

Washington State Real Estate Appraisers Commission meeting transcript

October 16, 2025

Sandy Baur (00:00:04):

The recording has started.

Scott Biethan (00:00:07):

Okay. And the meeting's been opened up. Sandy, everyone's in that's looking to be in now?

Sandy Baur (00:00:11):

Yep. The lobby has been admitted.

Scott Biethan (00:00:14):

Great. All right. Good morning. Scott Biethan. I'm the... If you could make sure we're muted if you're not speaking. Good morning. Scott Biethan, chair of the Appraiser Commission, and it's now 10:01 on Thursday, October 16th, 2025. So, I'm calling the meeting to order. And as always, a reminder that 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. And as a reminder, commissioners we're not to engage in discussion during the public comments. If there's matters that we want to then take up, we'll address that when we go to setting the future agenda.

(00:00:58):

As a courtesy, reminder for all folks to keep their mics on mute unless they're speaking. And that way we don't get background noise. And if we could use the raised hand function for providing comments, and I know sometimes we just talk into it and I'm probably the worst culprit, but to the best that we can do that, that works for us. So, okay, I think that we'll go to a roll call. And so program specialist, Sandy Baur, if you could do that, that'd be great.

Sandy Baur (00:01:34):

Of course. I'll start with you, Chair Biethan.

Scott Biethan (00:01:37):

Present.

Sandy Baur (00:01:39):

Vice Chair Stephens.

Denise Stephens (00:01:42):

Here.

Sandy Baur (00:01:44):

Commissioner Moore.

Joe Moore (00:01:46):

Present.

Sandy Baur (00:01:47):

Commissioner Potter.

Dean Potter (00:01:49):

Present.

Sandy Baur (00:01:51):

Commissioner Sporn. I see you're muted. Commissioner Sporn.

Jay Sporn (00:01:59):

I'm here. I'm here. Thanks.

Sandy Baur (00:02:02):

And Commissioner Sidor has an excused absence. Back to you, Chair. We do have a quorum.

Scott Biethan (00:02:08):

Great. Thanks very much. So, I think the first order of business, if we would entertain a motion to approve today's agenda as presented.

Dean Potter (00:02:21):

So moved. Thanks, Commissioner Potter.

Scott Biethan (00:02:25):

Second?

Jay Sporn (00:02:29):

Second. Vice Sporn.

Scott Biethan (00:02:32):

Thank you. Is there any discussion? Saying none. All in favor, say aye.

Commissioners (00:02:41):

Aye.

Scott Biethan (00:02:42):

Nay? Nay. No nays. And then no extensions. All right, so the agenda is approved as presented. We have two sets of meeting minutes to approve today, and if we could start with the meeting minutes from April 17th. Is there a motion to approve?

Dean Potter (00:03:01):

So moved.

Scott Biethan (00:03:02):

Thank you.

Jay Sporn (00:03:03):

Seconded by Mr. Sporn.

Scott Biethan (00:03:05):

Thank you. So, moved by Commissioner Potter and seconded by Commissioner Sporn. Any discussion? Seeing none. Will all in favor say aye.

Commissioners (00:03:18):

Aye.

Scott Biethan (00:03:18):

Any opposed? Any abstentions? Motion carries. And we need to do the same for the July 24th, 2025 meeting minutes. If we could look for a motion to approve.

Dean Potter (00:03:31):

So moved. Potter.

Jay Sporn (00:03:35):

Seconded by Mr. Sporn.

Scott Biethan (00:03:37):

Perfect. Really appreciate this. Any additions, comments, revisions? Saying none. All in favor, say aye.

Commissioners (00:03:48):

Aye.

Scott Biethan (00:03:49):

Any nay? Okay. Motion carries. All right. So, we have no awards or recognitions and... All right. So, I apologize. I'm moving through the agenda so quickly. I just cursed it all the way down and I lost my place, so I'm glad you got it up on the screen, Sandy. We should think about going to a consent agenda. I was thinking all these motions, right? But I do really appreciate everybody helping us to get this moving along, and that's why I should stop talking and turn it over to a program update.

Sandy Baur (00:04:34):

Great. So, our program update, Mr. Bill Dutra, is going to address the commission with some updates for the appraiser program. Mr. Dutra.

Bill Dutra (00:04:47):

Good morning and thank you. I appreciate this time this morning. So, one of the items that is garnering a lot of interest and a lot of energy and anxiety right now coming to the department is I was asked to come back and talk about the department's use or non-use of the expert review appraiser panel. This is some information that is in statute and I believe Sandy can get this information out to you. So, one of the questions that came to me from Chair Biethan and Chair Stephens was, is the department aware of the expert review appraiser panel that is available to the director in statute? And the short answer is yes, we are aware of that and the director is well aware of all resources available to him. A little history. Back when this program started back in the early 90s, when it was brand new, the department in the statute, it allows the department to provide or seat something that's called the expert review appraiser panel.

(00:05:52):

This group could assist the department if we had questions or conduct standard three reviews of information or appraisal assignments for us as it relate to investigations. We used this panel quite a lot. In fact, myself, I used it quite a lot back in the early 90s, 1993 through 1995, 1996, 1997, right in that timeframe. It was very active. At some point, we determined as a department that it was no longer in our best interest to have that expert review appraiser panel for any number of reasons as we move forward. So, it was basically abolished and we no longer brought that information back to us. A couple of the reasons behind that. The appraisal subcommittee, along with the Appraisal Foundation and Arrow met with state regulators and developed a series of trainings and courses for administrative reviews and administrative investigations. And that's what we conduct. Those were the standards that we were required to meet from the appraisal subcommittee were those standards and those education requirements.

(00:07:01):

Our team has gone through those, the team that we currently have, we've gone through those. We do continue to take ongoing education as well from that moment forward. One thing I would mention in caution is that expert review appraiser panel, as you all noticed, is anybody can be on that panel. I can be licensed today and I can apply and I would be appointed to that panel. There are no guidelines, there's no rules or requirements to be on that panel or how they're going to be used or when someone would be used. The other thing that is important to remember, as I explained to Commissioners Biethan and Stephens, is if the Department of Licensing is going to go forth with a action, and when I mean an action, we're going to go to a hearing with a licensee. It is up to the ...

(00:07:54):

So, I think somebody's not on mute. It is up to the Office of the Attorney General to go through a process to vet an individual to be qualified as an expert. A statute does not in itself create someone to be an expert in their field to testify on our behalf. There is a process that goes through for the courts and many of you that are on this call today, and I know Commissioner Biethan, he and I had a long conversation, he has testified as an expert in a civil arena, and there is a process for him to be vetted to be considered an expert by the court. That's where we come into those situations. I myself in the past, when we have gone through that process with the AG as we have a very specific or unique situation, I have reached out to different commissioners looking for references without actually discussing those cases of who has testified in certain areas.

(00:08:57):

We relay that information to our prosecutors. They then have that authority to go through that process to vet somebody on there. That is a brief history of this. I wanted to make this quick and sort of to the point to see if there was any questions from the commissioners.

Scott Biethan (00:09:17):

First of all, I'd like to maybe... I want to thank you, Bill, for everything you're doing because the long and short of this is this topic came up and the question is, do we ask Bill to come in and speak on this? And I know there's some energy around this topic, but what I appreciate is, it's interesting just yesterday, if I could just take a quick moment. Yesterday, there was an appraisal institute conference and it's an annual conference and there was a panel and it was how can you be engaged as an appraiser? And one of the ways is to be engaged with the DOL and understanding what they can and can't do and what they believe that they've at least thought through and done their best to address. And so, Bill, I really appreciate you being here and being willing to feel these questions because I think this is a healthy dialogue.

