

Washington State Real Estate Appraiser Commission meeting transcript

April 17, 2025

Sandy Baur (00:05):

Recording has started.

Scott Biethan (00:07):

Great. Okey-doke. Good morning. I think we're going to get the meeting started. I'm Scott Biethan, I'm the Chair of the Real Estate Appraiser Commission and it's now 10:01 on Thursday, April 17. So we'll call the meeting to order. The meeting is open to the public. We'll take time at the end of the meeting for a brief comment period. Participants will have no more than three minutes to address the commission. As a reminder, commissioners, we will not be engaging in conversation during the public comment time. And then lastly, what I would ask is that everyone mute their mics unless they're speaking. And as we go through the meeting, if one of the commissioners wants to make a comment, if you remember to do it, raise your hand. That'd be great. And call on you and you can unmute yourself. So regardless, we'll just get going and start with a roll call.

Sandy Baur (01:08):

Excellent. I will start with you, Chair Biethan.

Scott Biethan (01:11):

I am here.

Sandy Baur (01:12):

Vice Chair Stephens.

Denise Stephens (01:15):

Here.

Sandy Baur (01:15):

Commissioner Moore.

Joe Moore (01:15):

Here.

Sandy Baur (01:21):

Commissioner Potter.

Dean Potter (01:23):

Here.

Sandy Baur (01:24):

Commissioner Sidor.

Stan Sidor (01:25):

Here.

Sandy Baur (01:28):

And Commissioner Sporn.

Jay Sporn (01:29):

Here.

Sandy Baur (01:31):

We have a quorum. Back to you, Chair Biethan.

Scott Biethan (01:36):

Thanks. Appreciate it. So if we would look for a motion to approve today's agenda as presented.

Dean Potter (01:46):

So moved. Commissioner Potter.

Stan Sidor (01:49):

Second. Commissioner Sidor.

Scott Biethan (01:52):

Great. Any discussion? Seeing none. All those in favor, say aye.

Stan Sidor (02:02):

Aye.

Dean Potter (02:03):

Aye.

Scott Biethan (02:04):

And opposed ascensions? Motion carries. All right, so the agenda has been approved. And take a moment to ask if anyone has any comments. Well, I guess we'll call for a motion to approve the January 16th minutes.

Stan Sidor (02:26):

So moved. Commissioner Sidor.

Dean Potter (02:30):

Commissioner Potter. Second.

Scott Biethan (02:34):

Nope. Any discussion? Any changes? Anything else on the minutes? All those in favor to approve the motion, say aye.

Dean Potter (02:43):

Aye.

Stan Sidor (02:43):

Aye.

Scott Biethan (02:46):

Any opposed? Ascensions? Motion carries. All right. Okay. This is both a bittersweet, sad and also really grateful moment. Sandy, do you want to start? I'm presuming you would.

Sandy Baur (03:01):

I would, yes. On behalf of the staff, I really want to thank Claire Elston for her service on the commission. It has been an absolute joy working with you, Claire. I appreciate all the knowledge that you brought, how much you taught me through the last couple of years about the appraisal industry and the program. I am very grateful that you were willing to share your knowledge and your experience with me and the rest of the staff. We have prepared this plaque for you and we will be getting it put into the mail after this meeting. Again, I just want to thank you and let you know how important it was for me personally to work with you and to learn so much from you. Thank you.

Scott Biethan (03:56):

I am going to second everything Sandy said and just say, Claire, I don't know what we would've done without you. I really appreciate that you would ask questions that needed to be asked and you have been an amazing partner and I really appreciate everything that you did for the commission.

Joe Moore (04:17):

Hear, hear.

Dean Potter (04:20):

Commissioner Potter. And Claire, I really appreciate the fact that you served on the commission. I know you had a lot of competition for your time with your life elsewhere and your profession and this and that and your family, but I think that what I remember the most about you, you asked the questions that needed to be asked at the time they had to be asked and I so much appreciated that about you and I will miss seeing you at our meetings. So the very, very best of luck to you in what you choose to do in the future. You take care.

