

CERTIFICATION OF ENROLLMENT

**SENATE BILL 5253**

56th Legislature  
1999 Regular Session

Passed by the Senate March 9, 1999  
YEAS 49 NAYS 0

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**President of the Senate**

Passed by the House April 7, 1999  
YEAS 90 NAYS 0

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**Speaker of the  
House of Representatives**

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**Speaker of the  
House of Representatives**

Approved

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**Governor of the State of Washington**

CERTIFICATE

I, Tony M. Cook, Secretary of the Senate of the State of Washington, do hereby certify that the attached is **SENATE BILL 5253** as passed by the Senate and the House of Representatives on the dates hereon set forth.

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**Secretary**

FILED

**Secretary of State  
State of Washington**

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**SENATE BILL 5253**

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Passed Legislature - 1999 Regular Session

**State of Washington                      56th Legislature                      1999 Regular Session**

**By** Senators Benton, Prentice, Winsley, Shin, Deccio, Heavey, Rasmussen, West, T. Sheldon, Hale, Gardner, Rossi and Oke; by request of Department of Licensing

Read first time 01/18/1999. Referred to Committee on Commerce, Trade, Housing & Financial Institutions.

1            AN ACT Relating to grounds for disciplinary action against real  
2 estate brokers or salespersons; and amending RCW 18.85.230.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4            **Sec. 1.** RCW 18.85.230 and 1997 c 322 s 17 are each amended to read  
5 as follows:

6            The director may, upon his or her own motion, and shall upon  
7 verified complaint in writing by any person, investigate the actions of  
8 any person engaged in the business or acting in the capacity of a real  
9 estate broker, associate real estate broker, or real estate  
10 salesperson, regardless of whether the transaction was for his or her  
11 own account or in his or her capacity as broker, associate real estate  
12 broker, or real estate salesperson, and may impose any one or more of  
13 the following sanctions: Suspend or revoke, levy a fine not to exceed  
14 one thousand dollars for each offense, require the completion of a  
15 course in a selected area of real estate practice relevant to the  
16 section of this chapter or rule violated, or deny the license of any  
17 holder or applicant who is guilty of:

18            (1) Obtaining a license by means of fraud, misrepresentation,  
19 concealment, or through the mistake or inadvertence of the director;

1 (2) Violating any of the provisions of this chapter or any lawful  
2 rules or regulations made by the director pursuant thereto or violating  
3 a provision of chapter 64.36, 19.105, or 58.19 RCW or RCW 18.86.030 or  
4 the rules adopted under those chapters or section;

5 (3) Being convicted in a court of competent jurisdiction of this or  
6 any other state, or federal court, of forgery, embezzlement, obtaining  
7 money under false pretenses, bribery, larceny, extortion, conspiracy to  
8 defraud, or any similar offense or offenses: PROVIDED, That for the  
9 purposes of this section being convicted shall include all instances in  
10 which a plea of guilty or nolo contendere is the basis for the  
11 conviction, and all proceedings in which the sentence has been deferred  
12 or suspended;

13 (4) Making, printing, publishing, distributing, or causing,  
14 authorizing, or knowingly permitting the making, printing, publication  
15 or distribution of false statements, descriptions or promises of such  
16 character as to reasonably induce any person to act thereon, if the  
17 statements, descriptions or promises purport to be made or to be  
18 performed by either the licensee or his or her principal and the  
19 licensee then knew or, by the exercise of reasonable care and inquiry,  
20 could have known, of the falsity of the statements, descriptions or  
21 promises;

22 (5) Knowingly committing, or being a party to, any material fraud,  
23 misrepresentation, concealment, conspiracy, collusion, trick, scheme or  
24 device whereby any other person lawfully relies upon the word,  
25 representation or conduct of the licensee;

26 (6) Accepting the services of, or continuing in a representative  
27 capacity, any associate broker or salesperson who has not been granted  
28 a license, or after his or her license has been revoked or during a  
29 suspension thereof;

30 (7) Conversion of any money, contract, deed, note, mortgage, or  
31 abstract or other evidence of title, to his or her own use or to the  
32 use of his or her principal or of any other person, when delivered to  
33 him or her in trust or on condition, in violation of the trust or  
34 before the happening of the condition; and failure to return any money  
35 or contract, deed, note, mortgage, abstract or other evidence of title  
36 within thirty days after the owner thereof is entitled thereto, and  
37 makes demand therefor, shall be prima facie evidence of such  
38 conversion;