(00:10:10):

And I also really appreciate because the more I hear, and you and I did have a long conversation, the more that I get to hear on your thinking about this, I mean, we're not a rubber stamp commission. However, I think it's really incumbent on us to really understand what you can do, what you can't do, why you do the things that you do. And I got really comfortable with understanding where the department's coming in on this. I just want to thank you for being here. So, that's just kind of me just doing a little bit. And best part about it is we have elections later, and that means I probably won't always be speaking into it like this, but I want to say thank you.

Bill Dutra (00:10:50):

Yeah, not a problem. Were there any other questions? I know Commissioner Potter, he and I went a couple of weeks, maybe more than a month on this same discussion debate probably in that between 16 and 18. The same topic came up again at that time that we discussed and worked with and talked with industry about it. So, Commissioner Potter, did I miss anything from what you remember from those discussions back then?

Dean Potter (00:11:22):

No, not that I recall, Bill. I like the idea, the expert review panel. I understand the associated problems and conflicts involved. I think when the expert review panel was being used, it was when the program had initially got stood up by the DOL and maybe the assistance of some expert opinions along the way helped with cases being more effectively adjudicated to a fair conclusion. I think now you have a lot more talent and experience on the enforcement side, and I understand the other issues involved with vetting or qualifying an expert for testimony. And there was also a period of time when people were kind of reluctant to be on the expert review panel because people were turning them in from their review being saying somebody else was wrong and they were saying, "No, that guy was right and the expert reviewer was wrong." So, yeah, I don't think you missed anything, Bill.

Bill Dutra (00:12:51):

I appreciate that, Commissioner Potter. Thank you.

Scott Biethan (00:12:55):

Were there any other questions from the commission?

Denise Stephens (00:12:56):

I just wanted to thank Bill for bringing us new people that weren't here previously and dealt with it. I just wanted to say thank you for bringing us up to date on the history of it and where it got us today and understanding the department's side of it. It was really helpful to be able to communicate about the issues in that when you understand the history of it. So, thank you, Bill, for your time you spent with us explaining that.

Bill Dutra (00:13:32):

Not a problem. And again, to any of the commissioners, if you need more and want to take that individual conversation offline, feel free to reach out to Sandy and I. We certainly jump into that conversation with you. It's not a problem, but I appreciate the time that you all give me to bring this update to you today, and I thank you very much and have a great day.

Scott Biethan (00:13:56):

Yeah, thanks, Bill. I was thinking several years ago, I was pretty heavily involved with the Appraisal Foundation and one of the councils, the Industry Advisory Council. And I remember when the enforcement training was kind of first thought up by TAF, and they put a lot of money and time into sending... Every state had the opportunity to come in and get a lot of training. And I think they flew people in or they went out to various regions. I think they did a lot to be able to offer states that were interested in getting better and uniformity between the states and understanding what should be enforced and what doesn't need to be enforced, that kind of a thing. And I think we're hearing about this right here and right now, and I think this is a benefit of that. So, I don't know. There we go. So, we have a calendar review and approval, that's item number seven. So, if you look at the dates.

Bill Dutra (00:15:09):

Right. Thank you very much. So, at the last meeting of every year, staff presents proposed meeting dates for the following year. For 2026, we propose Thursday, January 15th, Thursday, April 16th, July 23rd, October 15th, with July 23rd as our possible in-person option. Now, the reason I say that's the possible in-person option is because the governor's expenditure freeze is still in effect. So, I cannot say for sure right now whether or not we'll be able to authorize travel to an in-person meeting. But for now, that would be the pending in-person date, July 23rd. So, are there any questions?

Scott Biethan (00:16:09):

All right.

Sandy Baur (00:16:09):

Okay. I'll turn it back over to you for a vote.

Scott Biethan (00:16:12):

Yep. So, we're looking for a motion to approve the 2026 calendar.

Dean Potter (00:16:16):

So moved. Commissioner Potter.

Jay Sporn (00:16:19):

Seconded Mr. Sporn.

Scott Biethan (00:16:25):

I think I heard Sporn. I heard two people, but I heard the name Sporn in there, so let's keep that track record going. Any discussion on the calendar? All in favor say Aye.

Commissioners (00:16:35):

Aye.

Scott Biethan (00:16:37):

Any nays? Okay. No abstentions, and the calendar is approved. Okay. I'm going to turn it over to you, Ms. Baur.

Sandy Baur (00:16:49):

Okay. Next up is our annual election of officers. And again, at the final meeting of the year, the commission votes for a chair and a vice chair to serve for the following year. The effective date is at the first meeting of the next year and there will be training provided for the chair and vice chair. These positions must be voted for individually and they cannot be voted on together. Commissioners may either self-nominate or nominate other members of the commission, and there is no limit to the number of terms that an individual can serve as the chair or the vice chair. So, I'll turn it over to you to request nominations.

Scott Biethan (00:17:33):

All right. I'd like to open the nominations for chair.

Jay Sporn (00:17:40):

Commissioner Sporn would like to nominate Chair Biethan to continue his good work.

Scott Biethan (00:17:46):

Commissioner Sporn, I really do appreciate that and I'd like to counter nominate Commissioner Stephens as I am looking forward to being on the commission, and I'm very grateful to get to be on the commission. It's a really good group of people, and the department's great. I would prefer to... I should have done it faster, but I also wanted to just take a moment. Commissioner Stephens is going to be my nomination if that would be all right with the rest of the committee. And anyone else can self-nominate or do whatever they'd like to do.

Dean Potter (00:18:27):

I move we close nominations, Commissioner Potter.

Scott Biethan (00:18:32):

I think okay. So, I don't think we need to... I guess we do have the motion to... Okay. All in favor say aye.

Dean Potter (00:18:41):

Aye.

Jay Sporn (00:18:41):

Aye.

Sandy Baur (00:18:42):

So, what we'll need though is a motion to elect Commissioner Stephens as chair.

Scott Biethan (00:18:51):

Okay.

Dean Potter (00:18:51):

So moved.

Scott Biethan (00:18:54):

Second?

Jay Sporn (00:18:56):

Seconded by Mr. Sporn.

Scott Biethan (00:18:58):

Great. Thanks. Okay. All in favor, say aye.

Dean Potter (00:19:02):

Aye.

Scott Biethan (00:19:03):

Aye.

Jay Sporn (00:19:04):

Aye.

Scott Biethan (00:19:06):

Any nays? You don't count Commissioner Stephens. And no abstentions, so the motion has been approved. I'd like to open the floor for a motion for vice chair.

Dean Potter (00:19:26):

Commissioner Potter nominates Jason Sporn.

Scott Biethan (00:19:34):

Okie doke.

Jay Sporn (00:19:37):

Well, one thing I will... This is Commissioner Sporn. I want to say to Sandy, notify me, my term has expired and I need to reapply and I haven't been accepted, so I think I better step out for now.

Dean Potter (00:19:46):

Oh, okay. Okay. Well, we need to.

Jay Sporn (00:19:49):

They might not like me back.

Dean Potter (00:19:52):

We have to use Scott's new term, counternominate.

Scott Biethan (00:19:57):

Yep. Yep. I'd like to nominate Commissioner Sidor. And he's been on the commission for quite some time and I know he's not here, but I have talked to him and said, "Hey, look, if I nominated you, would you mind?" And I know that there's also that question of, because he's up as well. That's the motion I'm going to make.

Denise Stephens (00:20:26):

I'll second it.

Dean Potter (00:20:30):

Moved. We close nominations.

Scott Biethan (00:20:32):

Yeah, so we would need a motion to... Seeing no other current, am I following.

Jay Sporn (00:20:45):

Commissioner Sporn, I'll make a motion to nominate Commissioner Sidor as vice chair.