Scott Biethan (05:04):

Good.

Stan Sidor (05:06):

Commissioner Sidor. Commissioner Elston, thank you so much for all of your time and efforts. We really appreciate it and all the best to you and your future endeavors.

Scott Biethan (05:19):

Great. Thank you everyone. Claire, you know I don't want to correct Commissioner Potter, but you can always come to the meetings.

Claire Elston (05:32):

I might just do that. Keep an eye on you guys.

Scott Biethan (05:41):

You've been great. You've been great. Thank you so much.

Claire Elston (05:45):

Thank you for your kind words. I've really enjoyed my time.

Scott Biethan (05:48):

Yeah, good. All right. Well, I think we'll move on and we'll move into old business and turn it over to Mr. Dutra.

Bill Dutra (06:06):

Good morning everyone. Thank you very much. Sorry for that delay there. I hope everyone can hear me. I'm in the office using a new headset. Am I coming through clearly, Sandy?

Sandy Baur (06:18):

Yes, you are. We got you.

Bill Dutra (06:20):

Okay, thank you. So as we discussed it previously today, I'm not going to talk a lot about in the little bit of time that I have with you this morning, a lot about numbers on licensing counts. Those counts you can find on page 21 of your packet. That shows the current total numbers of licensees that we have today. I'll spend a little bit of our time today talking a little bit about budgets is what we agreed to talk to you all about. Fee increases went into effect in October of last year. I know that has been a very frustrating subject for many and all of us working through those things. Remember at that time when we brought in fee increases, we also were talking very clearly about our statutory obligations that these accounts that are dedicated funds, which the appraiser commission account is a dedicated fund, need to be, quote-unquote, "out of the red" by the end of the biennium.

(07:17):

The end of the biennium is quickly approaching us. That is the end of June. The new biennium starts July 1st, 2025. At this point today as information I have as of yesterday, late afternoon, we should be able to make that goal of this account no longer being in the red by the end of this biennium. However, remember during this time the department received permissions from the Office of Financial Management, which helps sets allotments and manages and/or oversees

budgets for state agencies that we were given permission not to actually pay into what we call the indirects that every program has to absorb through the departmental licensing.

(08:05):

Jen Claasen and I went through quite a bit of time spending time talking about indirects, so I'm not going to spend a lot of time there of what those actually are. Come July 1st, some of those indirects, we will start rolling those back into this account, but we're going to bring those in slowly to ensure that this account does not go back into the red. I know that seems like a lot of states mumbo jumbo or legal jargon. That basically is what it came down to is that the Office of Financial Management gave us some levers that we could pull to ensure that this account is whole or at a zero balance, not in the red by end of this biennium.

(08:48):

I'm sure there's going to be a lot of questions of what does this look like moving forward in the next biennium. Those are a lot of great questions. We have a lot of questions ourselves. I don't have those answers right now. As we all know, the legislature is still in session right now. It is slated to close in a couple of weeks, which at that point we'll all have our budgets, we'll all have our allotments. There's been a tremendous amount of proposals that people that are following the different proposals from the Senate, the House or the governor's proposed budgets, remember those are their first initial proposals that they were going to start negotiating from.

(09:23):

There was a lot of very unique, interesting language in all of those that could have an effect on the appraisers licensing program, but all of our programs within DOL and many programs within the state of Washington. Again, those are proposals. The department has no comment regarding what those proposals are. We will implement whatever it is the legislature deems appropriate and is signed into law. So that's a nice way of saying that I do not have a projection for you right now of what this account will look like moving forward. However, at the next meeting, and Sandy, please correct me the date of the next meeting.

Sandy Baur (09:59):

July 24th.

