

ATTENTION ALL APPRAISERS! BEGINNING JANUARY 1, 2011, ALL WA STATE LICENSED AND CERTIFIED APPRAISERS WILL BE REQUIRED UNDER A NEW STATE LAW TO HAVE TRIPLE THE NUMBER OF CONTINUING EDUCATION HOURS EACH 2-YR CYCLE THAN IS CURRENTLY REQUIRED, INCLUDING COURSES IN APPRAISING MOBILE HOME PARKS, “GREEN” TECHNOLOGY PROPERTIES, AND ADJUSTING FOR VIEW AMENITY FOR SINGLE FAMILY RESIDENTIAL WATERFRONT HOME PROPERTIES!

Ok, now that I have your attention....

While the above is not true (at least, not at present), this requirement, or some other similarly onerous law, very easily could be a reality confronting appraisers in WA, but for the efforts of the Appraiser’s Coalition of Washington, or ACOW. What is ACOW, what does it do for WA appraisers, and why should you care? I hope this article provides you with at least some of the answers to these questions. In particular, I want to reach those new appraisers in the state who are AI Seattle members or affiliates and/or who may not yet be familiar with ACOW.

ACOW’s Background

ACOW was legally formed in September 1995. Prior to ACOW’s formation, there was only a loosely-formed effort by a handful of individual appraisers to monitor and respond to proposed laws that would affect appraisers. In some cases, conflicting opinions among the various appraisal organizations worked to the detriment of appraisers when they attempted to lobby the state legislature on a particular law. It was recognized that a single, organized coalition of all of the existing, recognized appraisal organizations in the state was needed, and thus ACOW was formed.

ACOW was created by appraisers, for appraisers. ACOW is the WA appraisers’ “eyes and ears” in monitoring proposed laws or changes to existing laws, and is the appraisers’ voice in actively lobbying legislators to either support or oppose these laws. ACOW primarily works at the state level, though also provides input on national level issues, working with AI’s Government Affairs representatives in Washington, D.C.

ACOW currently consists of representatives from 18 chapters of the six different national appraisal organizations active in this state, including the Appraisal Institute, the American Society of Appraisers, the American Society of Farm Managers & Rural Appraisers, the

International Association of Assessing Officers, the International Right of Way Association, and the National Association of Independent Fee Appraisers, along with one representative chosen to represent “unaffiliated” appraisers in the state (that is, those appraisers who are not members of any of these recognized appraisal organizations, which constitute the majority of appraisers in WA). Six of these organizational representatives are then elected each year to serve on the ACOW Board. I have had the privilege, and faced the challenges, of serving this past year as the President of the Board of Directors of ACOW. A new Board of Directors for 2010 will be elected in January.

ACOW’s annual budget is only about \$25,000 per year. Income comes mostly from member dues and donations (about \$19,000 collected in 2009), along with some nominal net income from educational or other outreach efforts by ACOW such as the annual late-summer ACOW Summit at Snoqualmie that netted around \$4,700 for 2009. Financial support from the Seattle Chapter of the Appraisal Institute, which constitutes the single largest professional appraiser organization chapter in this state, provides the lion’s share of ACOW’s dues income each year, and is a key supporter of ACOW and its efforts on behalf of appraisers in Washington State.

ACOW’s largest expense, or about 70% of our income, pays for a professional lobbyist in Olympia (more on this follows). The rest of the expenses include those for education and outreach, and for administrative support (about \$500 - \$600 per month). Most of ACOW’s operations and activities are supported by unpaid volunteer efforts, including those of its board members.

ACOW member dues are currently only \$25 per year, which represents a nominal outlay for a significant return (more on this also follows). While ACOW’s budget is minimal, it cannot succeed and continue its efforts without the support of its paid members. ACOW needs all appraisers in WA state to provide their financial support through membership in order to continue to ensure its existence. Why should this matter to appraisers in WA? I hope the following explains why.

ACOW’s Purpose

The purposes for which ACOW was organized include:

- To educate and communicate with members of the appraisal profession or with any persons concerned with valuation of real or personal property in Washington about legislative and regulatory issues.
- To promote the public interest and to foster greater public trust and confidence in professional appraisal practice through non-partisan interaction with legislative bodies, government regulatory agencies and other related organizations.

- To support the maintenance and improvement of the Uniform Standards of Professional Appraisal Practice (USPAP) and its effective enforcement by the State of Washington.
- To foster and promote the appraisal profession to the general public through education, research, and publications.

ACOW strives to represent all appraisers in WA on any regulatory or legislative issues that may arise that impact our profession. While its stated purpose is primarily educational in nature, ACOW does actively lobby our elected representatives on matters that may ultimately affect appraisers (we like to think of it as “educating” them about our profession).

ACOW also works closely with the Real Estate Appraiser Commission (REAC) and the Dept. of Licensing (DOL), along with communicating our position on issues to, and receiving feedback from, the Appraisal Institute’s Government Affairs representatives in Washington, D.C.