Scott Biethan (00:20:50):

I really appreciate that. What I'm trying to do is also I want to allow process and I also want to make sure I'm following the rules and also trying to get the transition figured out. But if

we really want to have discussion around this, I really don't mind because we can't have side discussions because then we'd be violating the Open Meetings Act. And I guess what I'm going to say is there is that uncertainty about not being reappointed. We never know. It's at the discretion of the director of the DOL and they make good decisions and I really support whatever they want. And so, there is that risk at the same time. And I'm just going to say that Commissioner Sidor has been on the commission for a very long time. And when I got moved into the chair role, he was really involved with his politics in his city and he had a lot of responsibilities, or at least when we did Commissioner Stephens, sorry about that.

(00:21:49):

And so he's been here a while and if he stays on, then I think he's got a lot of time and experience. If for any reason he's not reappointed, then we just deal with it at another meeting. I think transparently to the group here, because it's not just my decision to make, it's not mine and Denise's decision to make. It's we are a commission. I want to be very open about that because if it ever feels like we're trying to push something through, that's not right either. And so, I guess in a very public... I don't know how many people are on this call, I just want it to be on or both process and transparency. That's really where I'm going with that. And so I did have some thought around if Stan might be someone who would want to do it and be good at it. And frankly, I think every one of us, I think each person could offer and bring something, so a bit of a soapbox, but also otherwise it just looks like we just ram something through it. That's not how I want to lead this position.

(00:22:53):

So, is there any discussion about, I guess really under the topic of the vice chair, and I'm open to any feedback if anyone wants to offer that. Seeing none, I'll call for a motion or call for the motion to elect Commissioner Sidor as the vice chair. All in favor, say aye.

Commissioners (00:23:17):

Aye.

Sandy Baur (00:23:20):

We do need a second for that motion.

Scott Biethan (00:23:25):

Right. Right.

Sandy Baur (00:23:25):

I do have Commissioner Sporn as making the motion, but I don't have-

Dean Potter (00:23:27):

Second.

Sandy Baur (00:23:28):

... in my notes. Okay. Thank you very much.

Scott Biethan (00:23:31):

Okay. All in favor, say aye.

Sandy Baur (00:23:38):

Seconded.

Scott Biethan (00:23:38):

No, we're good.

Jay Sporn (00:23:38):

Aye.

Joe Moore (00:23:38):

Aye.

Scott Biethan (00:23:42):

Any nays? And no abstentions? Motion carries. Thank you very much, everyone. I really do appreciate that. All right. Back to you, Ms. Baur.

Sandy Baur (00:23:58):

All right. Again, at the final meeting of every year, we revisit the subcommittees, the composition, the work that they're doing, and we want to make sure that everybody has the opportunity to be involved. So, we have two subcommittees at this time. The education subcommittee is up first. Currently, we only have one member of this subcommittee, and it is Denise Stephens. So, we can have up to three nominees for the education subcommittee. We could also discuss the work that they're currently doing if it's still relevant or if we still want to keep this subcommittee.

Dean Potter (00:24:42):

This is Commissioner Potter. Let's have a discussion of the work they're doing.

Scott Biethan (00:24:50):

Yeah.

(00:24:50):

That'd be over to you, Commissioner Stephens.

Denise Stephens (00:24:58):

Well, right now we have a guest speaker for the education committee, so we're still moving forward with keeping knowledge going for the commissioners. We also have an update on licensing that I'll talk about when it becomes the education subcommittee time to discuss that. So, as far as the education committee still progressing, it still needs to stay a valid subcommittee. We haven't been meeting because there hasn't been really anything that we needed to discuss, but I can see that possibly in the future we will set up meetings as needed basis. So, I would like to keep the subcommittee going. It would be really nice if we had somebody else then on the committee, so we weren't just getting my opinion, but it's nice to have a panel for discussion other than me just stating my feelings and moving forward. So, I would really appreciate anybody that wants to join the committee. It's not a huge commitment, but it is an important commitment.

Scott Biethan (00:26:19):

Yeah, there's no question, especially if you want to see this continue. And there are some interesting things that are coming up. And so, I'm going to open it up and see if... Is there anyone here in the group and we can either do... I mean, technically we need to appoint in a formal setting at the same time. Commissioner Baur, let's say if somebody's thinking about it, but they're not sure at the moment, they can still attend the meeting and we would just go ahead and then get that sorted out officially in the following meeting. Am I on safe ground here in terms of Open Meetings and procedural and all of that? Or do we need... If somebody doesn't commit now, they're not allowed to come to the meeting. Maybe I'm just going to ask that question.

Sandy Baur (00:27:14):

That's correct. We can have up to three commissioners attending the meetings. So, whether or not they're actually appointed to the education subcommittee, they could attend one meeting, and then we could bring this back to the floor for a vote at our January meeting if you'd like.

Scott Biethan (00:27:33):

Okay. Okay.

Sandy Baur (00:27:33):

So, we could have no more than three commissioners.

Scott Biethan (00:27:37):

Great. Commissioner Potter?

Dean Potter (00:27:40):

Is no more than three based on having a full commission or at the current standing of-

Scott Biethan (00:27:50):

Open Meetings Act.

Sandy Baur (00:27:54):

So, according to the Open Public Meetings Act, vacancies do not change the number that we need for a quorum. So, even if we have two vacancies, it's still the same number for a quorum. So-

Dean Potter (00:28:08):

Okay. All right.

Sandy Baur (00:28:09):

Correct. Yeah.

Dean Potter (00:28:12):

Okay. Yeah, that was all my question. Thank you for answering it.

Scott Biethan (00:28:18):

Okay. Good, good. Is there anyone here who's interested? I want to open that up. Commissioner Stephens, I will say this, that if we get other folks, that's great. I would like to be part of this unless you get three outside of me because I don't intend to stand down as the chair and not do anything, so I'd be happy to work with you on actually either this or presuming we continue with some middle housing thing at some point, I would be willing to be on either or none and get out of the way. So, it is all good.

Jay Sporn (00:29:01):

Yeah, this is Commissioner Sporn. I would like to go to one of the meetings, that's for sure. If you send me an invite, then I'd like to see what's going on.

Scott Biethan (00:29:09):

Perfect.

Sandy Baur (00:29:10):

Okay. For my notes, there will be no new members voted in for the education subcommittee. However, at our next meeting, I will invite Commissioner Biethan and Commissioner Sporn to the next meeting so that they can get a little bit more information to see if they actually want to join the subcommittee in January.

Scott Biethan (00:29:35):

And I will say one other thing. Oh, actually, go ahead, Commissioner Moore.

Joe Moore (00:29:40):

Can you please add me to that list, Sandy, for the meeting attendance.

Sandy Baur (00:29:45):

That would be more than three.

Scott Biethan (00:29:48):

Oh. I'm going to step down.

Joe Moore (00:29:49):

No, I'm not going to do that then. I just wanted to attend the meeting, but I'm interested like Commissioner Sporn, because I share the same interest.

Sandy Baur (00:29:59):

Okay. So, I will change the meeting invites to include Commissioners Sporn and Moore then.

Scott Biethan (00:30:06):

Yeah, thanks. I appreciate that. And I don't mind because I'm willing to help as needed and I'm willing to also allow others to do it because believe me, I don't want to do everything. Thank you.

Sandy Baur (00:30:18):

And then we will bring this back for the January agenda to see if anybody wants to formally join the education subcommittee.

Scott Biethan (00:30:29):

Okay. So, we don't need a motion to keep this thing going, do we?

Sandy Baur (00:30:30):

No.

Scott Biethan (00:30:30):

Okay, good.

Sandy Baur (00:30:30):

No.

Scott Biethan (00:30:30):

All right.

Sandy Baur (00:30:37):

Okay. Next up was the Middle Housing Subcommittee. The current members were Scott Biethan, Stan Sidor, Jay Sporn, and Todd Reddington as a member of the public. The time commitment was they met on an as needed basis. For the last two commission meetings, we had discussions surrounding suspending this subcommittee until further notice, unless it was needed again. However, we had not had a formal vote to suspend this subcommittee. So, at this time, if you want to have a discussion again and then take a vote to suspend the subcommittee until further notice, then this is the opportunity to do so.