Bill Dutra (10:04):

We should have more better information of what we look and how we're going to propose out moving forward for this account moving forward over the next biennium, the 25/27 biennium. That's what I was asked to spend some time talking about, is where we're at with our budget and with those budget numbers and what the department is doing. Does the commission have any questions about what I just discussed?

Scott Biethan (10:31):

And also what I heard you say and I want to share with Claire, there are some things you don't know. I mean, so we can ask questions, but the reality is let's say the questions are what if, you don't really have any answers because you just don't know about the budget itself. Well, not that you don't know, but there are things that are outside your control that you will know later, but not at this time. That's correct?

Bill Dutra (10:52):

Absolutely. We hope to know more after the budgets are signed. There's a lot of proposals that have been put out there. I'm not going to go through them all again. When the department is asked, "If this thing happens, how will that affect your operations," we give a response of how that will affect operations. The biggest one that's been in the news that people talk a lot about is if the staff is furloughed, how is that going to affect operations? That's a very simple one. We will be closed that day. That's how it'll affect operations. There will not be people available to answer the call to look at an email or process any work on that one day that we are furloughed.

(11:36):

That's the easiest answer I can give you, but what is our allotment moving forward? What is the legislature going to do or not going to do? I have no idea until that budgets, until the governor signs all the legislation and the session is closed. It's all sort of a guessing game right now.

Scott Biethan (11:58):

Okay. Are there... Go ahead.

Stan Sidor (12:02):

This is Commissioner Sidor. Hi Bill, how are you doing today?

Bill Dutra (12:06):

I'm doing great, sir.

Stan Sidor (12:07):

I'm not necessarily asking you, I guess I'm just curious to know if you know the status of, I understand there was a bill or a proposal that was introduced that would adjust the fees for appraisers to reduce the increase somewhat maybe by a third or something like that. Is that bill still in play or did it actually get any traction or do you know?

Bill Dutra (12:44):

No, I have no idea. I know that that came up. Obviously I'm not going to say I wasn't aware of it. I know that came up and I think it might've gotten rolled up into one of either the Senator House's proposals for consideration. That's my understanding, but please don't quote it as the state of Washington says this is exactly what happened. But that's my understanding of what I could read online.

Stan Sidor (13:11):

No, I was just curious if you knew where things were on that, if anything. The other question I had pertained to, I think there was some earlier discussion in the past year, so about the appraiser account being combined in with all other business accounts, and I may have this worded incorrectly, may not be a full understanding of exactly what was being considered, but that so all accounts would be blended in a way so that even if our fees were not quite keeping us in the black for a dedicated account, that we wouldn't be in the red when considering all funds together. Is that actually anything that's happened or is it being looked at or is part of the red?

Bill Dutra (14:07):

Yeah, so it's kind of close. However, what we're talking about was the agency requests legislation to move these smaller accounts that have more volatility because of size of licensing base into a combined what is called our 06L account. Now the funds don't get combined. You still have to fund yourself, but what this would allow you to do is not have to have potentially drastic fee increases. If there's a legislative change for example, or if you have a pretty expensive hearing and that account draws a little bit low, you'd be able to basically have some overdraft protection instead and not have to do immediate rulemaking to bring funds back into your account.

(14:53):

You still have to be self-sufficient. So you're not supporting another account and another account's not supporting you. It's just an opportunity to try to stave off some fee volatility for small accounts. That is still moving through. I would anticipate it's gone through the House and the Senate. We have delivered whatever documentation that the House or Senate members were asking for on that. Testimony was given on what that would look like. But it'll probably go through. At this point, I haven't heard that it's been knocked down. This was affecting, I believe seven new licensing groups. We're going to be joining some other very large licensing groups together in what we call the 06L account, but each account within there has to support themselves.

