

struction shall provide for the benefit of such children sight-saving equipment as may be deemed necessary to accomplish such purpose. Any equipment so purchased shall be the property of the Department of Education and shall be loaned to public schools for the use of children with defective vision and where the number of such children does not warrant the establishment of a sight-saving class. Such sight-saving equipment shall be made available upon the recommendation of an eye physician that such equipment is necessary to enable a child to enjoy educational opportunities equal to those of normal-sighted children.

Purpose.

Purchase of equipment to aid vision.

Loaned to schools.

Passed the Senate March 1, 1941.

Passed the House March 11, 1941.

Approved by the Governor March 25, 1941.

CHAPTER 252.

[S. B. 257.]

REAL ESTATE BROKERS.

AN ACT relating to real estate brokers and real estate salesmen; providing for the regulation, supervision and licensing of real estate brokers and real estate salesmen, providing for the enforcement of this act and penalties for its violation, establishing the office of Real Estate Director, defining his powers and duties, and repealing chapter 129, Laws of 1925, Extraordinary Session (sections 8340-1 to 8340-23, inclusive, Remington's Revised Statutes).

Be it enacted by the Legislature of the State of Washington:

SECTION 1. The office of Real Estate Director is hereby created. The Director of the Department of Licenses shall be Real Estate Director, with no additional compensation.

Office of Director created.

SEC. 2. For the purposes of this act, words and phrases shall have the following meaning, unless another meaning is apparent from the context:

Definitions.

(1) A "real estate broker" is a person whose business policies and acts are free from the direction, control or management of another person, who for a compensation or promise thereof, or with intent to collect or receive a compensation or promise thereof, performs one or more acts of selling or offering for sale, buying or offering to buy, negotiating or offering to negotiate, either directly or indirectly, the auction, purchase, sale, exchange, lease or rental of real estate or interest therein for another person, or who shall advertise or hold himself out to the public by any oral or printed solicitation or representation that he is so engaged, or who takes any part in or directs or assists in the procuring of prospects or in the negotiation or closing of any transaction, which does, or is calculated to result in any of the acts above set forth, and hereinafter referred to as a broker.

Real estate broker.

Real estate salesman.

(2) A "real estate salesman" or "salesman" is any person, other than a corporation, co-partnership or unincorporated association, who is employed by a real estate broker to perform any of the acts above set forth.

Person.

(3) The word "person" as used in this act, shall be construed to mean and include a corporation, co-partnership or unincorporated association, except where otherwise restricted.

Director.

(4) The word "Director" means the Real Estate Director as defined in this act.

Exemptions.

SEC. 3. The provisions of this act shall not apply to any person who purchases property for his own use or account, nor to any person who, being the owner of property, sells, exchanges, leases, rents or otherwise disposes of the same for his own account, nor to any person holding a duly executed power of attorney from the owner granting power to execute any instrument necessary to consummate the sale, exchange, or leasing of real estate, nor to the services

Owner.

rendered by an attorney at law in the performance of his duties as such attorney at law, nor to any receiver, trustee in bankruptcy, executor, administrator or guardian, nor to any person acting under the order of any court, nor any person selling under a deed of trust, nor to any escrow agent.

Exemptions.

Attorney.

Adminis-
trator, etc.

SEC. 4. It shall be the duty of the Director, to enforce all laws, rules and regulations relating to the licensing of real estate brokers and real estate salesmen. Subject to the provisions of this act, he shall have full powers to regulate and control the issuing, suspension and revocation of licenses to be issued and issued under the provisions of this act and to perform all other acts and duties provided in this act and necessary for its enforcement.

Duty of
Director.

SEC. 5. The Director shall appoint at least two inspectors whose duties shall be to assist him in administering the provisions of this act. No person shall be appointed as an inspector who has not been actively engaged in the real estate business in this state. The Director shall employ such clerks and employees as he may deem necessary to discharge in proper manner the duties imposed upon him by law. The Director shall fix the compensation of his inspectors, clerks and employees. Neither the Director nor his inspectors, nor his employees, shall be interested in any real estate business as director, stockholder, officer, member, agent, employee, or otherwise.

Inspectors.

Qualifica-
tions.Other
assistance.

Restrictions.

SEC. 6. It shall be unlawful for any person to engage in the business or act in the capacity of a real estate broker or real estate salesman without first obtaining a license therefor, and otherwise complying with the provisions of this act.

