

# HOUSE BILL ANALYSIS

## ESB 5720

**Brief Description:** Promoting cooperative real estate research.

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**Sponsors:** Senators Shin and Sheahan

**Hearing:** March 29, 1999

### Brief Summary of Bill

- Establishes a \$10 assessment on real estate licensees to support a research center for real estate research beginning October 1, 1999.
- Directs the Department of Licensing to provide funding through a newly created Washington Real Estate Research Account to an institution of higher education for the purpose of real estate research.
- Terminates the fee assessment and account on September 30, 2005.

### 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 for brokers is \$160 and for salespersons, is \$100. 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 an additional 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 director may make expenditures from the account. The account is not subject to appropriation and interest earned on the money in the account is returned to the account by the state treasurer.

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 and provide expertise to the Real Estate Commission. The center must report annually on the expenditures supported by public funds.

The \$10 license fee assessment and the Washington Real Estate Research Account expire September 30, 2005.

**RULES AUTHORITY:** The bill does not contain provisions addressing the rule making powers of an agency.

**FISCAL NOTE:** Available.

**EFFECTIVE DATE:** Ninety days after adjournment of a session in which bill is passed.