

SENATE BILL REPORT

HB 1309

As Reported by Senate Committee On:
Commerce & Labor, March 25, 2015

Title: An act relating to the sale of floating homes or floating on-water residences by brokers.

Brief Description: Concerning the sale of floating homes or floating on-water residences by brokers.

Sponsors: Representatives Vick and Kirby.

Brief History: Passed House: 3/04/15, 98-0.

Committee Activity: Commerce & Labor: 3/20/15, 3/25/15 [DP].

SENATE COMMITTEE ON COMMERCE & LABOR

Majority Report: Do pass.

Signed by Senators Baumgartner, Chair; Braun, Vice Chair; Hasegawa, Ranking Minority Member; Conway, Keiser, King and Warnick.

Staff: Susan Jones (786-7404)

Background: Real Estate Services. Real estate brokerage services are generally certain services offered or rendered for compensation. Some of the services include the following:

- listing, selling, purchasing, exchanging, optioning, leasing, or renting of real estate;
- negotiating or offering to negotiate, either directly or indirectly, the purchase, sale, exchange, lease, or rental of real estate;
- issuing a broker's price opinion;
- collecting, holding, or disbursing funds in connection with certain real estate transactions; and
- performing property management services.

Real estate brokers, managing brokers, or real estate firms are licensed by the Department of Licensing (Department). A person acting as a real estate broker, managing broker, or real estate firm without a license is guilty of a gross misdemeanor. No action may be brought to collect compensation as a real estate broker, real estate firm, managing broker, or designated broker without proving that the plaintiff was licensed.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Vessel Dealer Activities. A vessel dealer is a person engaged in the business of selling of vessels, which are every watercraft used or capable of being used as a means of transportation on the water, not including seaplanes. Vessel dealers must obtain a license from the Department to sell vessels in Washington. Any person engaging in vessel dealer activities without a license is guilty of a gross misdemeanor.

Floating Residences. Certain kinds of residential homes float on the water. There are two types of such homes, each treated differently by law: a floating home and a floating on-water residence. A floating home is a single-family dwelling unit constructed on a float that is moored or anchored in the water, and is not a vessel, even if it may be capable of being towed. A floating on-water residence is a floating structure, other than a floating home: (1) designed or used primarily as a residence on the water with detachable utilities; and (2) whose owner or occupant has held an ownership or leasehold interest in a marina space prior to July 1, 2014.

Summary of Bill: The definition of real estate brokerage services is amended to include dealing in floating homes and floating on-water residences.

A real estate broker may sell floating on-water residences without being licensed as a vessel dealer.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony: PRO: While it looks like it is a simple fix, it has a significant and important change for those who own floating homes and floating on-water residences and those interested in purchasing them. For decades these residences were sold by real estate brokers. Unfortunately, one of the attorneys at the multiple listing services realized that some of these are licensed vessels and require a licensed vessel dealer to be sold. That took these homes off the multiple listing service and prevented real estate brokers from selling them. The bill is trying to reinstate the practice that has been going on for decades. Having representation protects the buyers and sellers. This is a smart thing to do and an easy task. These homes do undergo a special survey by a marine surveyor but they are also inspected for home qualities. These are more house-like than vessel-like. Real estate brokers have had the opportunity to sell mobile homes and manufactured homes as long as there is an interest in real property. This would be similar. They would need to have a leasehold or fee simple interest in a marina. They may have a license like a mobile home.

Persons Testifying: PRO: Bob Mitchell, Assn. of WA Realtors; Kevin Bagley, real estate broker, vessel dealer.

Persons Signed in to Testify But Not Testifying: No one.