Unlawful
acts.

SEC. 7. All fees under the provisions of this act shall be paid to the State Treasurer and shall be placed by him in the general fund. The State Trea-

Fees.

Application.

sureur shall give his duplicate receipt to the Director for all moneys so collected.

Seal of
Director.

SEC. 8. The Director shall adopt a seal with the words Real Estate Director, State of Washington, and such other device as he may approve engraved thereon, by which he shall authenticate the proceedings of his office. Copies of all records and papers in the office of the Director certified to be a true copy under the hand and seal of the Director shall be received in evidence in all cases equally and with like effect as the originals.

Certified
instruments
as evidence.

Duty of
Attorney
General.

SEC. 9. The Attorney General shall render to the Director opinions upon all questions of law relating to the construction or interpretation of this act, or arising in the administration thereof, that may be submitted to him by the Director, and shall act as attorney for the Director in all actions and proceedings brought by or against him under or pursuant to any provisions of this act.

License
restricted.

Proviso.

Corporation
licensee.

Proviso.

Partner-
ships, etc.

SEC. 10. No license issued hereunder shall give authority to do any act mentioned in section 6 of this act to any person other than him to whom said license is issued: *Provided*, That whenever a license is issued under the provisions of this act to a corporation, said license shall entitle one officer of said corporation to be named by said corporation in its application for said license who shall qualify the same as any other agent, to act as a real estate broker on behalf of said corporation without the payment of additional fees: *Provided, further*, That, whenever a license is issued under the provisions of this act, to a copartnership or unincorporated association said license shall entitle one member of said copartnership to be named by said copartnership in its application for said license who shall qualify the same as any other agent to act as a real estate broker on behalf of said copartnership without the payment of additional license fees.

SEC. 11. Any person desiring to carry on the business or act in the capacity of a real estate broker or real estate salesman shall make application to the Director for license therefor upon a form to be prescribed and furnished by the Director giving his full name and business address. With this application to the Director, the applicant shall:

(a) Pay a license fee of five dollars (\$5) to the State Treasurer, who shall immediately transmit his duplicate receipt therefor to the Director;

(b) Deliver to the Director a bond to the State of Washington in a form approved by the Director in the sum of one thousand dollars (\$1,000), executed by a surety company duly authorized to do business in this state, or by two good and sufficient sureties, not connected in business with the applicant, and to be approved by the Director guaranteeing the faithful accounting of all funds entrusted to such real estate broker or real estate salesman;

(c) A recommendation, signed by at least ten (10) freeholders of the county in which the applicant intends to carry on his principal business as a real estate broker or real estate salesman, certifying that they are each acquainted with the applicant and that they each believe the applicant to be honest, truthful, and of good moral character;

(d) If the applicant is a corporation, a list of its officers and directors and their addresses, and if the applicant is a co-partnership, or unincorporated association, then a list of the members of said co-partnership or association and their addresses; and

(e) If the applicant is a non-resident of this state, he shall file an irrevocable consent that suits and actions may be commenced against him in any county of this state in which the plaintiff having a cause of action or suit against him may reside, and that service of any process or pleadings in said action, or suit may be made by delivering same to the Director.

Application for license.

Form.

Fees.

Bond.

Conditions.

Recommendation.

Contents.

Corporation application.

Non-resident.

Consent to state jurisdiction.

Service on Director.

Form of consent.

Such service, when so made, shall be held in all courts, as valid and binding upon the applicant who files such irrevocable consent. Said irrevocable consent shall be in a form prescribed by the Director, shall be acknowledged before a notary public and, if the applicant be a corporation, said consent shall be accompanied by a duly certified copy of the resolutions of the Board of Directors of such corporation authorizing the execution of the same. Any process or pleading herein mentioned and so served upon the Director shall be served in duplicate copies, one of which shall be filed in the office of the Director and the other immediately forwarded by registered mail to the office of the applicant named in his application and service shall be deemed to have been made upon said applicant on the third (3) day following the deposit in the mail of said copy of said process or pleadings.

Process.

Service on broker.

Other requirements.