(15:46):

Also remember why there's some fee volatility, and this might help a little bit, is when you have a licensing base that has a little bit smaller numbers, but you have a lot of work that goes into that licensing group, the department has a practice or policy of having three months worth of, I don't want to say revenue, but three months worth of expenses already there to cover things that happen. Again, legislative mandates that increase is something that has to be done. We can dip into that account instead of doing fee increases. A very large legal process goes through. Those can get very expensive, as you all know that have been part of litigations with your daily work or testifying. That's what those are there for. And that's where we're trying to get all of our accounts back to.

Stan Sidor (16:41):

I appreciate it. That was very detailed and I appreciate your response.

Bill Dutra (16:47):

You bet. Thank you, sir.

Scott Biethan (16:51):

Any other questions for Mr. Dutra?

Joe Moore (16:55):

Quick question. Commissioner Moore. Bill?

Bill Dutra (16:57):

Hello, sir.

Joe Moore (16:58):

The current biennium, that ends June? June 30th, is that correct?

Bill Dutra (17:02):

Yes, sir.

Joe Moore (17:03):

Okay, and we will hear a report in July after that, our next meeting here.

Bill Dutra (17:08):

Yes, sir. At the July meeting. What I'm asking for sir, is I would like to kind of see where we're at with that account balance and then have a little bit more data on what the licensing trends are. As we talked about before, by November of this year, so probably the last meeting of this year is when we're probably going to see the biggest show of any of how many people chose not to renew or went inactive or expired after the fee increases went in. We'll see that in November because we'll have a full year's worth of fee increases, so we'll have a lot better data of what it shows there. Now also, let's also remember is that what happens on the federal level when it comes to interest rates, I mean, I don't know. Maybe interest rates will drop to 2%.

(17:59):

I don't know. I'm making that number up. And lots of people want to refinance. That'll drive up the amount of appraisals potentially that need to go up or somehow we'll find 10,000 new extra homes somewhere that people want to purchase. So a lot of those numbers we realize we can look at forecasts out through past and present. Market will dictate also who may be coming into this industry or coming back into the industry as well. So there's a lot of factors that we'll be looking at.

Joe Moore (18:27):

Thank you.

Scott Biethan (18:28):

Mr. Sporn.

Denise Stephens (18:31):

Yes, sir?

Jay Sporn (18:32):

Yeah, Bill, this is Commissioner Sporn. I just had a question kind of about the DOL in entirety. Are you guys like an enterprise fund where you're self-sufficient with your licensing fees or do you get money for the general fund?

Bill Dutra (18:43):

So that's a great question and I'm going to try to keep this high level. So I'm part of the Business and Professions Division. We license and regulate 34 different businesses and professions throughout this division. We issue 145 different licenses, permits, whatnot, through this. Depending on the statutory language of each one of those professions, we have a lot of professions that are dedicated funds, so they must support themselves. Appraisers, real estate, home inspectors, to name a few. Those are the ones that we're most used to. Appraisal management companies. They all are what they call dedicated funds. They must support themselves. This division also because we license and regulate car dealerships, both new, used, tow truck companies, wreckers, things of that, they are funded through the Transportation Fund. So the legislature allots funding from the Transportation Fund to the department for those programs that are funded by them.

(19:49):

We have a pretty minor little bit of general fund money. And when I say a little bit, don't take that the wrong way, I apologize, but in the big scope of budgets, unless we're talking hundreds and hundreds of millions, it seems like it's a little bit minor. But we also take a small amount of general fund money that funds some different things. For example, the firearms' database. And when I say firearms database, we don't license firearms, we don't license those things. We are tasked with having a library of firearms purchases and transfers that is accessed by the Washington State Patrol. So there's a little bit. So we have sort of three funding balances that come into us.

(20:33):

Now I'm going to save you all a little bit more of me speaking about more transportation funds that comes in through our pro rate and fuel tax division, or excuse me, program that's part of this division that deals with receiving revenue on the sale and distribution of diesel fuel and aircraft fuel, things like that. So to answer your question, we have three, but almost all of our professional licenses under Title 18 are dedicated funds.

