
SUBSTITUTE HOUSE BILL 2772

State of Washington

53rd Legislature

1994 Regular Session

By House Committee on Commerce & Labor (originally sponsored by Representatives Heavey and King)

Read first time 02/04/94.

1 AN ACT Relating to exemptions from real estate licensing
2 requirements; and creating new sections.

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

4 NEW SECTION. **Sec. 1.** The legislature finds that it has been a
5 common practice for home builders to sell the homes that they have
6 built. In some cases, this has included sales activities by employees
7 of builders. Many home builders have been unaware that the law
8 requires a real estate broker's or salesperson's license for this type
9 of activity. Recent steps taken by the department of licensing to
10 enforce this law have caused alarm and fear in the home builder
11 industry. Therefore, home builders are seeking an exemption from the
12 real estate licensing laws for themselves and for their employees when
13 engaged in certain activities.

14 The legislature further finds that the real estate licensing laws
15 were enacted primarily for the protection of consumers. It is the
16 policy of the legislature that exceptions to this kind of licensing law
17 be narrowly crafted in order to prevent harm to the citizens of the
18 state. Therefore, the real estate industry has expressed concern that

1 the state act deliberately when creating categories of exemptions from
2 the real estate licensing law.

3 NEW SECTION. **Sec. 2.** (1) There is hereby created a joint task
4 force on real estate licensing composed of the following members:

5 (a) Two members of the house of representatives commerce and labor
6 committee, one from each of the major caucuses, to be appointed by the
7 speaker of the house of representatives;

8 (b) Two members of the senate labor and commerce committee, one
9 from each of the major caucuses, to be appointed by the president of
10 the senate; and

11 (c) Four members appointed jointly by the president of the senate
12 and the speaker of the house of representatives representing the real
13 estate industry and the home builders' industry in equal numbers.

14 (2) The department of licensing real estate and escrow section of
15 the business and professions division shall provide advice to the task
16 force.

17 (3) The senate committee services and the office of program
18 research shall provide the staff support as mutually agreed by the
19 cochairs of the task force. The task force shall designate the
20 cochairs.

21 (4) The members of the task force shall be reimbursed for travel
22 expenses as provided in RCW 43.03.050 and 43.03.060.

23 (5) The task force shall study the feasibility of creating an
24 exemption from the real estate licensing laws for home building
25 companies and their employees who sell homes built and owned by the
26 companies. If the task force finds that such an exemption is
27 advisable, the task force shall propose draft legislation to the
28 legislature for possible introduction during the 1995 regular
29 legislative session.

30 (6) The task force shall report its findings and recommended
31 legislation, if any, to the legislature by December 31, 1994.

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