The Director may require such other proof as he may deem advisable of the honesty, truthfulness and good reputation of any applicant for a license, or of the officers of a corporation or the members of a partnership or unincorporated association making such application before issuing a license: *Provided*, That if a real estate broker or real estate salesman has once been licensed under this act, upon his application for a renewal of his license for an ensuing year, the Director may, in his discretion, waive the filing of new recommendations or references. Every license issued under the provisions of this act shall expire on the thirty-first day of December of the year of its issue.

Proviso.

Renewal.

License expiration.

Written examination of applicant.

SEC. 12. In addition to proof of honesty, truthfulness and good moral character of any applicant for a license, the Director shall ascertain by written examination conducted as provided in this act that such applicant and in case of a corporation, partnership or unincorporated association that each

officer, agent or member thereof whom it proposes to act as a licensee, has appropriate knowledge of the English language, including reading, writing, spelling, elementary arithmetic, an elementary understanding of the rudimentary principles of real estate conveyancing, the general purposes and general legal effect of deeds, mortgages, land contracts of sale, exchanges, rental and option agreements and leases, of the elementary principles of land economics and appraisals, and an elementary understanding of the obligations between principal and agent, of the principles of real estate practice and the canons of business ethics pertaining thereto, as well as of the provisions of this act: *Provided*, That the Director, may in his discretion waive the examination of any applicant for a license who held unrevoked or unsuspended on December 31st of the preceding year a license as a broker or salesman: *Provided, further*, That the Director may waive the requirement of examination in the case of an application from a non-resident of those states having similar requirements, under the laws of which, similar recognition and courtesies are extended to licensees of this state. The Director shall, from time to time, fix such times and places for holding examination of applicants for licenses as may be necessary and convenient, and shall prescribe the method of conducting the same. The Director may issue a temporary license pending examination to any applicant, who, in his opinion is qualified, except for the examination provided for in this section, which shall be valid only until such time as the results of the next examination for licensees shall be available, which in no event shall be longer than six (6) months.

Each member of corporation examined.

Qualifications.

Examination may be waived on renewal.

Waiver for non-resident on reciprocity.

Director to direct examinations.

Temporary license.

Time limit.

SEC. 13. Within thirty (30) days after the taking effect of this act, and from time to time thereafter, the Governor, upon the request of the Director, shall appoint a Commission of three (3) members who

Governor to appoint examining commission.

Qualifica-
tion of
members.

shall conduct examinations of applicants for licenses under this act. Each member of the Commission shall be a citizen of the United States of America, but no person shall be so appointed by the Governor whose vocation for at least five (5) years prior to such appointment has not been that of a real estate broker.

Compensa-
tion.

Expenses.

SEC. 14. The members of the Commission shall receive as compensation not to exceed ten dollars (\$10) per day for each day actually spent on official business, and they shall be reimbursed for their actual and necessary expenses incurred in the performance of their duties.

Duties of
commission.

Reexamina-
tion.

Proviso.

SEC. 15. The Commission shall prepare the necessary lists of examination questions to be submitted to the respective applicants, and shall make and file with the Director, a list signed by all the members of the Committee conducting the examination, of all applicants who shall have successfully passed the examination and of those who have failed to pass the examination, together with all examination questions and the written answers thereto submitted by the applicants. Any applicant who shall have failed to pass the examination, may, after the expiration of six (6) months from the date of failure, again apply for examination: *Provided*, That the examination for real estate brokers shall be more exacting than that for real estate salesmen.

Examination
fee.

SEC. 16. Each applicant for examination shall pay a fee of fifteen dollars (\$15), which fee shall accompany the application.

Bonds filed
with
Director.

Bond
liability.

SEC. 17. All bonds given under the provisions of this act, after their approval by the Director, shall be filed in his office. Any person who may be damaged by the wrongful conversion of trust funds by such real estate broker or real estate salesman, shall, in addition to other legal remedies, have a right of

action in his own name on such bond for all damages not exceeding one thousand dollars (\$1,000).

SEC. 18. Each person licensed as a real estate broker under the provisions of this act shall be required to have and maintain a definite place of business in this state, which shall serve as his office for the transaction of business. The license of said real estate broker shall be prominently displayed in his said office. Notice in writing shall be given the Director of any change by the real estate broker of his business location, whereupon the Director, upon the surrender of the original license, shall issue a new license covering the new business address, said license to be issued without charge.

Brokers required to maintain place of business.

License displayed.

Notice of change of address.

New license.