1 (8) Failing, upon demand, to disclose any information within his or  
2 her knowledge to, or to produce any document, book or record in his or  
3 her possession for inspection of the director or his or her authorized  
4 representatives acting by authority of law;

5 (9) Continuing to sell any real estate, or operating according to  
6 a plan of selling, whereby the interests of the public are endangered,  
7 after the director has, by order in writing, stated objections thereto;

8 (10) Committing any act of fraudulent or dishonest dealing or a  
9 crime involving moral turpitude, and a certified copy of the final  
10 holding of any court of competent jurisdiction in such matter shall be  
11 conclusive evidence in any hearing under this chapter. However, RCW  
12 9.96A.020 does not apply to a person who is required to register as a  
13 sex offender under RCW 9A.44.130;

14 (11) Advertising in any manner without affixing the broker's name  
15 as licensed, and in the case of a salesperson or associate broker,  
16 without affixing the name of the broker as licensed for whom or under  
17 whom the salesperson or associate broker operates, to the  
18 advertisement; except, that a real estate broker, associate real estate  
19 broker, or real estate salesperson advertising their personally owned  
20 real property must only disclose that they hold a real estate license;

21 (12) Accepting other than cash or its equivalent as earnest money  
22 unless that fact is communicated to the owner prior to his or her  
23 acceptance of the offer to purchase, and such fact is shown in the  
24 earnest money receipt;

25 (13) Charging or accepting compensation from more than one party in  
26 any one transaction without first making full disclosure in writing of  
27 all the facts to all the parties interested in the transaction;

28 (14) Accepting, taking or charging any undisclosed commission,  
29 rebate or direct profit on expenditures made for the principal;

30 (15) Accepting employment or compensation for appraisal of real  
31 property contingent upon reporting a predetermined value;

32 (16) Issuing an appraisal report on any real property in which the  
33 broker, associate broker, or salesperson has an interest unless his or  
34 her interest is clearly stated in the appraisal report;

35 (17) Misrepresentation of his or her membership in any state or  
36 national real estate association;

37 (18) Discrimination against any person in hiring or in sales  
38 activity, on the basis of any of the provisions of any state or federal  
39 antidiscrimination law;

1 (19) Failing to keep an escrow or trustee account of funds  
2 deposited with him or her relating to a real estate transaction, for a  
3 period of three years, showing to whom paid, and such other pertinent  
4 information as the director may require, such records to be available  
5 to the director, or his or her representatives, on demand, or upon  
6 written notice given to the bank;

7 (20) Failing to preserve for three years following its consummation  
8 records relating to any real estate transaction;

9 (21) Failing to furnish a copy of any listing, sale, lease or other  
10 contract relevant to a real estate transaction to all signatories  
11 thereof at the time of execution;

12 (22) Acceptance by a branch manager, associate broker, or  
13 salesperson of a commission or any valuable consideration for the  
14 performance of any acts specified in this chapter, from any person,  
15 except the licensed real estate broker with whom he or she is licensed;

16 (23) To direct any transaction involving his or her principal, to  
17 any lending institution for financing or to any escrow company, in  
18 expectation of receiving a kickback or rebate therefrom, without first  
19 disclosing such expectation to his or her principal;

20 (24) Buying, selling, or leasing directly, or through a third  
21 party, any interest in real property without disclosing in writing that  
22 he or she holds a real estate license;

23 (25) In the case of a broker licensee, failing to exercise adequate  
24 supervision over the activities of his or her licensed associate  
25 brokers and salespersons within the scope of this chapter;

26 (26) Any conduct in a real estate transaction which demonstrates  
27 bad faith, dishonesty, untrustworthiness or incompetency;

28 (27) Acting as a vehicle dealer, as defined in RCW 46.70.011,  
29 without having a license to do so;

30 (28) Failing to assure that the title is transferred under chapter  
31 46.12 RCW when engaging in a transaction involving a mobile home as a  
32 broker, associate broker, or salesperson; or

33 (29) Violation of an order to cease and desist which is issued by  
34 the director under this chapter.

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