



STATE OF WASHINGTON  
DEPARTMENT OF LICENSING  
PO Box 9020 • Olympia, Washington 98507-9020  
**REAL ESTATE COMMISSION**  
**MEETING MINUTES**

**DATE:** June 11, 2009

**PLACE:** Doubletree at Sea Tac  
18740 International Blvd  
Seattle WA 98188

**CONTACT PERSON:** Jerry McDonald, Assistant Administrator  
(360) 664-6524  
**E-Mail** [jmcdonald@dol.wa.gov](mailto:jmcdonald@dol.wa.gov)

**MEMBERS PRESENT:**

Ralph Osgood, Commission Chair  
Paul Chiles, Commissioner Vice Chair  
Suki Bazaan, Commissioner  
Jeff Thompson, Commissioner  
George Pilant, Commissioner

**STAFF PRESENT:**

Lee Malott, Administrator  
Jerry McDonald, Assistant Administrator

**EXCUSED:**

Cate Moye, Commissioner  
Dan Murphy, Commissioner

**CALL TO ORDER:**

Ralph Osgood called the meeting to order. Introduced himself as assistant director of Business and Professions and newly appointed by Liz Luce as chair of the Real Estate Commission.

**A. Approval of Agenda:**

All approved. No opposition. Motion Passed

**B. Approval of Minutes:**

- March 18, 2009 Planning Session and Regular Commission Meeting  
All approved. No opposition. Motion Passed
- April 21, 2009 Special Commission Meeting  
All approved. No opposition. Motion Passed

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- May 29, 2009 Special Commission Meeting  
All approved. No opposition. Motion Passed

Ralph Osgood pointed out that the special commission meetings are by telephone conferences and that the public can listen in. He also asked commissioners for their input on the special commission meetings. It was pointed out that the commission meetings and sub-committee meetings more notice should be given to the licensees, perhaps in the newsletter. George Pilant stated that the special commission meetings have been very helpful in allowing the commission to accomplish commission approval of course requirements for the new licensing law very quickly. These course requirements have already been well addressed in sub-committee meetings.

Jerry McDonald stated that there will be a rules hearing on July 23, 2009 at 10:00 am at our conference room for the approval of WAC 308-124A-030 – Exam Results. Anyone is welcome to attend and give comment.

### **C. Sub-Committee Reports and Updates:**

Education Committee:

George Pilant thanked Glenn Crellin and his staff at the Washington Center for Real Estate Research. George Pilant stated the sub-committee has approved Washington Real Estate Fundamentals, Real Estate Practices, Advance Practices, Real Estate Law, Advanced Real Estate Law, and Business Management curriculums. There are 3 more to review at the next education subcommittee on Friday June 26, 2009: Real Estate Brokerage Management, Transition Course and the new Core curriculums.

- Changing Business Practices:  
Suki Bazan complemented Cate Moye on the magnificent job she has done in approving WAC's 308-124A, B, C and D. Suki Bazan discussed the advertising rule with her concern that there was no company number required on advertising. She acknowledged that the subcommittee vote was 2 to 1 in favor of the current proposal. Suki Bazan also recommended that people include their comments regarding the rules. The next sub-committee meeting is June 24<sup>th</sup> at 10:00 am in the Olympia office. She also discussed the importance of 'social media' in advertising rules.
- The discussion got confused over dates for subcommittee and hearings. Jerry McDonald stated the hearing and the background for the rule change on WAC 308-124A-030 will be held on July 23, 2009 at 10:00.
- Paul Chiles stated that he would like staff to contact ARELLO on social media, to see how other states regulate.

### **D. Labor and Industries:**

- Carl Hammerberg, Fraud and Compliance Manger for Labor and Industries, spoke about court cases that put the firm/broker responsible for ensuring that their agents are covered by L & I insurance. He indicated that from a sample taken during their audits last year 88% of the real estate firms were not reporting hours. He also addressed L & I's outreach efforts. Rates for real estate salespersons licensees are approximately .14 per hour of which approximately 25% of that amount can be withheld from the agent. Persons who do property management have a different rate. The biggest problem for real estate companies are there are not records of the hours worked. Suki Bazan asked if teams were responsible for payment or was the brokerage. Carl Hammerberg indicated he would develop a Q & A to address some of these questions. Carl Hammerberg said that he would participate in the education subcommittee meeting on the 26<sup>th</sup> of June.

