

HOUSE BILL REPORT

SB 5288

As Passed House:
April 15, 2015

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

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

Sponsors: Senators Braun and Conway.

Brief History:

Committee Activity:

Business & Financial Services: 3/9/15, 3/13/15 [DP];
General Government & Information Technology: 3/31/15 [DPA].

Floor Activity:

Passed House: 4/15/15, 96-2.

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.
- 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 10 members: Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Blake, G. Hunt, Kochmar, McCabe, Santos and Stanford.

Staff: Linda Merelle (786-7092).

HOUSE COMMITTEE ON GENERAL GOVERNMENT & INFORMATION TECHNOLOGY

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.

Majority Report: Do pass as amended. 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).

Background:

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

Staff Summary of Public Testimony (Business & Financial Services):

(In support) The real estate industry has been supportive of the WCRER since its inception. There are adequate resources in the fund, and the WCRER has never spent up to its allotted amount. With the increasing number of licenses, Washington Realtors foresee that there will be no need to increase the fee.

(Opposed) None.

Staff Summary of Public Testimony (General Government & Information Technology):

(In support) This is the third time a House committee has heard this bill. With the expiration dates set in statute, this bill is critically important to maintain the continuity in funding for the Runstad Real Estate Research Center (Center). The Center is an extraordinary organization providing information about all things real estate in the state, and particularly in Seattle. The 30-member board is made up of distinguished individuals who are advocates for the Center and help bring in talented individuals interested in real estate. The license fee helps the Center produce a quarterly report to provide unbiased information and guidance about where Washington's real estate is today, and where Washington's real estate will be in the future. An important piece of the Center's research is objectivity. The vision is to take these fees and broaden research for everyone in the state.

The Center has over 25 years of history with real estate licensees supporting the program. The amendment to increase the fee by the implicit price deflator is helpful for the Center. However, there is an increase of 2,000 more active licenses than last year, which generates an additional \$20,000. In addition, the reserve fund balance for the Washington Real Estate Research Account has adequate funds to support the Center if there are unanticipated costs. The most important thing is to move the bill so there are no disruptions in the funding for the Center to stay viable, remain in effect, and help licensees continue to be strong advocates.

(Opposed) None.

Persons Testifying (Business & Financial Services): Representative Kirby; and Bob Mitchell, Washington Realtors.

Persons Testifying (General Government & Information Technology): Bob Mitchell, Washington Realtors; and Peter Oerser, Runstad Center of Real Estate Studies, University of Washington.

Persons Signed In To Testify But Not Testifying (Business & Financial Services): None.

Persons Signed In To Testify But Not Testifying (General Government & Information Technology): None.