



STATE OF WASHINGTON
DEPARTMENT OF LICENSING
PO Box 9020 • Olympia, Washington 98507-9020

September 19, 2024

SUBJECT: Adoption of [WAC 308-125-120 Fees and charges](#), concise explanatory statement (RCW [34.05.325](#))

EFFECTIVE DATE: These rule changes will become effective 31 days after filing, on October 19, 2024.

RULEMAKING OVERVIEW: The Department of Licensing, hereafter referred to as the Department, is required to set fees for each professional, occupational, or business licensing program at a sufficient level to defray the costs of administering that program. Current fees for appraisers are insufficient to sustain the program, and therefore the Department is considering fee increases.

SUMMARY OF PUBLIC COMMENTS PERTAINING TO THE RULEMAKING AND THE AGENCY'S RESPOSE TO THOSE COMMENTS:

1. Why is the Department increasing fees for appraisers when appraisers didn't make an accounting mistake?

RCW 43.24.086 states that "It shall be the policy of the state of Washington that the cost of each professional, occupational[,] or business licensing program be fully borne by the members of that profession, occupation[,] or business." The Department is responsible for administering the appraiser program, which has not had a fee increase in 15 years. The costs to regulate this profession have increased beyond the licensing revenue and the account is projected to end the biennium with a negative fund balance unless this fee increase is enacted.

2. Is there an inactive license for appraisers?

Yes, RCW 18.140.130 authorizes the inactive license for appraisers.

3. If less appraisers renew due to this fee increase, how long will the Department wait to increase fees again?

The Department monitors account balances to determine the funding necessary to cover the costs of regulating each profession. The agency does not have a set schedule for fee increases, but will evaluate whether revenue is sufficient to cover the agency's

expenditures. Currently, the Department does not have a timeline for when fees for appraisers would be raised again.

4. Is the Department aware of appraisers' income?

While the Department cannot use the income of appraisers as a justification to let the account have a negative fund balance, the agency is aware that many appraisers face economic hardships.

5. Has the Department considered that the increase in operation costs for appraisers has increased, while the fees appraisers can charge have decreased?

While the Department cannot use the increased cost of doing business and reduction in fees appraisers are able to collect as justification to let the account have a negative fund balance, the agency is aware that many appraisers have reported an increase in the cost of doing business and a reduction in fees appraisers are able to collect for services.

6. The inactive fee for an appraiser is out of compliance with WAC 308-125-250 Inactive Licenses.

The inactive fee for appraisers does not violate WAC 308-125-250. An appraiser who chooses to let their license become inactive will pay less to have their license reactivated than the cumulative annual renewal costs for the period their license was inactive.

7. Will appraiser license fees come down once the balance to the Appraisal Subcommittee is paid?

The Department will regularly monitor the account balance to determine the funding necessary to cover the cost of regulating the profession. In the past, for fee increases that were solely related to one-time costs, fees were lowered when those costs were met. This is unlikely to be the case for the full scope of this increase as ongoing costs have also increased for supporting this profession.

8. Will we be receiving a refund for fees remitted to the Department that were supposed to be paid to the Appraisal Subcommittee but were not?

All the fees the Department collected from appraisers were used for the regulation of the appraiser professional. The delay in paying invoices to the Appraisal Subcommittee would not result in a refund of the fees collected.

9. Where did the money that was supposed to be remitted to the Appraisal Subcommittee go?

All the fees the Department collected from appraisers were used for the regulation of the appraiser professional. The delay in paying invoices to the Appraisal Subcommittee resulted in the appraisal account fund balance appearing higher than it actually was. This resulted in the Department needing to increase fees more than it initially anticipated to keep the account from having a negative fund balance.

10. What is the soonest I can renew my license prior to it expiring?

Licensees can renew their license 120 days prior to expiration.

11. Is the Department trying to eliminate the appraiser profession?

No. The Department is legislatively required to administer the appraiser program. The Department does not have discretion over funding alternatives. The agency is required to ensure fees cover the cost of regulating the profession.

12. Can the Department implement a phased approach to fee increases, rather than large increases all at once?

The Department regularly monitors account balances to determine the funding necessary to cover the cost of regulating professions. In this case, it is not possible to do a phased fee increase without the account balance going negative. In the future, the intent is to do smaller, incremental fee increases rather than larger, less frequent ones. Currently, the Department does not have a timeline for when fees for appraisers would be raised again.

13. Can you change appraisers' renewal cycle to every 3 or 4 years to bring down the cost of doing business for the Department, reducing the funding needed to fund the appraisal program?

The Department does not have the authority to change the renewal cycle for appraisers. The renewal cycle is established in RCW [18.140.130](#). A change like this would require legislation.

14. How are trainees who make next to nothing supposed to pay for these fees?

While the Department cannot use the income of appraiser trainees as a justification to let the appraisers account have a negative fund balance, the agency is aware that many appraiser trainees have faced barriers to licensure, including the cost of becoming an appraiser.

15. This fee increase will make the appraiser industry less accessible.

The Department recognizes that there are barriers to licensure for appraisers and that cost can be a major factor. The Department is required to set fees for each professional, occupational, or business licensing program at a sufficient level to defray the costs of administering that program. Current fees for appraisers are insufficient to sustain the program.

16. The Department did not comply with the Administrative Procedures Act when scheduling and conducting the public hearing for this rulemaking.

The Department gave notice of the public hearings in accordance with RCW [34.05.320](#). WSR 24-15-149 was filed on July 24, 2024, and the public hearing took place 21 days after the publication date on August 28, 2024. The public hearing was held via Microsoft

Teams with a call in option, and in-person at the Highways and Licensing Building in downtown Olympia, WA. The notice provided accurate information on how to attend the hearing. The website had the correct information on how to call-in and attend in-person, but did have the wrong link to the Microsoft Teams meeting. While waiting for all parties to call-in, the Department received notice that an incorrect meeting link was shared. The Department shared the correct link and then waited for people to join before starting the public hearing. However, in consideration of the challenges that some individuals experienced joining the hearing, the Department filed a public hearing continuation with WSR 24-18-122 and scheduled the second public hearing for September 18, 2024, in accordance with RCW [34.05.325](#)(5). WSR 24-18-122 clarified that the hearing was in-person at the Highways and Licensing Building and that any technology challenges may result in participation by phone.

A complete copy of all comments and public testimony is included in the rulemaking file. A list of public organizations who participated in the rulemaking hearings or submitted a public comment, along with the number of participants at each public hearing, is included on the Director's Memo, published on the Department's website at www.dol.wa.gov/about/rules. Once removed, they are available by contacting the Department at rulescoordinator@dol.wa.gov or by submitting a Public Records Request.

SUMMARY OF CHANGES TO RULES PRIOR TO ADOPTION: Not applicable.

Sincerely,

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