

# MORE REALTY

February 8, 2022

*Via electronic submission*

The Honorable Representative Paul Holvey  
Chair, House Committee on Business and Labor  
900 Court Street NE  
Salem, Oregon 97301

**RE:** House Bill 4103 (2022)

Chair Holvey and Members of the House Committee on Business and Labor:

MORE Realty, Inc. (“MORE”) is a real estate firm located in Tigard, Oregon. As of February 2022, MORE is the second largest real estate firm in the state of Oregon with approximately 750 agents. In addition, MORE currently operates offices in Washington, Nevada, South Carolina, and Hawai’i.

The purpose of this letter is to express MORE’s support for House Bill 4103. As you are aware, House Bill 4103 increases the minimum fine for a first offense of practicing real estate without a license from \$100 to \$1,000. House Bill 4103 also increases the corresponding maximum fine for practicing real estate without a license from \$500 to \$2,500. Finally, House Bill 4103 increases the minimum and maximum fines for practicing real estate without a license for second and subsequent offenses to \$2,500 and \$5,000, respectively.

Real estate professionals provide a valuable service to the public. Before obtaining their license, a real estate professional must complete 150 hours of education, pass an exam, and even then, will join a firm like MORE where the agent will receive continued training, mentoring and continuing education. Real estate professionals use their education, training, and experience to assist the public with the purchase or sale of real property.

There is a myriad of issues that arise throughout the course of a real estate transaction: What is the current market value of a home? When should closing occur? Should a purchaser have a home inspected prior to purchase? Should the client waive contingencies? What title/escrow should a seller use and why? These are just a few of the many issues that arise in a real estate transaction. A licensed, experienced real estate professional can – and will – assist a purchaser or seller navigate these issues.

A person who does not possess the education, training, and experience of a licensed real estate professional, but who nevertheless practices real estate without a license, exposes the public to risk and harm in the purchase or sale of real estate, because that person does not possess the requisite skill to provide competent advice to a real estate purchaser or seller. In the end, if a purchaser or seller receive uneducated, inexperienced advice, it is the client – not the unlicensed

practitioner – who will be left to clean up the mess created by the unlicensed practitioner of real estate.

The current statutory scheme, however, provides little disincentive to unlicensed individuals who practice real estate. Consider this scenario: an unlicensed individual represents a property owner in the sale of the property owner's property. The sale price of the property is \$650,000.00. In a typical listing agreement, the unlicensed person would receive a commission of \$22,750.00. Under the current statutory scheme, for a first offense, the unlicensed person would face a *maximum fine* of \$500.00 – or roughly 2.2% of the commission the unlicensed person received. Assuming the scenario above was the unlicensed person's second offense, the unlicensed person would face a maximum fine of \$1,000.00 – or roughly 4.4% of the commission the unlicensed person received. An unlicensed practitioner of real estate would treat the fine as nothing more than the cost of doing business.

By increasing the minimum and maximum fines for practicing real estate without a license, HB 4103 will provide a stronger disincentive – and penalty – to individuals who pose a real risk to real property purchasers and sellers by practicing real estate without the training, education and experience necessary to properly represent clients. In the same scenario above, a fine of \$5,000.00 would represent 22% of the unlicensed person's commission – a fine that is far more likely to gain the attention of the unlicensed person and provide an incentive for the unlicensed person to obtain a real estate license.

The intent and effect of HB 4103 is, and will be, to protect the public in the purchase or sale of what, for most people, is the largest asset they will ever own – their home. MORE Realty strongly supports HB 4103 because HB 4103 will provide this increased protection to the general public. MORE Realty asks the committee to pass the measure to the House floor with a do-pass recommendation.

Thank you for considering these comments.

Best regards,



Ross Day  
General Counsel  
MORE Realty, Inc.

cc: Chief Sponsor, The Honorable Vikki Breese-Iverson, Republican Leader (email only)  
Chief Sponsor, The Honorable Jack Zika (email only)