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**E. Update on WAC 308-124A-030:**

- Jerry McDonald stated that there will be a rules hearing on July 23, 2009 at 10:00 am at our conference room for the approval of WAC 308-124A-030 – Exam Results. Anyone is welcome to attend and give comment.

**F. Update from Realtors – Bob Mitchell:**

- Bob Mitchell updated commission on recent legislation – He thanked DOL and DFI for their efforts on the Distressed Property Act. Bob Mitchell also addressed some technical issues regarding Sellers Disclosure Legislation, namely its application toward commercial practice, unimproved property, fixtures, wood burning stoves (EPA certified) and identification of home owner association officers.

**G. Update on Department Outreach Efforts:**

- Jerry McDonald updated the commission on outreach efforts – to date we have given 3 presentations, have articles in the newsletters and plan to contact local associations offering to give short presentations regarding the new law. In addition, the new law will be affecting our licensing staff, investigators and auditors. Thus our plans must have an educational component for staff.
- Jerry McDonald listed the following ideas for outreach for the department to follow-up on: Prepare a short version (executive summary) for designated brokers, Maintain a Q & A on the Web site, Use MLS meetings, Use association meetings, Contact the independent brokers association, commercial brokers association, other professional groups such as the CCIM, do outreach in Wenatchee in September after the commission meeting working with the Realtors to incorporate with their meeting, do “embedded-auditor/video” posted on line, have a calendar of meetings on the next newsletter and mail the brokers the next newsletter and ask MLS to link to the newsletter.

**H. Washington Center Real Estate Research (WCRER) Report – Glen Crellin:**

- Glenn Crellin – Provided a copy of the updated statistical report. He also updated us on the status of the curriculum review of the new required courses. Glenn Crellin also reminded the commission of the sunset date for the WCRER occurs on September 1, 2010 and that new legislation must be proposed for continued operation.

**I. Budget Report – Lee Malott:**

- Lee Malott gave a briefing on the current budget condition.
- Suki Bazan asked that funds allocated to ensure we have an AG present at commission meetings. Paul Chiles also asked for support of the AG at commission meetings. Ralph Osgood said that the task for staff is to figure out how to increase AG support for the commission.

**J. Other Business:**

- Jerry McDonald – Follow-up on fingerprinting questions posed by George Pilant at the last commission meeting regarding RCW 18.85.053.
  - i. Does this statute pertain to all licensees or those with only a controlling interest in a real estate business? The AG stated the it applies to both licensee and persons with controlling interest.
  - ii. What is the AG’s definition of a real estate business in relation to the action of a single licensee or are they referring to a brokerage? Since the

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term “real estate business” is in the real estate licensing law, it means it is a firm/brokerage doing the activities that require a real estate license. “Controlling interest” is not defined in the new law but is defined in the new law. The AG would need to examine case law for definitions for the existing law. This law applies to a real estate licensee or an unlicensed person who has controlling interest in a real estate business.

- iii. Jerry McDonald will send a copy of the answers to all parties present at the commission meeting.
  - iv. Jerry McDonald explained the fingerprint process and stated we will issue the licensee based upon the fingerprint card will be part of the application. If we do not receive the fingerprint card with the application it will be considered an incomplete application. If the finger prints are defective (e.g. smudged) the applicant will have 21 days to resend new prints or their license will be suspended until new prints are received.
- Jerry McDonald also briefed the commission on the department’s acceptance “webinars” as an acceptable distance education method for clock hours.
  - George Pilant discussed distressed property law. He expressed his concern over lack of competence and lack of information regarding distress property law. George invited discussion about the real estate commission or the department asking form providers to educate licensees using their forms regarding licensees handling short sales. Ralph Osgood with the consent of the commission asked that this be put on the agenda for the changing business practices sub-committee.

#### **K. Adjourn**

Motion to adjourn  
seconded and passed.

Respectfully submitted,

Lee Malott  
Administrator