Jay Sporn (21:03):

Thanks. Thank you.

Scott Biethan (21:08):

Good.

Bill Dutra (21:08):

And I'll tell you, this is the most I've spoken about money and budgets in probably six months, so I appreciate you all for your questions.

Scott Biethan (21:18):

Where's my money? I want it back. How's that?

Bill Dutra (21:21):

You know what? If the legislature says, we'll do whatever legislature tells us to do.

Scott Biethan (21:26):

I didn't mean that in a way of fees. I meant that to be humor and that was the worst thing I could have done.

Bill Dutra (21:31):

Nope. I knew where you were going, so that's why I gave you the answer I gave you.

Scott Biethan (21:36):

I just appreciate everything you do. You get a lot on your shoulders and you're the spokesperson for things that aren't always everyone's favorite topic. So we just appreciate everything you do. So that was meant to be humor but didn't come out well. Not the first time. Won't be the last.

Bill Dutra (21:53):

It came out perfect.

Scott Biethan (21:55):

Any other questions? All right, seeing none, we will go into new business. And... Oh, sorry. Thank you, Bill. Sandy.

Sandy Baur (22:09):

Thank you. So I just wanted to give a quick update about the in-person meeting. If you recall back in our last meeting of 2024 in October, the commission approved the meeting dates for this year. It was January, April, July and October. You had approved July 24th as the in-person option. Now unfortunately, the governor's spending freeze remains in effect, and so all of our planning efforts are still on hold. Due to the timelines that are required for planning such a big event as an in-person meeting, we will not be able to offer an in-person meeting for July 24th. If anything changes, we will absolutely let you know. However, at this time it's just not going to be an option. And with that, I'm happy to answer any questions. Thank you.

Scott Biethan (23:19):

Thank you very much. All right, so we're going to move into reports and I'm going to turn over to Vice Chair Stephens. And I have to say this. We've been working a little bit together on a couple of matters and I can't say enough how much I appreciate what she's doing and what a great job. So I just want to say thanks very much and I'm going to turn it over to you.

Denise Stephens (23:50):

Thank you, Chair Biethan. And I want to just take a moment to thank Claire because I reached out to her and she came back with some guidance on this position and I just want to let her know that I really appreciate her reaching out to me because it's a big step. So with the Education Committee, the last meeting was March 27th and we discussed the new formation of the IAAO Mass Appraisal task force. And this task force was established by the International Association of Assessing Officers to enhance the recognition and validation of the professional experience in the field of mass appraisal. The task force is part of a broader efforts by AAO to support the development and credibility of mass appraisal professionally and globally.

(25:06):

Chair Biethan and I had just recently had a meeting with two of their representatives and discussed what their purpose is and what they want to achieve out of this task force and in their statements it's really that they just want a broader acceptance of the appraisal experience for continuing... How do I say this? Okay. They wanted the acceptance of mass appraisal experience counted towards licensure, so that's kind of what they're working on to help the mass appraisers use their experience towards licensing. We really don't know a lot about it. We just recently had this meeting, but we're going to set up a speaker for our next meeting so that they can talk to all of us and give us a little better idea on their goals that they're working on achieving with this task force. Our next meeting for the education meeting is scheduled for Friday, May 2nd, and that's all I have. Do you have any questions? Cool. All right. That's all I have. Thank you.

Scott Biethan (26:43):

Yeah, and I'll say this committee from the IAAO, it's interesting, they've got a lot of stakeholders including the foundation, so it'll be interesting to see what comes out of this. And they've given us some information already, but we need to make sure we understand it and then anything will come back through the education group here. So, good. On the up zoning, in candor, we did not have a meeting, but I did have a conversation with Kathy Walsh and we, again, very much appreciate ACOW and their contributions to the profession. And I'm going to ask Kathy to go ahead and unmute and give us a brief update.

Kathy Walsh (27:32):

Okay. Thank you, Chair Biethan, for the opportunity to update the commission on middle housing. Can you hear me?

