

HOUSE BILL REPORT

HB 2370

As Reported by House Committee On:
Business & Financial Services

Title: An act relating to real estate brokers and managing brokers.

Brief Description: Concerning expiration dates related to real estate broker provisions.

Sponsors: Representatives Kirby, Parker, Ryu, Fagan and Christian.

Brief History:

Committee Activity:

Business & Financial Services: 1/22/14, 1/24/14 [DP].

Brief Summary of Bill

- Extends the \$10 assessment fee for licenses for real estate brokers and managing brokers until 2025.
- Extends the provision authorizing the Washington Center for Real Estate Research until 2025.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 14 members: Representatives Kirby, Chair; Ryu, Vice Chair; Parker, Ranking Minority Member; Vick, Assistant Ranking Minority Member; Blake, Fagan, Habib, Hawkins, Hudgins, G. Hunt, Kochmar, MacEwen, Santos and Stanford.

Staff: Linda Merelle (786-7092).

Background:

The Washington Center for Real Estate Research (Center) was established in 1989 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.

Individuals who obtain a real estate broker's license or a managing broker's license and who renew their licenses after October 1, 1999, must pay a fee of \$10. The fee is deposited in the

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.

Washington Real Estate Research Account (Account). Expenditures from the Account may be used only to support a real estate research center in Washington. The Account is subject to appropriation. The appropriation for the Center in the 2013-15 state operating budget was \$415,000.

When the \$10 fee was initially assessed, the provision requiring the fee was due to expire September 30, 2005. Since 2005 the expiration date has been extended twice. It was extended until 2010 and then to its current expiration date, September 30, 2015. The provision which authorized the establishment of the Center expires September 30, 2015.

Summary of Bill:

The expiration date for the \$10 assessment required for the original issuance and the renewal of licenses for real estate brokers and managing brokers is extended until September 30, 2025.

The expiration date of the provision which authorized the establishment of the Center is extended until 2025.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This is a very important bill for Washington's real estate licensees. The work of the Center was so important and so excellent that the Legislature established the Center in statute and clarified its duties and funding source. Based upon the work and the value of the Center, and the importance of a funding source, the Center is back asking to extend funding for the Center through real estate licensing fees. The research done by the Center begins with housing. The Center was moved from Pullman to Seattle, but it has maintained its statewide focus. It provides the public and the industry with information needed to make sound business decisions. The Center engages in research regarding rental housing markets in those communities outside of the Puget Sound market place, where such data is scarce. The Center does some work outside of its basic funding. It has been under contract to various state agencies and to the construction industry, at both the national and local level. The Center has been a great source of information regarding affordable housing that the state lacked prior to the Center's existence. The Center developed an affordability index for first-time buyers and, for information outside of the Puget Sound region, the Center is the only place this information is available.

(Opposed) None.

Persons Testifying: Bob Mitchell, Washington Association of Realtors; Glenn Crillin, Washington Center for Real Estate Research; and Kim Herman, Washington State Housing Finance Commission.

Persons Signed In To Testify But Not Testifying: None.