SEC. 19. The Director may, upon his own motion, and shall, upon verified complaint in writing by any person, investigate the actions of any person engaged in the business or acting in the capacity of a real estate broker or real estate salesman and shall have the power to temporarily suspend or permanently revoke any license issued within the provisions of this act at time when the holder thereof is guilty of:

Director to investigate licenses.

Power to revoke.

(a) Obtaining a license by means of fraud, misrepresentation, concealment, or through the mistake or inadvertence of the Director;

Grounds.

(b) Violating any of the provisions of this act or any lawful rules or regulations made by the Director pursuant thereto;

(c) A crime against the laws of this, or any other state, or government, involving moral turpitude or dishonest dealings;

(d) Making, printing, publishing, distributing, or causing, authorizing, or knowingly permitting the making, printing, publication or distribution of false statements, descriptions or promises of such character as to reasonably induce any person to act to his damage or injury, where such statements, de-

**Grounds for
revocation.**

scriptions or promises purport to be made, or to be performed by, either the licensee or his principal, if the licensee then knew, or by the exercise of reasonable care and inquiry, could have known, of the falsity of said statements, descriptions or promises:

(e) Knowingly committing, or being a party to, any material fraud, misrepresentation, concealment, conspiracy, collusion, trick, scheme or device, whereby any other person lawfully relying upon the word, representation or conduct of the licensee shall act to his injury or damage;

(f) Employing or continuing in employment, any salesman who has not been granted a license, or after his license has been revoked, or during a suspension thereof;

(g) Converting any money, contract, deed, note, mortgage, or abstract or other evidence of title to his own use, or to the use of his principal or any other person, when delivered to him in trust or on condition, before the happening of the condition, or in violation of the trust; and a failure to return such money, contract, deed, note, mortgage, or abstract or other evidence of title within thirty days after the owner thereof shall be entitled thereto, and shall make demand therefor, shall be prima facie evidence of such conversion;

(h) Failing or refusing upon demand to disclose any information within his knowledge, or to produce any document, book or record in his possession for inspection to the Director or his authorized representatives, when acting within the jurisdiction or by authority of law;

(i) Continuing to sell any real estate, or operating according to a plan of selling, by reason of which the interests of the public are endangered, but only after the Director has, by order in writing, enumerated objections thereto;

(j) Committing any act of the same or differ-

ent character from that hereinbefore enumerated which constitutes fraudulent or dishonest dealing.

SEC. 20. Whenever the Director shall determine to suspend or revoke a license theretofore issued, or shall refuse to renew a license or accept an application therefor, he shall notify the holder of or the applicant for such license of his intention in writing, and afford him an opportunity to be heard in person or by counsel and to offer evidence in reference thereto. The Director shall set a time not less than fifteen (15) days from the date of such notice and shall designate the time and place when the holder of or applicant for such license may be heard in his own behalf. If the Director shall decide, after such hearing, that the license under question shall be revoked, or if he shall determine to withhold the renewal of any such license, he shall enter an order to that effect, setting forth his reasons in writing, and shall file the same in his office and mail a copy thereof to the affected party at the address given in his application. Such order shall not be operative for a period of ten (10) days from the date thereof. If the licensee or applicant shall feel aggrieved by the decision of the Director revoking or withholding the license, he may appeal to the Superior Court in the county in which he has his principal place of business by giving notice of such appeal to the Director, and giving a bond to the State of Washington, which bond shall be filed with the Clerk of Court of said county in the sum of two hundred dollars (\$200) to be approved by the Judge of said Superior Court, conditioned to pay all costs that may be awarded against such applicant in the event of an adverse decision, said bond and notice to be filed within ten (10) days from the date of the Director's decision. The filing of such notice and bond shall supersede the order of the Director until the final determination of such appeal. Within fifteen (15) days from the date

Notice of intention to revoke.

Hearing.

Determination and order.

Copy to licensee.

Appeal.

Notice.

Bond for costs.

Time for filing. Effect.

Transcript
of record.

of filing said notice and bond, the appellant shall file in said court a transcript of the whole record of the Director's office relative to all matters involved in said appeal. The court shall summarily hear and determine the question involved upon said appeal and shall receive and consider any pertinent evidence, whether oral or documentary, concerning the matter. If said aggrieved party shall fail to perfect his appeal or file said transcript as herein provided, said stay of proceedings shall automatically terminate.

Summary
hearing.

Evidence.