Jay Sporn (00:31:26):

Hey, Sandy, this is Commissioner Sporn. I'd just like to give a little update about what's going on in Spokane. Kathy had asked me to [inaudible 00:31:34] had looked into this. And as I was doing my work as the head of the residential department for the Spokane County Assessor's Office, a lot of these people were very reluctant to talk to me at all about anything. They didn't want me to know anything about their business, what anything was appraised at, who appraised it, what values were... Any of this stuff. And they were just basically, hey, I was too well-known around here to know what I was doing for the county and they didn't want to share any information with me. And the end of June, I retired from the county and going back into private practice as a tax consultant for property taxes and some private stuff.

(00:32:15):

So, anyway, I'm hoping that they will be a little bit more open to me now in terms of finding out what's going on. I will say as I see these projects come around Spokane, and there was a meeting in the prior meetings that Richard Haggard had talked about his Spokane office and they were doing stuff here. I'd like to say I've seen a lot of these projects go up, houses torn down. They have not sold, as far as I know at this point, I checked about 90 days ago, they had not sold any of these. They're just sitting there and they all have for rent signs in front of them, every one of them. And some have been on the market for more than a year and a half. And so what happens, what I've seen is the cost of these to put these up and all new units as they talk about with zero depreciation, they're priced out of the market, not to mention cosmetically and design street appeal and design, they don't conform with the neighborhoods very good. And so it's not been something that's been real successful in Spokane County.

Sandy Baur (00:33:18):

Thank you.

Scott Biethan (00:33:20):

That's really interesting. That's good feedback.

Jay Sporn (00:33:25):

That's surprising me. I'm sure these people are a little bit upset about it to have to turn these back to rentals. And the rent signs have been up for a long time because the rents they want on these exceed what's typical for most of the neighborhoods. A lot of these, I see them as being somewhat over-improved, or if they're not, they're just the opposite. They look too much like an apartment in an established, pretty homogenous residential, long-term historical neighborhood, and they just stick out and it hasn't been successful.

Scott Biethan (00:34:03):

So, this is the kind of feedback that I think is good to have the commission have. And I know that one of the things that we were thinking about with the Middle Housing Subcommittee, we had a kind of a narrower band of things to consider under that particular committee. And again, going forward, everything is Commissioner Stephens, and maybe even at this point, she's the chair and I should let her take off. I don't remember when she switched over the meeting, I don't think we did last time when it transitioned from Commissioner Potter to me, but I'll just say this, I would recommend that we have a new committee. I mean, come back next year, get some thought to this, but come back next year and have a committee that really is what I would call current issues or just, I don't know what word I'm looking for, but that way we have the purview and that committee has the ability to take on things that are of interest to the public.

(00:35:05):

We don't have any binding authority in this commission, but we do have, I believe, a fiduciary to think about what topics matter for users and providers of appraisal services in the Department of Licensing, and everything needs to relate back to the Department of Licensing, but this is a forum we can't lobby and we have no formal decision-making power. We're not rulemakers, we're not any of that. However, we're a commission of people that represent a wide landscape of the appraisal community, and it gives us an opportunity to weigh in on issues. We don't lobby, we don't make rules. And this committee was a great committee because it was very topical, but there's so many other things that started to come into that discussion when really we got a specific topic and it may be that the commission could be a little more... I hate to use the word nimble when it comes to anything dealing with administrative process, but a little more reactive at least on a broader range. That's kind of the thinking.

Sandy Baur (00:36:15):

So, perhaps we vote to just end the subcommittee, revisit it in January to see if we want to start and create a new subcommittee with different purview.

Scott Biethan (00:36:25):

Yeah, I think that summarizes really well at my [inaudible 00:36:28]-

Jay Sporn (00:36:27):

Yeah, this is Commissioners Sporn. I think that's a good idea. And again, Scott's absolutely right. I mean, what we're looking at is, hey, how does this affect somebody with a residential certification doing what could be a highest and best use of commercial property? It was all up in there. And as far as I'm concerned, it's still a gray area. There's some appraisers I know here, they wouldn't think twice about going and doing that. And there are others that wouldn't touch it with a 10-foot pole. And it's still in this nebulous area here, but it is. What we're looking at is, Scott's right, our scope is very narrow and it's just whether the advice we could give to the residential appraisers, whether you could realistically, do meet the qualifications to do this? Is it going to give you E&O issues? Are they going to come back and bite you? And that's where I can think that we can help our constituents that are the appraisers and give them guidance. So, at this point, I don't know what to say to any of them.

Scott Biethan (00:37:23):

Yep. Well, I would ask if there's any other discussion, and I'm open to more discussion. Everybody wants to weigh in on anything, but barring that, we would look for a motion to suspend the Middle Housing Subcommittee and a second. I want to pause and ask if anyone has any other comments because I don't want to leave a discussion if someone wanted to weigh in. All right. Seeing none, I'd look for a motion and a second to suspend the Middle Housing Subcommittee.

Dean Potter (00:37:59):

So, moved. Commissioner Potter.

Jay Sporn (00:38:00):

Commissioner Sporn will second.

Scott Biethan (00:38:06):

As moved and seconded, all in favor say aye.

Joe Moore (00:38:08):

Aye.

Commissioners (00:38:08):

Aye.

Scott Biethan (00:38:11):

Any nays? No abstentions. And the motion carries. Great.

Sandy Baur (00:38:18):

Thank you. Before we move to our next agenda item, Chair Biethan, I forgot that today is 10/16. It is the Great American Shakeout. So, at 10:16, we were supposed to simulate an earthquake. So, at this time, I would like to ask the DOL employees to please turn off your cameras, mute yourselves for one minute and simulate getting under your desk and preparing for that earthquake. So, ready to begin.

Scott Biethan (00:38:50):

I'm going to suspend the meeting for a minute.

Sandy Baur (00:39:54):

Thank you so much for allowing us to participate in the earthquake drill. And we would like to continue with item number eight.

Scott Biethan (00:40:13):

So, to report out, we'll turn it over to Commissioner Vice Chair Stephens. Actually, Chair Stephens. You're on mute. Sorry.

Denise Stephens (00:40:25):

Not yet. Chair Stephens reporting for the education committee. We have a guest speaker, Pete Montana. He is the chair for the Appraisal Foundation Harmonization Task Force, and he was going to give us a short report on what they are working on.

Pete Montana (00:40:56):

Thank you, Ms. Stephens.

Denise Stephens (00:40:56):

Yeah.

Pete Montana (00:40:59):

Should I go?

Denise Stephens (00:41:01):

Yeah, I'm sorry.

Pete Montana (00:41:02):

Okay. Thank you.

Denise Stephens (00:41:02):

I was going to tell Sandy, I can't see you, so.

Pete Montana (00:41:07):

No worries. Thank you, Chair and members of the committee. My name is Pete Montana. I'm the chair of the Montana Board, but I also am a member of the Appraisal Foundation's Board of Trustees. And specifically, I'm the chair of the State Harmonization Task Force. And I met with the education committee with Denise and Scott a month or two ago to give them the highlights of what our project is and what we're doing and why we're visiting the state boards and commissions. Part of our Vision 2030 project for the foundation is to try to get states to be more congruent with the AQB criteria. So, there's a number of states that have what are called overlays over the appraisal qualification board minimum criteria for licensure. And what we're trying to do is have the states to examine their laws, rules, and regulations to say if number one, do these overlays over and above the criteria, do they still make sense? And if not, we would encourage the states to diminish these.

