

# SENATE BILL REPORT

## SB 5413

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As Passed Senate, March 16, 2003

**Title:** An act relating to allowing out-of-state licensees to practice commercial real estate.

**Brief Description:** Allowing out-of-state licensees to practice commercial real estate.

**Sponsors:** Senators Benton, Prentice, Reardon, Doumit, Honeyford, Mulliken, Rossi, Zarelli, Finkbeiner, Shin, Esser and Kohl-Welles.

**Brief History:**

**Committee Activity:** Financial Services, Insurance & Housing: 2/6/03, 2/13/03 [DP].  
Passed Senate: 3/16/03, 48-0.

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### SENATE COMMITTEE ON FINANCIAL SERVICES, INSURANCE & HOUSING

**Majority Report:** Do pass.

Signed by Senators Benton, Chair; Winsley, Vice Chair; Keiser, Prentice, Reardon, Roach and Zarelli.

**Staff:** Alison Mendiola-Hamilton (786-7576)

**Background:** Only Washington licensed real estate brokers, associate brokers, or salespersons, may engage in the authorized practice of real estate, which includes selling, listing, or buying real estate for others. The practice of real estate also includes negotiating the purchase, sale, exchange, lease or rental of any real estate or business opportunities for others.

Washington does not permit out-of-state licensees to engage in the practice of real estate.

**Summary of Bill:** Out-of-state brokers may engage in the practice of commercial real estate if they 1) work with a Washington licensed real estate broker, 2) agree to follow Washington law, 3) furnish a copy of an out-of-state license in good standing, 4) consent to jurisdiction in the state for any legal actions arising out of their conduct, related to selling commercial real estate, and 5) include the name of the Washington broker on all advertising.

Substantially similar requirements are imposed upon out-of-state associate brokers and out-of-state salespersons, including the requirement that they furnish a current out-of-state license in good standing.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Testimony For:** Currently, many out-of-state licensees engage in the unauthorized practice of Washington commercial real estate. DOL has no complaints but believes unlicensed practice goes unreported. This bill would require out-of-state licensees enter into written agreements. This bill would provide better consumer protection.

**Testimony Against:** None.

**Testified:** Bob Mitchell, WA Commercial Assn. of Realtors, Commercial Bankers Assn. (pro); Jana Jones, DOL (pro).

**House Amendment(s):** Minor technical changes are made to maintain consistency with the definition of "person."