commission Meeting:

Thursday, October 17, 2024

10:00 a.m.

Virtual via Microsoft Teams

Submitted by:   
Debra Allen-Bâ, Assistant Administrator

10/17/2024  
Date

Approved by:   
Scott Biethan, Chair

10/17/2024  
Date