

# HOUSE BILL REPORT

## ESB 5720

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### As Reported By House Committee On:

Commerce & Labor

**Title:** An act relating to real estate research.

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

**Sponsors:** Senators Shin, Sheahan, Kohl-Welles, Finkbeiner, Prentice, Horn, T. Sheldon, Kline, Jacobsen, West and Oke.

### Brief History:

#### Committee Activity:

Commerce & Labor: 3/29/99, 4/2/99 [DPA].

#### Brief Summary of Engrossed Bill (As Amended by House Committee)

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

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### HOUSE COMMITTEE ON COMMERCE & LABOR

**Majority Report:** Do pass as amended. Signed by 8 members: Representatives Clements, Republican Co-Chair; Conway, Democratic Co-Chair; B. Chandler, Republican Vice Chair; Wood, Democratic Vice Chair; Hurst; Lisk; McIntire and McMorris.

**Staff:** Pam Madson (786-7166).

**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.

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**Summary of Amended Bill:**

Individuals who obtain a real estate broker or salesperson's license or who renew their license after October 1, 1999, must pay a 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 account is subject to appropriation and the interest on the account goes to the state general fund.

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

**Amended Bill Compared to Engrossed Bill:** Changes the Washington Real Estate Research Account from a non-appropriated account with interest remaining with the account, to an appropriated account with the interest on the account going to the state general fund.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Real estate research is important and necessary to Realtors and their clients. This bill assures that a real estate center will be able to continue in this state. The preference would be for the account that is created to be a non-appropriated account with the interest going to the account. The bill is still supported with an appropriated account with interest going to the general fund.

**Testimony Against:** None.

**Testified:** Senator Paul Shin (prime sponsor); Brian Wahl, Washington Association of Realtors; Larry Ganders, Washington State University; Bob Mitchell, Department of Licensing.