Scott Biethan (27:35):

Yeah.

Kathy Walsh (27:36):

Okay, good. There continues to be a lot of misinformation circulating about middle housing. Appraisers are still confused about what is allowed within their licensing. Commissioner Sidor can attest to that. He was involved in a Facebook group discussion that helped to educate appraisers about a home that an appraiser had determined must be appraised by a certified general appraiser, which was really not the case. We had Stan present the details of this situation at our last board meeting. As you know, last year we produced the highest and best use webinar to help appraisers understand these complications and we're continuing down that road. We're developing a highest and best use Q&A class with actual case studies and we hope to have that ready this summer. The situation Commissioner Sidor ran into will be one of the cases we examine. If anybody has any interesting situations involving highest and best use analysis or anything related to upzoning, please contact me.

(28:34):

Commissioner Sporn, I know you'll have a few cases for us to unpack. One thing we're seeing, in addition to the confusion over the number of units in the highest and best use analysis, that appraisers and realtors have the idea that every corner property in Seattle could now be a commercial use with a neighborhood corner store or a cafe. House Bill 1175 would have

allowed small business establishments in residential zones. However, this bill never made it out of the House and the information being distributed is just not true.

(29:08):

Another bill pertaining to middle housing is House Bill 1096, which requires cities subject to the middle housing requirements to establish a process for simultaneous review and approval of an administrative lot split and building permits for a new single family or middle housing. This bill has passed the House and the Senate and should be on the way to the governor soon. We support this bill as it will allow people to stay in their homes and sell a portion or develop a portion of their property for extended family or rental income.

(29:41):

Let's see. Currently in Seattle, middle housing changes are not implemented. I talked with Brendan Staley. He's a strategic advisor for the city of Seattle, and the city expects to have temporary interim regulations to comply with host Bill 1110 on June 30th and then permanent regulations sometime in the late summer. The reason for this is the city must adopt House Bill 1110 changes by June 30th. If they don't, the model ordinance will supersede the non-compliant local regulations. The interim regulations they put together are mostly clarifications on rules that are open to interpretation and minor modifications on parking and setbacks, etc.

(30:25):

All the information about it is available on the Seattle Gov website under the "one Seattle plan". What we're seeing so far is continued four-unit development in the areas you would expect to see them. Builders are comfortable with this model, as are consumers and lenders. We also see developments of small condominium projects with three or so units and we think this might decrease our end with a lot split bill and the implementation of House Bill 1110. It seems to be kind of a workaround. We'll be watching that carefully once the middle housing will go into effect at the end of June. I want to say that the middle housing allowances are in effect in Spokane and currently single-family homes in Spokane are not being demolished for new development, but they can land-

Speaker X (31:16):

She wanted to take Friday's half-days.

Scott Biethan (31:20):

Somebody would need to mute please.

Speaker X (31:23):

I let you take the last one. I told you you might want to say thank you-

Scott Biethan (31:30):

Thank you.

Kathy Walsh (31:33):

I'll back up. The middle housing allowances are in effect in Spokane and currently single-family homes in Spokane are not being demolished for new development, but vacant land is being

purchased by developers, particularly corner lots or lots with all the access. We've seen even with no parking requirements, development consists of townhomes built on individual lots with detached garages and in many cases they have an ADU above that garage. Consumer demand continues to dictate what will be built in terms of size and design, not with the allowances. One last piece of information I want to share is that the ASB is working on creating some new advisory opinions regarding highest and best use. The coalition will be working with the ASB and providing input to that. That is all I have to report. Thank you for your time.

Scott Biethan (32:27):

That's all. You guys, the ACAL group has a lot going on, so are there any questions that we want to raise to raise up for discussion here? Okay, seeing none. We may be moving through this agenda faster than I anticipated. This is not a bad thing, I think. Let's go to central investigations and audits. So turn it over to you, Sandy.

