

SENATE BILL REPORT

EHB 2513

As of February 22, 2012

Title: An act relating to exempting common interest community managers from real estate broker and managing broker licensing requirements.

Brief Description: Exempting common interest community managers from real estate broker and managing broker licensing requirements.

Sponsors: Representatives Roberts, Condotta, Hurst, Pedersen, Buys, Ryu, Kirby and Kelley.

Brief History: Passed House: 2/09/12, 97-0.

Committee Activity: Labor, Commerce & Consumer Protection: 2/23/12.

SENATE COMMITTEE ON LABOR, COMMERCE & CONSUMER PROTECTION

Staff: Stephanie Christensen (786-7405)

Background: Real Estate Broker Licensing. A real estate broker is a person who acts on behalf of a real estate firm to perform real estate brokerage services under the supervision of a designated broker or managing broker. Real estate brokerage services include:

- listing, selling, purchasing, and renting of real estate, as well as negotiation of those transactions;
- advising buyers, sellers, landlords, and tenants in connection with a real estate transaction;
- collecting, holding, or disbursing funds in connection with a real estate transaction;
- performing property management services, including marketing, leasing, renting, physical maintenance, administrative maintenance, and financial maintenance of real property, as well as supervision of such actions;
- issuing a broker's price opinion; and
- advertising real estate brokerage services.

To be licensed as a real estate broker, an applicant must be at least 18 years old, have a high school diploma, complete 90 hours of approved instruction in real estate, pass an examination, complete a background check, and pay a fee.

The real estate broker licensing law contains numerous exemptions. For example, trustees, accountants, public employees, storage facility owners, escrow agents, and people hired by designated or managing brokers to perform property management functions are exempted

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from the law. Certain exemptions apply only if the person does not promote the purchase, listing, sale, exchange, optioning, leasing, or renting of real property.

Homeowners', Condominium, and Unit Owners' Associations. A homeowners' association is a legal entity with membership comprised of the owners of residential real property located within a development or other specified area. A condominium or unit owners' association comprises condominium unit owners. Homeowners' associations and condominium and unit owners' associations may regulate the use, maintenance, and modification of common areas; impose and collect payments for the operation of common areas; and hire managing agents and other employees.

Summary of Bill: Common interest community managers are exempt from licensing as real estate brokers. Common interest community managers are those who, in an advisory capacity and for compensation, provide management or financial services to a homeowners' association or condominium or unit owners' association. A common interest community manager may be an independent contractor, employee, general manager, executive director, or agent of such an association.

The exemption from licensing applies only if the common interest community manager does not promote the purchase, listing, sale, exchange, optioning, leasing, or renting of real property.

Appropriation: None.

Fiscal Note: Not requested.

Committee/Commission/Task Force Created: No.

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