ACOW’s Efforts in Representing Appraisers, 2009

During the 2009 WA State Legislative session, ACOW was primarily focused on lobbying efforts to save the Real Estate Appraiser Commission from being eliminated. In a mere “window-dressing” effort by Governor Gregoire, she proposed eliminating most of the existing boards and commissions in the state in an attempt to save money and balance the budget (interestingly, it is noted however that she did not propose to eliminate the Real Estate Commission, which represents real estate agents and brokers). However, the REAC is “revenue-neutral,” as its funding comes from a dedicated account paid into from our DOL licensing fees – that is, its elimination would have no impact on the state’s general fund or balancing of the state budget. With the elimination of the REAC, appraisers would lose a vital resource and key link between our profession and the DOL. Through ACOW’s efforts, we were able to have the language redacted in both the House and Senate bills that would have eliminated the REAC. However, Gov. Gregoire will be reintroducing these bills for the upcoming 2010 session, so our lobbying efforts this past session will have to be repeated, hopefully with the same success.

By May 2009, the Home Valuation Code of Conduct (or HVCC) was implemented, which has had a significant impact on many appraisers in this state, mostly those who appraise single family residences for lending purposes. As a result of the HVCC, Appraisal Management Companies (or AMCs) began to exercise more control over the ordering of appraisals, and with this came a dramatic reduction in the fees paid to appraisers by AMCs. In many cases, AMCs are keeping half of the fees paid by their clients – the banks – for appraisals. Some AMCs have been collecting fees, ordering appraisals, and then absconding with the fees and not paying the appraisers for their services.

By early fall 2009, an AMC Task Force was established through the efforts of both ACOW and the REAC, and from this a bill was drafted for ACOW to introduce in the coming legislative session that would regulate and require the licensing of AMCs, including requiring them to post a surety bond in order to do business in this state. It will be up to ACOW, and our lobbyist, to see if this bill is ultimately introduced and passed in the coming session.

Often this past year I have heard appraisers ask: “What does ACOW do for me?” Well, if you are one of these appraisers, I hope the following story in particular will help you more fully understand and appreciate the existence of ACOW and what it does for you:

In mid-November, a builder of “green” technology (i.e., energy-efficient) homes had complained to his state senator that appraisers were “undervaluing” his properties. He believed it was because appraisers did not fully understand and appreciate the “added value” of these homes, and that appraisers needed to become “educated” about this sector of the real estate market. Without seeking the input of any appraisers on this issue, this state senator instructed senate staffers to prepare a bill to be introduced in the coming WA State legislative session that would require all appraisers to have seven (7) hours of continuing education (CE) in each license renewal cycle pertaining to the valuation of “green” technology properties. ACOW’s lobbyist, TK Bentler, found out about this proposed bill, alerted ACOW, and we were able to intervene to negotiate a revised bill that would at least remove the requirement for seven hours of CE each renewal cycle; however, this bill, or a similar bill, may yet be introduced in the upcoming session. It will be up to ACOW and our lobbyist to monitor the introduction of this bill, and to be prepared to fight for its elimination or negotiate to amend it.

Without ACOW and our lobbyist, this bill likely would have been introduced in its original form, without any input from appraisers, and without opposition could easily have passed into law. While we still have work ahead of us on this issue, ACOW is striving to look out for your interests. So, if you ever wonder what ACOW is doing for you, keep this recent incident in mind.

ACOW’s Future Efforts

For 2010 and beyond, ACOW and our lobbyist will be striving to not only retain the REAC, require licensing and regulation of AMCs, and seek to prevent onerous over-regulation and micro-management of our profession by overzealous legislators who do not understand what we do, but will also likely seek the creation of an “inactive” license status or classification for appraisers for those who need to take off some time in order to attend to family emergencies or deal with other serious matters such as ill health, without the need to maintain their CE or pay the full license renewal fees every two years. This latter issue is in the process of being more

fully defined; if you have any suggestions or ideas on this issue, please pass them along to your 2010 chapter ACOW representative, Joe Creech, MAI.

Additional priorities for ACOW will be to continue work on improving our website, along with enhancing our outreach to all appraisers in the state and increasing our visibility and membership. ACOW's future and its continuation as an entity serving appraisers is not assured without further financial support and the membership of appraisers in the state. All of us must strive to ensure the success and continuation of ACOW, or we open our profession and expose our livelihoods to the whims of state legislators or other regulators who could seriously and negatively impact what we do and how we do it. Doctors, lawyers, and even realtors in this state have very strong and active lobbying efforts and resources available, and pay to keep their interests supported. It is vital that appraisers be aware of proposed laws that will impact our profession; be advocates for the laws that are in our best interest; actively oppose those laws that are not; and, propose changes to existing laws. We must continue to assume responsibility for this oversight and monitoring, and educating lawmakers, and ACOW is the best resource for doing this.

For more information about ACOW, visit our website at: www.acow-wa.org.

Also, we have just set up a blog on which appraisers can share their thoughts and ideas: <http://wa-acow.blogspot.com/>.