

SB 702 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

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Meeting Dates: 4/18, 4/27

WHAT THE MEASURE DOES:

Requires Appraiser Certification and Licensure Board to include state and federal fair housing laws and topics of implicit bias, including racial bias, in education requirements for certification or licensure of appraisers and the registration of appraiser assistants. Takes effect on 91st day following adjournment sine die.

FISCAL: No fiscal impact

REVENUE: No revenue impact

SENATE VOTE: 24-6

ISSUES DISCUSSED:

- Homeownership gap between black and white homeowners
- Studies demonstrating discrepancy in appraiser practices based on race
- Appraiser standards and practices related to valuation bias

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon's Appraiser Certification and Licensure Board certifies and regulates real estate appraisers, their assistants, and companies to ensure they operate in compliance with state and federal laws and standards. To lawfully practice real estate appraisal, a person must first become a Registered Appraiser Assistant, which requires 79 hours of specified education, plus supervision from a State Certified Residential Appraiser or State Certified General Appraiser. Each successive level of certification requires additional hours of education and experience.

Though much of the lending process is now conducted online, appraisals continue to be performed in person. National studies have identified race-based disparities in appraisals. Appraisers are covered by Oregon's fair housing statutes, and the federal Fair Housing Act (1968) prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on a person's race, color, national origin, religion, sex, familial status, or physical or mental disability. Currently, appraiser education requirements do not include provisions specifically covering racial bias or appraiser responsibilities under state or federal fair housing laws.

In 2022, the legislatively appointed Joint Task Force on Addressing Racial Disparities in Home Ownership proposed amending ORS 674.310 to insert language including these topics in appraiser education requirements. Senate Bill 702 requires that educational requirements, adopted by the Board for appraisers and appraiser assistants, comply with state and federal fair housing laws and topics of implicit bias, including racial bias.