

HOUSE BILL REPORT

HB 1171

As Reported by House Committee On:
Business & Financial Services
General Government & Information Technology

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, Vick, Ryu, Fagan, Kochmar and Blake.

Brief History:

Committee Activity:

Business & Financial Services: 1/20/15, 1/21/15 [DP];

General Government & Information Technology: 2/3/15, 2/23/15 [DPS].

Brief Summary of Substitute 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.
- Requires the Department of Licensing to increase the fee on each real estate broker and managing broker's license every four years by the percentage of inflation.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Blake, G. Hunt, Hurst, Kochmar, McCabe, Santos and Stanford.

Staff: Linda Merelle (786-7092).

Background:

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.

The Washington Center for Real Estate Research (WCRER) 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 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 WCRER 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 WCRER 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 WCRER 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 bill is simple and extends the fee for an additional 10 years. The research conducted by the Runstad Center for Real Estate Services (Center) is a valuable resource to the State of Washington. The work that the Center does is clearly an institutional, academic, and research endeavor, and it covers all 39 counties. Many people rely upon the Center's data. The research is used in reports regarding the real estate market and home ownership and in evaluating the dynamics of the market.

(Opposed) None.

Persons Testifying: Representative Kirby, prime sponsor; Bob Mitchell, Washington Realtors; Stephen O'Conner and Peter Orser, Runstad Center for Real Estate Studies at the University of Washington; and Glen Crellin.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 7 members: Representatives Hudgins, Chair; Senn, Vice Chair; MacEwen, Ranking Minority Member; Caldier, Assistant Ranking Minority Member; McCabe, Morris and Takko.

Staff: Meghan Bunch (786-7119).

Summary of Recommendation of Committee On General Government & Information Technology Compared to Recommendation of Committee On Business & Financial Services:

The substitute bill requires the Department of Licensing to increase the fee on each real estate broker and managing broker's license every four years by the percentage of inflation, as measured by the implicit price deflator published by the United States Department of Commerce.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: 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 bill extends a program that provides good assistance to real estate brokers throughout Washington. The bill is good for consumers, good for the industry, and good for America.

Washington real estate licensees have been supporting the WCRER since 1989. The statute will now expire for the third time at the end of September 2015. This bill asks for a 10-year extension, as opposed to the previous five-year extensions, so that the funding will remain for the coming 10 years. Over 30,000 licensees who pay solely for this program continue to receive strong benefits. It is important to move the bill so there is no disruption in the funding for the WCRER.

(Opposed) None.

Persons Testifying: Bob Mitchell, Washington Realtors.

Persons Signed In To Testify But Not Testifying: None.