(00:42:18):

Also, as most of you are aware, the AQB right now is under... They are conducting a full review of the criteria and it's going to be fully rewritten. And I can tell you that I just left San Antonio yesterday from our board of trustees meeting, and the criteria is going to change substantially in 2026. So, what we're trying to do is also prepare state boards for the fact that the criteria is going to change, which will give them a good opportunity if they have to change their rules or any statutes to examine what the new criteria is going to be, and then take a look at any of these overlays that they've had on the books for a number of years. So, the AQB will be putting out an exposure draft probably by the 1st of December. We encourage all the state boards to review that and weigh in on it because the criteria is what every state agency uses to license new applicants to make sure they meet the criteria.

(00:43:26):

And then if you do have an overlay, any of the state's specific overlays. So, before I confuse too many people, let me just explain what an overlay is. So, in the worst state is Indiana, and we just visited them three weeks ago. Indiana has 10 additional requirements over and above the AQB criteria to become licensed. So, they've never adopted the criteria from 2015, which means that a certified residential appraiser in Indiana has to have 2,500 hours of experience rather than 1,500. That candidate also has to have 24 months of training rather than 18. So, that creates a significant barrier to entry. And our profession is rapidly losing appraisers that we're not replenishing the ranks.

(00:44:21):

And we estimate that when the new UAD 3.6 comes online, which it's already in the rollout phase, that we're going to lose another 15% of the total appraisers because of the technology-based interactive version of that particular report. So, what we're asking the states to do is try to make sure that they don't have any overlays that are not allowing people to get into the industry when they meet the AQB criteria. So, the State of Washington only has... In our review only has really one overlay, and that is the definition of supervisor. And that's going to change in the new criteria. So, the state of Washington requires that the supervisor that's signing the log be certified residential or general appraiser. So, that creates a problem when people are trying to get licensed that are using ad valorem tax experience. So, the State of Washington accepts ad valorem tax experience.

(00:45:27):

The AQB also allows 100% ad valorem tax experience to count toward licensure. The issue is that if the supervisor in that county that is supervising those assessment offices isn't certified residential or certified general, then those employees that are working under them, their experience doesn't count. While in another county in Washington where that supervisor is a certified residential or general appraiser, all of that individual's experience counts. So, that creates a little bit of an issue. And so that would require a statute change to the definition of supervisor. And we just like everybody to understand that most of these ad valorem tax supervisors or county assessors or county property appraisers, whatever the jurisdiction in what state they're referred to as, most of these belong to the International Association of Assessing Officers, which is the agency that oversees the educational requirements.

(00:46:29):

They provide certifications similar to the Appraisal Institute's SRA and MAI in a form of a certified assessment examiner. In fact, we just discussed this yesterday at our partners meeting in San Antonio where the Appraisal Institute will recognize those certifications from the IAAO as if you're a CAA or a certified assessment examiner, you can translate most of that experience and education over to your SRA or MAI. So, the fact that these folks aren't recognized as providing supervisory authority over their trainees or employees when they apply is a little bit troubling because those folks have as much experience as a supervisor as a certified residential or certified general appraiser. So, the ask for Washington would be is that we could look at the statute and change the statute to be more malleable to the AQB criteria. Now, that being said, I think that it would be wise... Does your legislature meet in 2025?

(00:47:42):

Yes, it's biannual?

Sandy Baur (00:47:44):

Yes, it does.

Pete Montana (00:47:45):

Okay, thank you. So, it'd be helpful for you guys to see the first draft of the AQB's exposure draft, which is going to be published for everybody to comment on right around December 1st is what the chair told me yesterday. And so, that way you can see what the new definition of supervisor is for them. Now, I will tell you that the foundation has some responsibility in this too, because I think that the criteria was written too strictly and states adhere to it in the strictest of definition. If you read the criteria, the definition of supervisor is almost exactly what the state law is in Washington. So, we have a little bit of responsibility in this too, because I don't think we wrote the definitions correctly to allow for other supervisors to attest to a trainee's or an employee's work product. So, in any case, that's what the State Harmonization Task Force has been doing.

(00:48:47):

There's some states with some really challenging overlays and Washington's not one of them. There are only 10 states that actually accept by reference the AQB criteria, which we would encourage every state to do because that way when the criteria changes, you don't have to do anything. The state just accepts the AQB criteria in whole. And so, there's 10 states that do that by reference, and that cuts down on a lot of administrative headache for you because you don't have to continue to change your laws, rules, and regulations every time USPAP changes. Every time the criteria changes, you just accept the criteria as written. So, in closing, I will say that I just want to tell you that some of these other kind of goofy overlays that we've run into, we went to the State of Alabama and the State of Alabama doesn't allow, didn't allow experience on your experience log if the property you were appraising was more than 50 miles away from your physical office address.

(00:49:49):

And so, in a technological based environment that we're in now where you can really make yourself proficient in an area, and that particular rule was put in 30 years ago, where MLSs are online, you can use GIS systems to research markets. That particular rule didn't make much sense. They also had a rule that said you got zero experience on your log if you didn't make an interior inspection of the property. So, if you did exterior appraisal or you did a hybrid appraisal where somebody else did the data collection and you did the analysis and conclusions of value, you didn't get any experience credit for that as well. And they have now since removed those requirements and Alabama is now the 10th state that accepts the criteria in whole. So, with that, I will close and I appreciate the opportunity to speak with you today. And I'm hoping that after the new criteria exposure draft comes out, that we

can revisit this with you folks on the commission and then possibly look at amending the statute to be more open-ended when it comes to supervisors and what experience counts.

(00:51:05):

So, with that, I would open it up for any questions that you might have. Happy to answer any questions.

Dean Potter (00:51:12):

Yeah. Commissioner Potter. When you talk about an ad valorem supervisor, I like that idea, but are you paying attention to whether or not the specific jurisdiction county in this case in Washington, that their appraisal product, their ad valorem appraisal product is USPAP compliant? If it is not, would the supervisor sign off and it would, even though their appraisal product was not USPAP compliant, I mean, USPAP has an ad valorem part to it, so?

Pete Montana (00:51:50):

Correct. Thank you for that, Commissioner Potter. And that's an excellent question. And that's a question that we have... So, on the subcommittee or on our task force, it was important when I formed the task force that we specifically had one of our task force members be one of the program managers from the appraisal subcommittee, because a lot of these questions were, is the subcommittee going to approve this? Well, anything I tell you today has been approved by the subcommittee because they're actually a member of our task force. And so, to answer your question specifically, yes, USPAP, standard five and six in USPAP is specific to mass appraisal. Currently, the criteria, the AQB criteria says that mass appraisal experience will account at 100% as long as it's standard five and six compliant. I think that's going to be changing because I think the AQB is going to remove any reference to any experience being USPAP compliant because there's a lot of experience out there that's not USPAP compliant that might be incongruence with USPAP like Yellow Book appraisals or international valuation standards our folks in Canada and stuff that are using IBSC standards.

(00:52:59):

So, they're not using USPAP, but their experience is such that it's compliant. So, with respect to those folks that are in an appraisal assessment office, and there's no reference that their work is compliant with USPAP, we've done two things. One, we've developed a review form for states to use that you can go through the submission of the work product from that appraiser and match it to standard five and six criteria. We will provide... I think Denise, did I provide that to you guys, that leave behind document the first time? Because if I didn't, I will send it to you so you can distribute it to the board members. Secondly, the appraisal subcommittee recognizes Montana, Utah, and Colorado using an alternative approach.

(00:53:53):

So, what we do in Montana is that we ask for them to provide three standard one and two reports. Our feeling was is you're asking us to license you to do standard one and two appraisal work, so why don't you demonstrate to us that you're proficient at that, that what you've done through your education and your experience in that assessment office translates into your ability to write a standard one and two compliant report?