Sandy Baur (33:03):

Thank you so much. As we discussed in the last meeting, we are moving towards an annual report out so that we can track these trends better. We are still putting the data, the quarterly data in the packets and staff is available to answer any questions just in case there's some spikes that we want to discuss. So are there any questions covering the data we had put in the packet? Great, thank you.

Scott Biethan (33:36):

I think it's still you.

Sandy Baur (33:41):

It is still me. Yeah, it is still me. So we are also moving away from presenting the housing market report. There is a link included in your packet where if you follow that link you can go to this quarter's housing market report, as well as a plethora of other data that has been compiled for you to use. So any questions about the link for the housing market report? Okay, and moving on to the master action item list. So we have one action item that we're still working on, which is the recruitment to fill the vacant position. It will be open until filled. Expect to see some listserv messages come out. We want to ensure that everyone has an opportunity to apply for this position.

(34:37):

Another task that we had from 2024 was to present an annual report at the first meeting of every year. That is now complete and we will be implementing that the first meeting at 2026 where we will review all of the 2025 data. We were also tasked with providing the year over year licensing data and that is currently in your packet. Any questions? Great.

Scott Biethan (35:09):

Good, good. Okay. Well, thank you very much. And if you don't know, with Sandra moving on, Sandy's taking on a larger bucket of work. So we appreciate all you're doing. We know you get your hands full. So we're going to move into-

Sandy Baur (35:31):

It's my pleasure.

Scott Biethan (35:32):

Yeah, yeah. We're going to move into public comments and I'm going to open the floor. I'm going to ask that if we get the timer up, going to ask that we really do stay within the three-minute time limit and if you see that we're going to ask you to stop, I apologize. I know it's not everyone's favorite, but it is what we do to make sure that we are adhering to the Open Meetings Act. So you can always submit in writing and we are looking for comments on what we can address within the commission's jurisdiction. And commissioners, we won't be engaging in conversation or questions, but we will do a follow-up if we'd like to put anything onto the master action list. The other thing is, Sandy, has there been anything submitted in writing?

Sandy Baur (36:24):

I do not have any written comments.

Scott Biethan (36:26):

Okay. Okay. So if you would like to speak, go ahead and raise your hand. And first one I'm seeing is Bill Hager. So if you want to go to unmute, thanks.

Richard Hager (36:38):

Morning. My name is Richard Hager. I'm an SRA and as you know, I do a lot of teaching and education. Wanted to go over just a couple of little things. There was a bill at the Senate and they were talking about allowing commercial. Yes, that died. However, Seattle, Redmond and Shoreline have all passed their rules, if you will. They're waiting for the final by the city councils, that would allow commercial. I'm not talking about a state law, I'm talking about individual cities. So in Shoreline and Redmond, they are passing that they will allow commercial on any lot, any residentially zoned because residential zoning is out. What they're doing is they say it will not be allowed on a cul-de-sac or a dead end street, that the commercial use must be limited to 1,000 square feet and they're hoping to have at least two parking.

(37:39):

So when we talk about commercial uses, these are the individual cities doing this, including the city of Seattle where they want to allow commercial on every street corner in Seattle, not just based upon a state law. So right off the top, there's more than just the state. Number two, I have an office in Spokane and we are seeing numerous residential houses being purchased and torn down and being used for multi-unit properties. So to come along and say it's not happening is incorrect and my office is there and we are dealing with this on a regular basis. Examples of those are included in my classes as we go through it. In fact, the new class that's out there is showing how to deal with these questions. One of the examples is a corner in Ballard where all around it are residential uses, townhouses, commercial house with two ADUs.

(38:48):

All of those things need to be analyzed as part of a highest and best use analysis. Now, at some point in time it's to a point of, well, which one is the highest most profitable use? And that is one of the things that we go through in our highest and best use class. But to say that this is not impacting is incorrect because currently we are turning down a job approximately every 15 to 20

days because it is very obvious that the existing residential house has no value and that something more profitable should be put on those sites. So again, these are some of the classes and I'm very aware of the properties down in Renton that we're talking about because we also appraised those several years ago.

