SB 68 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Michelle Deister, Budget Analyst
Meeting Dates: 4/10, 4/10

WHAT THE MEASURE DOES:
Modifies fees related to real estate and escrow activities under the jurisdiction of the Oregon Real Estate Agency.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:
The Oregon Real Estate Agency is the state's regulatory entity for persons and businesses doing business in the real estate industry. The Agency is overseen by a nine-member board appointed by the Governor for four-year terms. The Agency is funded through license and registration fees paid by individuals and businesses under its jurisdiction. None of these fees have been altered since the last major update occurred in 1997, and some remain unchanged since the 1970s.

Senate Bill 68 increases fees imposed by the Oregon Real Estate Agency, including: license applications, renewals and reactivations; business name and branch office registrations; escrow agent and office applications and renewals; and temporary license fees. In addition, the measure establishes the following new fees: registered business name renewals and name changes; and continuing education provider applications and renewals. Finally, the measure abolishes existing fees for address changes and license printing.

SB 68 was heard in the Senate Committee on Business and Transportation, and moved to the Ways and Means Committee without recommendation as to passage on February 1, 2017. At that time, the state's largest professional association had not yet taken an official position on the bill. Testimony was heard in Senate Committee regarding the agency's outreach efforts related to the bill, and fluctuations in the real estate market's effect on the number of agency licensees and ending balance.

The passage of SB 68 is assumed in the Governor's Recommended Budget, incorporated into Policy Option Package 101; the agency projects that fees at the levels contemplated in SB 68 combined with growth in the number of licensees are anticipated to sustain agency operations at the current service level for approximately 10 years, barring major changes in economic conditions. If adopted, the new fee structure would provide a 2017-19 ending balance equivalent to 2.7 months of operating expenditures.