

SENATE BILL REPORT

2SHB 1184

As Reported By Senate Committee On:
Higher Education, March 31, 1999
Ways & Means, April 2, 1999

Title: An act relating to real estate research.

Brief Description: Promoting cooperative real estate research.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Kenney, Carlson, Schoesler, Ogden, Edmonds and Esser).

Brief History:

Committee Activity: Higher Education: 3/24/99, 3/31/99 [DP-WM].
Ways & Means: 4/2/99 [DP].

SENATE COMMITTEE ON HIGHER EDUCATION

Majority Report: Do pass and be referred to Committee on Ways & Means.

Signed by Senators Kohl-Welles, Chair; Shin, Vice Chair; Finkbeiner, Horn, Jacobsen, McAuliffe, Sheahan and B. Sheldon.

Staff: Risa Sandler (786-7708)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass.

Signed by Senators Loveland, Chair; Bauer, Vice Chair; Brown, Vice Chair; Fraser, Kline, Kohl-Welles, Rasmussen, B. Sheldon, Snyder, Spanel, Thibaudeau, West and Winsley.

Staff: Karen Barrett (786-7711)

Background: The Washington Center for Real Estate Research was established in 1989 by the Washington State University Board of Regents to provide continuing research, education and technical assistance to licensed real estate brokers and sales persons, educational institutions, state and local governments, the real estate industry, and the general public. The center has been supported by money from Washington State University, the Washington Real Estate Commission, and other individuals and organizations.

For the 1997-99 biennium, the center is operating under an agreement with the Department of Licensing totaling \$250,000. This money comes from the real estate education account that is funded by interest earned on real estate brokers' trust accounts. The designated purpose of this account is to carry out educational programs for real estate licensees. The

1997-99 biennial appropriation to the Department of Licensing from the real estate education account was \$660,000.

Real estate brokers and salespersons pay license fees upon qualification that are renewable every two years. The original license fee is \$160 for brokers and \$100 for salespersons. License fee amounts are the same for renewal. For 1998, there were 8,120 active licensed brokers and 2,688 inactive licensees. Salespersons numbered 18,164 active licensees and 14,780 inactive licensees.

Summary of Bill: Individuals who obtain a real estate broker or salesperson's license or who renew their license after October 1, 1999, must pay a fee of \$10. The fee is deposited in the newly created Washington real estate research account. Expenditures from the account may be used only to support a real estate research center in Washington. The account is subject to appropriation.

The director of the Department of Licensing must engage, through a memorandum of understanding, an institution of higher education that establishes a real estate research center. The center must provide credible research and educational services to licensees, consumers, the industry, institutional customers, public agencies, and local communities. It must also support professional development and education of real estate licensees, provide expertise to the Real Estate Commission.

The \$10 license fee assessment and the Washington real estate research account expire September 30, 2005.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: The Real Estate Education Account is currently dwindling. The Real Estate Research Center is very involved in real estate education. The center also has put together data bases with commercial real estate information across the state. Real estate is a \$9.6 billion industry for residential properties. The current advisory board works well and there is some resistance to establishing an advisory board in statute. Real estate licensees across the state indicated full support for the \$10 fee.

Testimony Against: None.

Testified: PRO: Representative Phyllis Kenney, prime sponsor; Glen Hudson, Washington Association of Realtors; Kim Herman, Board of Trustees member, Real Estate Research Center, Washington State Housing Finance Commission; Bob Mitchell, Division of Licensing, Real Estate Program.