Scott Biethan (39:37):

I'm through. Thank you. And Richard? I went to high school with a guy named Bill Hager, and I did say Bill Hager there.

Richard Hager (39:53):

That's okay, man. That's just fine.

Scott Biethan (39:55):

But I don't think you continue to play in a rock band, so.

Richard Hager (39:59):

My cousin does, but that's a separate issue.

Scott Biethan (40:02):

Nice. Okay, good. Dallas, I think I see your hand up next.

Dallas (40:11):

Oh, thank you, Chair Biethan. Can you hear me?

Scott Biethan (40:16):

Yes.

Dallas (40:17):

Okay, great. Thank you for allowing me to speak. I just wanted to comment on, well, first of all, thank you all for all the work that you guys do and just wanted to mention that the Appraisal Foundation has two exposure drafts right now that I would encourage all appraisers to comment on. The first one is from the AQB. It's about allowing additional experience. Some of the things we were talking about earlier with the master appraisal experience, which is already allowed. They want to add onto that. So you have comments about that, I encourage you to go to the Appraisal Foundation exposure drafts page and you can make comments on that. There's also exposure draft for the ASB about generative AI and I would again encourage anybody who's using generative AI or have thoughts about generative AI in appraisal to make comments on that paper as well. That's all I have. Thank you so much again for allowing me to speak.

Scott Biethan (41:15):

Thank you very much. All right. I don't think I see any other hands raised. Anyone else? One more call? Great. So that ends the close of the public comment period. The floor is now closed. Announcements?

Sandy Baur (41:40):

The staff does not have any announcements at this time.

Scott Biethan (41:42):

Okay. And I guess we'll go to the commissioners and ask are there anything, are there any items that we want to put on for the future to address with the commission?

Stan Sidor (41:58):

This is Commissioner Sidor. I don't know how easy it would be, or maybe it's already planned, but for our July meeting, since the legislative session will have ended, maybe we can get a brief summary of action items or bills that pass the legislature that will have an impact on our profession. Is that possible, or maybe that's asking too much?

Scott Biethan (42:29):

I mean, I'm going to ask staff if that is possible.

Sandy Baur (42:33):

We can provide that.

Scott Biethan (42:37):

I appreciate it. Thank you.

Sandy Baur (42:39):

Absolutely.

Scott Biethan (42:42):

Good, good. Any other future agenda items? Okay, seeing none, we'll move on to the review of the action items.

Alyssa Woods (43:03):

So I captured that Bill will be able to update more at the end of the biennium and share at the next July 24th meeting. Is that correct, Sandy? The meeting was July 24th. Okay. So I captured that. And then I also captured that Commissioner Sidor would like a summary of action items or bills that passed through the legislature and will have an impact on the profession. And did I miss anything else? Were there any other action items that may have come up?

Sandy Baur (43:40):

I didn't capture anything else.

Alyssa Woods (43:46):

Okay. Well if anything does arise, you can still contact Sandy or I prior to the next meeting and we can make sure that it makes it onto the agenda.

Sandy Baur (43:56):

Thank you, Alyssa.

Scott Biethan (43:58):

Great. Wow. I'm going to say this seems like this might've been a record. And so I think before we end the meeting, I'm going to say once again, thank you Claire and best of luck with your next endeavors. And thank you to staff. Thank you to Mr. Dutra who always gives a great summary of what's going on and to everyone else. So I think with that, it looks like I don't need a motion to adjourn the meeting. I think we'll go ahead. It's 10:45 and we will adjourn the meeting. Thanks everybody.

Sandy Baur (44:39):

Thank you so much everyone.

Claire Elston (44:41):

Bye. Thank you.

Scott Biethan (44:41):

Take care.