Powers of
Director.

SEC. 21. The Director shall have the power to administer oaths, certify to all official acts and shall have the power to subpoena and bring before him any person in this state as a witness, to compel the production of books and papers and to take the testimony of any person by deposition within or without the state, in the same manner as is prescribed by law in the procedure of the Superior Courts of this state in civil cases, in any hearing in any part of the state. Process issued by the Director shall extend to all parts of the state and may be served by any person authorized to serve process of courts of record. Each witness, who shall appear by order of the Director, shall receive for his attendance the same fees and mileage allowed by law to a witness in civil cases in the Superior Court, which amount shall be paid by the party at whose request such witness is subpoenaed. When any witness, who has not been required to attend at the request of any party, shall be subpoenaed by the Director, his fees and mileage shall be paid from funds appropriated for the use of the Real Estate Department in the same manner as other expenses of said Department are paid.

Subpoena.

Jurisdiction.

Issue process.

Witness fees.

Director may
bring charge.

SEC. 22. The Director may prefer a complaint for violation of any section of this act before any Court of competent jurisdiction. It shall be the duty of the Prosecuting Attorney of each county in this

Duty of
Prosecuting
Attorney.

state to prosecute all violations of the aforesaid provisions of this act in their respective counties in which such violations occur.

Prosecuting Attorney to prosecute violations.

SEC. 23. Any person acting as a real estate broker or real estate salesman, within the meaning of this act, without a license as herein provided, or violating any of the provisions of this act, shall be guilty of a misdemeanor.

Penalty for operating without license.

SEC. 24. It shall be unlawful for any licensed broker to pay any part or share of a commission or other compensation received in the capacity of a real estate broker to any person who is not a licensed real estate broker, or to a real estate salesman not in his employ, or for any licensed salesman to pay any part or share of a commission or other compensation received in the capacity of a real estate salesman to any person whether licensed or not, except through his employer.

Not to split fees with unlicensed person.

Salesman not to split fees.

SEC. 25. No suit or action shall be brought for the collection of compensation for the performance of any of the acts mentioned in section 2 hereof, without alleging and providing that the plaintiff was a duly licensed real estate broker or real estate salesman at the time the alleged cause of action arose.

Necessary allegation in suit.

SEC. 26. When any real estate salesman shall be discharged by his employer for a violation of any of the provisions of section 20 hereof, a written statement of the facts in reference thereto shall be filed forthwith with the Director by the employer.

Employer to notify Director of discharge of agent.

SEC. 27. The Director shall annually publish a list of names and addresses of all licensed brokers and salesmen under the provisions of this act, together with a copy of this act and such other information relative to the enforcement of the provisions of this act as he may deem of interest to the

Director to publish annual list.

List to each
broker.

public, and he shall mail one (1) to each licensed broker.

Partial
invalidity.

SEC. 28. If any section, sub-division, sentence or clause in this act shall be held invalid or unconstitutional, such fact shall not affect the validity of the remaining portions of this act.

Statutes
repealed.

SEC. 29. Chapter 129, Laws of 1925, Extraordinary Session (sections 8340-1 to 8340-23, inclusive, Remington's Revised Statutes) are hereby repealed.

Passed the Senate March 1, 1941.

Passed the House March 10, 1941.

Approved by the Governor March 25, 1941.

CHAPTER 253.

[S. S. B. 275.]

UNEMPLOYMENT COMPENSATION.

AN ACT relating to unemployment compensation, amending chapter 162 of the Laws of 1937, as amended by chapter 214 of the Laws of 1939, repealing sections 19, 22 and 23 of chapter 162 of the Laws of 1937 and section 17 of chapter 214 of the Laws of 1939, establishing liens and providing for the enforcement thereof.

Be it enacted by the Legislature of the State of Washington:

Amend-
ments.

SECTION 1. Section 3 of chapter 162 of the Laws of 1937, as amended by section 1 of chapter 214 of the Laws of 1939, is hereby amended to read as follows:

Benefits
payable.
Time.

Section 3. (a) PAYMENT OF BENEFITS. Twenty-four months after the date when contributions first accrue under this act, benefits shall become payable from the fund: *Provided*, That wages earned for services defined in section 19(g) (6) (viii) of this act, irrespective of when performed, shall not be included for the purpose of determining eligibility under section 4(e) or the weekly benefit amount

Exception.