(00:54:18):

So, then we send that report through the normal review process, and if it comes back clean, we don't really care where their experience came from or if it was standard five and six compliant because they've demonstrated the minimum proficiency to practice in the standard one and two fee appraisal arena. Now, the ASC signs off on that. They say that's a perfectly acceptable practice because you're reviewing the work that you're licensing them for, but you're approving the experience for the amount of hours that they've gained in an appraisal practice. So, Commissioner Potter, does that answer your question a little?

Dean Potter (00:54:57):

Yes.

Pete Montana (00:54:59):

Thank you. Is there any other questions specific to that? I mean, honestly, most states don't know how to review the mass appraisal log. So, that's why we developed the mass appraisal review form that you can systematically go through standards five and six and match up the experience and what they did. And also, we put sample logs together for states to use as well. I know people in Washington have been licensed under this statute in mass appraisal. So, I know you guys are at least familiar with it because I know a couple of appraisers that have been licensed in Washington through the process and got their experience through mass appraisal. Scott, did you have a question?

Scott Biethan (00:55:49):

Commissioner Sporn, Please go first and then I'll go after you.

Jay Sporn (00:55:54):

Yeah, sure. Thanks, Scott. Hey, Pete, I just had a couple of questions. I was a certified residential appraiser and a supervisor for a county assessor's office in Spokane. And recently, before I retired, it has been about six months ago or something, I got a contact from the Department of Licensing that was looking to approve some educational hours through the mass appraisal process for a different county. I don't know which county it was. And evidently there was a bunch of turnover at the DOL and they just dumped all this on this person's desk and said, "Here, you figure it out." So, she had contacted me and

goes, "Hey, what am I looking for to make this really compliant as this applicable education?" And come to find out, going to some other meetings and stuff throughout different assessor's office in the county or in the state, there's a lot of different ways that these counties do business.

(00:56:50):

There's a lot of counties that for what they call appraisers are basically, they're property inspectors. I mean, they go out and look at the properties and somebody else does all the modeling, does all that, figure out what they need to do to the market and to fence those conclusions for appeals. Spokane County is one where our appraisers did everything. They were responsible for their neighborhoods. They did it from the inspection part all the way through the appeal process and even to the state level of appeals. And so there's some questions there. There's such a lack of standardization between counties. That's going to be kind of difficult, I would think.

Pete Montana (00:57:28):

Yeah. I mean, and that's exactly why. So, when I came through the assessment ranks as well, I was the county assessor. I was the elected county assessor, didn't know what I wanted to do when I graduated from college. And so I ended up running for county assessor and had no idea what I was doing when I first got there, but here I am now. So, I was self-taught. So, I spent 13 years as the county assessor, one of the largest counties in Montana. And I understand the difficulties that... In Montana, the Department of Revenue runs the entire tax jurisdiction across all 56 counties, so everything's fairly consistent in what these appraisers are doing. And they do the same thing that you're talking about in Spokane County is that they did everything. And so, in these counties where you don't know if they're doing everything that would require them to gain this experience, that's why we opted to have them submit three standard one and two appraisal reports on a URAR or a narrative form or however they want to do it.

(00:58:27):

That way, you at the agency can just have that reviewed in your normal course of business. And if it comes back nice and clean, all you're trying to verify is that they have 1,000, 1,500, or 2,500 hours experience that is appraisal related. So, somebody working in an assessment office for 10 years where there's 2,080 work hours a year that has 20,000 hours experience, I'm pretty confident that 1,000 hours of that would be acceptable for appraisal experience. That's why we asked to have that standard one and two reports so we can review their ability to comprehend and demonstrate proficiency.

Jay Sporn (00:59:07):

Yeah, and that was one of the questions, and one of the suggestions that I made to her at the DOL is that there was... This is a person that really, I don't think they'd ever really even

seen a URAR form and had had no review experience and said, "When they need to get some appeal experience where they're going up against an appellant that's had an appraisal done, you look at this, you compare your work." And then they included that in that requirement. And I think that person did get a credit for those hours once they submitted the appeal packages, three samples of those as a fact.

Pete Montana (00:59:42):

And that's acceptable as well. It just to me, requiring them to submit three reports, standard one and two reports, cleans that up a lot because it's less of an administrative headache for you because you just have those reports reviewed. And then the board makes the decision. It's like, "Well, this report came back super great." And so then you can generally assume that the education that they received and the experience that got them to writing that report... Now remember, they also have to pass the rigorous national certification exam that only has a 62% pass ratio for certified residential, and that's with you getting drugged around by your traditional supervisor, which to me is pretty abysmal. PAREA, the Practical Application of Real Estate Appraisal has had 50 graduates and all 50 graduates have passed the exam on their first try.

(01:00:35):

So, to say that the old supervisor model or that somebody in an appraisal assessment office isn't getting better experience, the exam would demonstrate that, boy, we have a lack of supervisory experience or teaching these folks how to be an appraiser when they can only pass the test at a 62% pass-fail ratio on the first time. So, in Colorado, they had 16 assessment personnel apply. All 16 of those people in the last two years pass the test on their first try.

Jay Sporn (01:01:06):

That's a great point. And that's a great [inaudible 01:01:09]-

Pete Montana (01:01:09):

And that's what we're trying to do is we're trying to measure that with some metrics. We're not trying to just say, "Just take everything." We're trying to put some metrics against it as well so you can see... And I can't get your first-time test taker pass-fail ratio scores, even though it's an AQB requirement, but you guys can, and I would encourage you to do that. Do you guys use PSI? Who's your test provider? PSI?

Sandy Baur (01:01:34):

Yes, PSI.

Pete Montana (01:01:35):

Okay. You can just ask them as the State of Washington and as the administrator, what's the first time test-taker pass-fail ratio? So you know if you're at or above. And that's what I encourage these states to do that have all these overlays like Indiana that has 10 overlays. They were below the national average. I said, "So, you're making these people do all this extra work and they're not passing the test any better." So, I mean, you're restricting and they don't have the license category. So, nine states don't have the licensed category, which makes it even more difficult to get in the business.

(01:02:08):

So, that's what our task force is doing is trying to point these things out. And I would point out not having the license category like Indiana, Pennsylvania, and Florida. If you get transferred to one of those states and you're a licensed appraiser in Washington, you do not get a license. You are out of business because they don't recognize the license category in those states. And we're trying to get them to change that because that's not a very good way of having a profession when you can't cross state lines and continue to practice. So, that's the whole goal of our harmonization task force is to get states to be more in line with the AQB criteria. And I will point out, and I've told Scott and Denise this in our meeting, we are here to help. We are not a one and done, and that's why I'm here today.

(01:03:01):

And I will continue to meet with you folks if you have an interest in freshening up the statute with respect to supervisor or adding some rules that say you have to turn in standard one and two report. The foundation is here to help. We're not going to go away. We're not just dropping this in your lap. We're here to help you write the legislation you needed, help you write the rule if you need it. And so, the foundation's committed to this project.

(01:03:30):

Scott, you have a question?

Jay Sporn (01:03:31):

That's right. Thanks, Pete. That's a great presentation.

Pete Montana (01:03:33):

Thanks, Commissioner.

Scott Biethan (01:03:40):

Commissioner Stephens, may I go?

Denise Stephens (01:03:46):

Yeah, I'm sorry, Scott, Go ahead.

Scott Biethan (01:03:49):

No, no worries. I was just waiting. So, I really appreciate, because we all recognize barriers to entry are very important, getting appraisers into the field and I've also, at the conference yesterday, I heard a lot of concerns around the UAD form, what that's going to do to the residential appraisers. I'm not a residential appraiser, so I learned this stuff from the commission and from other stuff. And I think that when the proposed AQB rules come out, I mean, I mentioned that the Industry Advisory Council, so I've been involved with the foundation. They really do take feedback seriously.

Pete Montana (01:04:26):

Oh, boy. Yes, we do.

