

HOUSE BILL REPORT

ESB 6184

*As Reported By House Committee on:
Commerce & Labor*

Title: An act relating to real estate brokers and salespersons.

Brief Description: Revising provisions for the regulation of real estate brokers and salespersons.

Sponsor(s): Senators Newhouse, Bauer, Anderson, Gaspard, Snyder, West, Johnson and L. Smith.

Brief History:

Reported by House Committee on:
Commerce & Labor, February 27, 1992, DP.

**HOUSE COMMITTEE ON
COMMERCE & LABOR**

Majority Report: *Do pass.* Signed by 11 members: Representatives Heavey, Chair; G. Cole, Vice Chair; Fuhrman, Ranking Minority Member; Lisk, Assistant Ranking Minority Member; Franklin; Jones; R. King; O'Brien; Prentice; Vance; and Wilson.

Staff: Jim Kelley (786-7166).

Background: The Department of Licensing currently provides an education program for the benefit of real estate licensees. The program is funded through fines charged real estate licensees and from 25 percent of the earnings from the brokers' trust fund account. These funds are placed into the real estate commission account and require legislative appropriation before being used by the department for education programs.

In 1987, the Legislature identified and pooled the brokers' trust fund account as a primary source of funds to support the housing trust fund. The statute requires that 75 percent of these funds are to be allotted to the housing trust fund and 25 percent to the real estate commission account. However, the statute does not indicate for what purpose the funds from the brokers' trust fund account are to be used.

The director may institute a program of education at institutions of higher education.

Summary of Bill: The director of the Department of Licensing is required to institute a program of real estate education, including a program of education at institutions of higher learning. The overall program shall include the establishment of minimum levels of ongoing education for licensees and the development and implementation of curricula courses, educational materials, and approaches to continuing real estate education.

The director is authorized to enter into contracts to assist in the development or implementation of the real estate educational program.

The real estate education account is created in the custody of the state treasurer. All moneys from fines and 25 percent of the earnings from the brokers' trust fund account are deposited into this account.

The director shall authorize disbursements from the real estate account for real estate education programs for licensees. The director's authority to spend money from the education account is limited to carrying out the director's programs for real estate education. All expenses and costs relating to the program, as well as fees and charges paid for outside contracts, may be paid from the account. No appropriation is necessary for expenditures and payment of obligations from the real estate education account.

Fiscal Note: Available.

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

Testimony For: This bill will benefit consumers and the industry. The bill codifies the original intent regarding the real estate brokers' trust fund, which was to provide more education without changing taxes or fees.

Testimony Against: None.

Witnesses: Glen Hudson and DeWayne Granacki, Washington Association of Realtors; and Bob Mitchell, Department of Licensing (all in favor).