

HB 3092 STAFF MEASURE SUMMARY

House Committee On Housing and Homelessness

Prepared By: Claire Adamsick, LPRO Analyst

Meeting Dates: 2/21

WHAT THE MEASURE DOES:

Prohibits residential property wholesaling without registration or exemption from registration. Defines “residential property wholesaling” as marketing for sale the purchase of residential property for which the wholesaler has only equitable interest or an option to purchase. Directs Real Estate Agency to establish standards for disclosure requirements of real estate licensees who engage in residential property wholesaling. Directs Real Estate Commissioner to establish in rule a registration system for residential property wholesalers including specific provisions. Requires residential property wholesaler to provide written disclosure to potential buyers or sellers before entering into contract for residential property wholesale transaction; provides grounds under which seller may terminate contract. Allows Real Estate Commissioner to suspend, revoke, or deny issuance or renewal of registration to residential property wholesaler for misrepresentation, fraud, or acting in bad faith. Applies provisions of Act to contracts entered into on or after effective date.

FISCAL: May have fiscal impact, but no statement yet issued

REVENUE: May have revenue impact, but no statement yet issued

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Real estate wholesaling typically involves the temporary purchase of a seller’s property by a wholesaler who agrees by contract to sell a property for a minimum amount by a certain date. In a wholesaling transaction, the wholesaler does not assume ownership of the property in question. Distressed properties in disrepair are often desirable to wholesalers due to a seller’s desire to sell quickly. Residential property wholesaling in Oregon is legal, and there is limited data on the impacts of residential property wholesaling on the overall real estate market.

House Bill 3092 prohibits residential property wholesaling in Oregon without registration. It directs the Real Estate Commissioner to establish a residential property wholesaler registration system, under specified terms.