Scott Biethan (01:04:28):

And I think the work of this committee, I think kind of now reacquainting what the topic is and hearing the presentation, we can really make a difference. But I do have a question and I've got two questions actually. The first one's simplistic because the state supervisory model is, and I'm a supervisor, but I can have no more than three trainees. Now, the first question is if you had a staff of 15 folks that wanted to get their license through the auspices of assessing mass appraisal, does that ratio still apply?

Pete Montana (01:05:15):

What ratio are we talking about, Scott?

Scott Biethan (01:05:18):

I can have no more than three trainees. I can only sign off on the reports for their time for three folks.

Pete Montana (01:05:27):

That's one of the things that the AQB is looking at is that with the new practicum courses that are popping up around the country, is this requirement that you can only have three trainees at once applicable? So, PAREA, you don't necessarily have a supervisor. You have a mentor and there's a mentor for every 10 or 12 applicants, 10 or 12 entrants. So, that is one of the things that I think the AQB is going to be looking at and changing as well is the number of trainees you can have. I think that they set that. A lot of states set that back when they thought that there was these appraiser mills before 2008 where they were just getting people licensed and cranking out appraisers, appraisals. But I think that with the new lending requirements and Dodd-Frank, and I think that that's pretty much tightened

up. And so, I think that they're going to lift that restriction, Scott, on the number of trainees you can have.

Scott Biethan (01:06:26):

When I think about what protects the public trust, the thing that comes to my mind is, at least on the commercial side, I can't speak for residential, on the commercial side, it takes a lot of work to get someone trained so they're actually able to be competent to get a general certification in order to do any and all property types. And frankly, as a supervisor, I'm terrified. What I don't want to have is have a trainee under my license make a mistake. And mistakes happen, but I mean, and if I had 15 or 20 and I was the sole individual doing that, that would be a concern. Now, I'm not saying that this is bad legislation, but it really does raise a question to me of competency and best practices to protect both the supervisor and the users of appraisal services.

Pete Montana (01:07:19):

And Scott, it's interesting you mentioned the IAC because one of the big discussions we had with the IAC, and I sat on their task force committee to write a comment letter to the AQB on their concept paper back in May, that was the big discussion, especially from our folks at CBRE, some of our folks at Citibank where they have large commercial appraisal presence was this very question topic you have. And we understand that, but largely 80 to 90% of all the people coming into the industry as a first-time applicant are licensed or certified residential. Most people aren't coming in as that certified general appraiser without some kind of experience. And so we worked on a concept plan through IAC forwarded the AQB to say that you would have to have so much experience as a certified residential if you're trying to move up. And I can provide that paper to you because it's a public document now.

Scott Biethan (01:08:19):

Yeah. Why don't you just send that information because what I don't want to do is have [inaudible 01:08:23]-

Pete Montana (01:08:23):

Oh, absolutely. Because I understand what you're saying.

Scott Biethan (01:08:26):

Let me just finish. This is going to go to the education subcommittee and they'll vet everything, but I just want to get that one out there. And the other one I'm going to put out, because I do also want to make sure that we leave room for the next report and public comment. So I'm going to put it out there and really to go to the education subcommittee and make sure that the question comes in a public forum is I understand and support other disciplines becoming state certified, being able to use that to get the license. But the other

thing I just want to raise is by what standards are other professional... If it's just some county policy, that's great, but by what standards would those folks not doing in the range that we're in mostly now, so in the mass appraisal, which is also part of USPAP, because I heard you say they don't need to be USPAP compliant. There's other IVS you mentioned, you mentioned-

Pete Montana (01:09:29):

Yellow Book appraisals.

Scott Biethan (01:09:32):

Yeah, Yellow. Thank you. But is there a standard that they're held to because otherwise there are no guidelines?

Pete Montana (01:09:41):

Yeah, and that's what the AQB is really wrestling with right now. And that's why we're trying to prime these boards that we're talking to. And we're doing direct engagement. Like I said, we're going to every... I'd be at your board meeting in person if you had it, because we're doing direct engagement with all the state boards to let them know that that criteria change is going to be substantial. And so, when that comes out, that exposure draft, all those things you're commenting on, Scott, we want you to comment on those. As you know, being a member of the foundation before, we take every one of those comment letters seriously.

Scott Biethan (01:10:12):

Good. Yeah, I know that. So okay, I'm good for now for questions and I'm not trying to cut it off either. I just want to make sure that I get questions out there.

Pete Montana (01:10:22):

Yeah. Just before I end this, I just want to tell you what we consider a dire crisis coming ahead of this industry at the residential level. At the mortgage appraiser level, CoreLogic or Cotality now that owns A la mode Software, A la mode is the largest appraisal software vendor in the residential space. They have 40,000 subscribers. They've had a mobile app out for over 10 years that you can mobile sketch, take digital photos, upload it into the cloud, download it into your report. They've had that out for 10 years. Only 22% of their 40,000 people actually use the mobile app. And UAD 3.6 is going to require all data be collected on a tablet or some other kind of device. And so, talk about a monumental shift for people that are using pad and paper still, that are using regular non-digital measuring devices, haven't used any of the measurement devices, the digital LiDAR measuring devices.

(01:11:30):

That's why we are predicting that 15% of these people are just going to say, "I'm done," and retire, because remember, the average age of the appraiser in America is 58 years old. So, that's the crisis we see coming, and that's why we're trying to tell the states like this shift in the reporting requirements for mortgage work and the fact that only 22% of 40,000 appraisers are using digital technology today, that's the crisis we see coming to the appraisal industry and we're trying to save it, meaning we're trying to... There's no sense in having overlays if we can overcome some of the objections to let people into the industry that actually qualify. We're not trying to lower the standards, not by any means. We're just trying to ask you to take a look at any of the standards that are over and above the criteria. So, that's all I have for you folks, and I'm very pleased to be here today.

Denise Stephens (01:12:21):

Thank you, Pete. I really appreciate you speaking to us today. I know this is a new topic for some of the commissioners because they haven't been on the education committee, and I think what you're doing is fabulous, and I know how hard you're working on this. I appreciate you coming today and speaking to us. Thank you.

Pete Montana (01:12:44):

You betcha. Thank you so much. I appreciate being here.

Denise Stephens (01:12:46):

Hey, Pete, will you follow through with some of the paperwork that you said you would send to us to the commission?

Pete Montana (01:12:53):

Yeah, I know I have you and Scott's email address. I'll send it to you and Scott, and then you can distribute it to the agency and they can give it to the board.

Denise Stephens (01:13:01):

Perfect. Thank you.

Pete Montana (01:13:02):

I will do that immediately.

Denise Stephens (01:13:04):

All right. Awesome. Thanks. Another topic we have underneath the education committee, I just wanted to make sure the commissioners were aware of the Department of Licensing implementing House Bill 1797. It's regarding the valuation bias and fair housing course requirements. As of January 1st of 2026, you will be required, this is new and licensed appraisers, everybody, a seven-hour course plus a one-hour exam before you can renew

your license starting January 1st, 2026. After that, you will have to take a four-hour refresher every two years just like USPAP. I didn't know if you guys were aware of that, but that is out there starting January 1st.

(01:14:05):

Does anybody have any questions regarding that? All right, that's my report for the education committee.

Sandy Baur (01:14:20):

Chair Biethan, you're muted.

Scott Biethan (01:14:24):

I get that notification and then you tell me, I get it. I'm sorry. Thanks. You're doing great work and I'm really, really grateful about that. And Pete, if you're still listening, I want to say thank you as well. A lot of information and it's necessary and it's going to be very helpful, so thank you.

Pete Montana (01:14:42):

You bet. Thank you.

Scott Biethan (01:14:43):

Yep, legislative update report and turn it over to... It is Austin, right?

Austin Kohler (01:14:50):

Yes. Yeah.

Sandy Baur (01:14:51):

Yes. We have management analyst, Austin Kohler, who is going to do a brief legislative update.

