Senate Bill 490

Sponsored by Senator PROZANSKI (at the request of John Brown)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows real estate licensee to waive payment of compensation to licensee by certain tax exempt nonprofit entities.

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A BILL FOR AN ACT

2 Relating to real estate licensee compensation; amending ORS 696.290.

3 Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 696.290 is amended to read:

696.290. (1) A real estate licensee shall not offer, promise, allow, give, pay or rebate, directly 5 6 or indirectly, any part or share of the licensee's compensation arising or accruing from any real 7 estate transaction or pay a finder's fee to any person who is not a real estate licensee licensed under ORS 696.022. However, a real estate broker or principal real estate broker may pay a finder's 8 fee or a share of the licensee's compensation on a cooperative sale when the payment is made to a 9 licensed real estate broker in another state or country, provided that the state or country in which 10 that broker is licensed has a law permitting real estate brokers to cooperate with real estate bro-11 kers or principal real estate brokers in this state and that such nonresident real estate broker does 12 13not conduct in this state any acts constituting professional real estate activity and for which compensation is paid. If a country does not license real estate brokers, the payee must be a citizen or 14 resident of the country and represent that the payee is in the business of real estate brokerage in 1516 the other country. A real estate broker associated with a principal real estate broker shall not ac-17 cept compensation from any person other than the principal real estate broker with whom the real 18 estate broker is associated at the time. A principal real estate broker shall not make payment to the 19 real estate broker of another principal real estate broker except through the principal real estate broker with whom the real estate broker is associated. [Nothing in this section prevents] This sec-20 21tion does not prevent payment of compensation earned by a real estate broker or principal real 22estate broker while licensed, because of change of affiliation or inactivation of the broker's license. 23 (2) [Nothing in subsection (1) of this section is intended to] Subsection (1) of this section does 24 not prohibit a real estate licensee who has a written property management agreement with the 25owner of a residential building or facility from authorizing the payment of a referral fee, rent credit 26 or other compensation to an existing tenant of the owner or licensee, or a former tenant if the for-27mer tenant resided in the building or facility within the previous six months, as compensation for 28 referring new tenants to the licensee. 29 (3) [Nothing in subsection (1) of this section is intended to] Subsection (1) of this section does

not prevent an Oregon real estate broker or principal real estate broker from sharing compensation on a cooperative nonresidential real estate transaction with a person who holds an active real es1 tate license in another state or country, provided:

2 (a) Before the out-of-state real estate licensee performs any act in this state that constitutes 3 professional real estate activity, the licensee and the cooperating Oregon real estate broker or 4 principal real estate broker agree in writing that the acts constituting professional real estate ac-5 tivity conducted in this state will be under the supervision and control of the cooperating Oregon 6 broker and will comply with all applicable Oregon laws;

7 (b) The cooperating Oregon real estate broker or principal real estate broker accompanies the 8 out-of-state real estate licensee and the client during any property showings or negotiations con-9 ducted in this state; and

(c) All property showings and negotiations regarding nonresidential real estate located in this
state are conducted under the supervision and control of the cooperating Oregon real estate broker
or principal real estate broker.

(4) [Nothing in subsection (1) of this section is intended to] Subsection (1) of this section does
 not prohibit a real estate licensee from directly compensating a licensed personal assistant if per mitted by the terms, conditions and requirements of a licensed personal assistant agreement under
 ORS 696.028.

(5) Subsection (1) of this section does not prohibit a real estate licensee who acts in a real estate transaction on behalf of a person registered with the Secretary of State and recognized as tax exempt under section 501(c)(3) of the Internal Revenue Code from waiving payment by the registered tax exempt person of all or part of the licensee's compensation arising or accruing from that real estate transaction.

[(5)] (6) As used in subsection (3) of this section, "nonresidential real estate" means any real property that is improved or available for improvement by commercial structures or five or more residential dwelling units.

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