

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed
Vote: 10 - 0 - 0
Yeas: Barton, Cameron, Edwards C., Esquivel, Holvey, Kennemer, Matthews, Thatcher, Witt, Schaufler
Nays: 0
Exc.: 0
Prepared By: Theresa Van Winkle, Administrator
Meeting Dates: 2/18, 3/25, 3/27

WHAT THE MEASURE DOES: Adds persons affiliated with certain types of limited liability companies, partnerships, and corporations to the list of parties exempt from real estate licensing law.

ISSUES DISCUSSED:

- Provisions of the measure
- Rationale behind using the explicit term “domestic partner” versus its implied definition via enactment of the Oregon Family Fairness Act (HB 2007 from the 2007 legislative session)
- Level of support from entities involved in real estate transactions

EFFECT OF COMMITTEE AMENDMENT: Deletes limited liability companies or a trustee of a trust from the measure. Removes the term “domestic partner,” following the standard established by the Attorney General regarding implementation of the Oregon Family Fairness Act. Clarifies the types of individuals who are exempt from real estate licensing law.

BACKGROUND: ORS 696.030 lists the parties to whom the state’s real estate licensing law does not apply, which includes employees of corporations, partnerships, and associations. However, the statute does not list employees of limited liability companies (LLCs). The statute also does not include new forms of entities which are becoming more common, and forces an LLC to hire a licensed realtor rather than market and negotiate a sale of their own property as partnerships and corporations are allowed to do.

House Bill 2418-A incorporates some of the more common entities that now own property in Oregon, allowing non-licensees without a special relationship to the owner to be exempt. Individuals who are either the sole or managing member of a domestic or foreign LLC, a partner in a partnership, or an officer or director of a domestic or foreign corporation are covered in the measure. All entities must be registered and operating in Oregon and affiliated individuals who are covered under the measure must be engaged in the acquisition, sale, exchange, lease, transfer, or management of real estate in the LLC, partnership, or corporation.