Austin Kohler (01:14:58):

Thank you, Sandy, Chair Biethan, Commissioners, good morning. I have a brief legislative update for you all. It's regarding House Bill 1797, which Commissioner Stephens gave a great summary on, so I don't have to go over that again, but we are wrapping up the rulemaking for that. It will be going out next week to solidify all those requirements in our administrative code, and that will all be ready to go into effect before the January 1st date when it'll go into effect. And that's all I had for that. So, yeah, if anybody has any questions. That's all I have.

Sandy Baur (01:15:45):

All right. Thank you.

Scott Biethan (01:15:46):

Thank you. Yeah, go ahead, Sandy.

Sandy Baur (01:15:49):

Moving on, I have the next agenda item as well. It is the review of the master action item list. We still have a current recruitment open. It is in progress and I'm hoping to have those discussions by the first of next month. So hopefully by our January meeting, we will have some new commissioners to announce. Also, on the master action item list was a legislative update, which is now complete. Thank you, Management Analyst Kohler. I appreciate your update, and that concludes our master action item list.

Scott Biethan (01:16:28):

Great. All right. So, thanks very much. There's been a lot to cover in this meeting and I know it's a lot of information and sometimes we've had these meetings, they run really fast and this one has been a little bit full of agenda items and that's good. Let's see. Verbal comments. So, first of all, do we have any written comments that were sent in?

Sandy Baur (01:16:54):

We do not.

Scott Biethan (01:16:55):

Okay, thanks. So, a reminder, the public can address the commission on any matters within our jurisdiction verbally during the meeting, or you can submit written comments before or after. We do ask that you stay at a three-minute limit. And in days past, we have been somewhat flexible, but in order to make sure that we're publicly complying with the Open Meetings Act, we just really need to keep it at three minutes. So, we will stop you if you go over. And so, in a reminder to the commissioners that we won't engage in any discussion or back and forth dialogue, but if there's an action item that comes out of that, then we can take that. And then just a reminder, be polite. Commissioner... I'm sorry, Dave Towne.

Dave Towne (01:17:52):

Good morning, everybody. I hope you can hear my audio okay today. I'm leaving my camera turned off. I just wanted to ask the DOL staff if you could please send out a reminder message at least one day before these meetings every quarter. I know you sent out a message a while back about two or three weeks ago or something, but I was unable to find that message so I could click on the link to open this meeting today. Finally figured out I could get on the website and I found your meeting location information there and was able

to get in. So, if the staff would please just keep into consideration that appraisers are busy and reminders a day or so would be helpful for these meetings. So, that's all I have today and thank you very much. But I did want to add Pete Montana's comments this morning, very enlightening for those of us in the industry wondering what's going to happen going forward here. So, again, thank you for the opportunity.

Sandy Baur (01:18:59):

Thank you for your comment.

Scott Biethan (01:19:02):

Any other comments in the room?

Scott DiBiasio (01:19:11):

Chair Biethan, this is Scott DiBiasio, if I may?

Scott Biethan (01:19:15):

Please.

Scott DiBiasio (01:19:16):

Thank you. Good morning, Chair Biethan, members of the commission. For the record, Scott DiBiasio with the Appraisal Institute. And I just wanted to clarify in relation to the implementation of House Bill 1797, particularly the education requirements related to fair housing evaluation bias. While that bill is not specific to the number of hours that is required, of course, we have the new AQB requirements that go into effect on January 1st of 2026. The clarification that I wanted to make is that for already licensed appraisers, they are required to take the seven-hour class, but they are not required to take the one-hour exam. The one-hour exam is required for new applicants or for appraisers that are looking to upgrade their credential, but already licensed appraisers only have to take a seven-hour class. They're not required to take the exam. Where an exam may be required or at least some demonstration of knowledge may be required is if somebody takes the valuation bias of fair housing class online.

(01:20:33):

And of course, if they take it online for continuing education, then of course an exam is required for asynchronous online education. But if an already licensed appraiser is taking that in the classroom, they are not required by the AQB criteria to take an exam. Now, I have not had an opportunity to take a look at the Washington proposed rules as it relates to this. And if you want to require the one-hour exam, that's okay, but that is not required by the AQB. So, just wanted to make that clarification and happy to answer any questions if there are any.

Scott Biethan (01:21:19):

Thank you. I think that we won't engage in back and forth, but I really do appreciate your comments. And I don't know how you go to every one of the state meetings because these can be really interesting because sometimes real snoozers and you guys monitor all the states, so. Okay.

Scott DiBiasio (01:21:38):

Well, it's funny you say that, I'm actually standing in the airport in San Antonio on my way back from the same meeting that Peter was at, so I'll get to as many of them as I can.

Scott Biethan (01:21:46):

Good. Well, thank you. Sorry about that back and forth. I hopefully didn't do anything wrong, but any other public comments? Okay. Seeing none, we will close the public comment period. And Sandy, if we have anything that we want to now bring to you after the comments, when do we do that or do we do that?

Sandy Baur (01:22:20):

And that will be at item 10.2, the request for future agenda items.

Scott Biethan (01:22:25):

Thanks. Sorry about that. Yeah. Yep, it's right there. Okay. Any announcements?

Sandy Baur (01:22:33):

The staff does not have any announcements at this time.

Scott Biethan (01:22:35):

Okay. Future agenda items? 10.2 I guess a reminder email to go out. Is that something that... Yeah, great. So, it's not hard to do. Okay. If you want to go ahead and review the action items.

Sandy Baur (01:22:54):

Yes. So, the action items that I captured were number one, I am going to invite Commissioners Sporn and Moore to the next education subcommittee meeting. I will add an agenda item for the January meeting to discuss subcommittees, and I will send out reminder messages a little bit closer to the meeting dates. Did I capture everything?

Scott Biethan (01:23:28):

Anyone? Sounds good.

Sandy Baur (01:23:31):

Okay.

Scott Biethan (01:23:33):

Before we move to the next item, which is adjournment, I just want to take a brief moment and hopefully you'll indulge me. Commissioner Stephens, thank you for everything you've done this last year. I am really, really grateful for the hard work and I'm looking forward to working under you. And I'll say the same to Commissioner Sidor. I also want to say, Sandy, you are an amazing support for our board, our commission, and I want to thank you for that. And Bill Dutra, and also just the director and the whole DOL staff. I mean, there's some tension at times, and I just want to say thank you very much for everything that you've done for all of you and to the staff and to this public. And it's been a real honor to do this job.

(01:24:22):

I'm really glad to turn it over, but we've gone through a tricky couple of years, and so I just want to say thank you to everyone. So, I guess Commissioner Potter-

Jay Sporn (01:24:34):

[inaudible 01:24:34] a motion, but I'll second that, Scott.

Scott Biethan (01:24:38):

Commissioner Potter, you got your hand up.

Dean Potter (01:24:39):

Yeah. Yeah. I just wanted to thank you, Scott, you've been a great chair for the Appraiser Commission. You put a lot of time in this. I know how much time it takes to be chair and you were a great chair, so I appreciate you so much and keeping our trajectory in the right direction. So, the very best to you. I know you're going to still be around and everything, but I appreciate all the work you did as chair.

Scott Biethan (01:25:10):

Well, I had a great mentor in following you, Dean, so thanks very much. All right, so we don't need a motion to adjourn. And with that, I will say the meeting is adjourned.

Sandy Baur (01:25:26):

And our next meeting will be January 15th, 2026.

Scott Biethan (01:25:29):

Thanks. I missed that one.

Jay Sporn (01:25:31):

Thanks, Sandy.

Sandy Baur (01:25:33):

Thank you so much, everyone. Have a fantastic rest of your day.

Scott Biethan (01:25:37):

You all as well.

Jay Sporn (01:25:38):

[inaudible 01:25:40].