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To: Transportation and Economic Development Subcommittee
From: Twais Broadus, Legislative Fiscal Office
Date: May 5, 2025
Subject: HB 5036 – Real Estate Agency
Work Session Recommendations

Real Estate Agency				
Agency Totals				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
Other Funds	9,914,221	14,691,991	16,391,518	15,880,214
TOTAL FUNDS	9,914,221	14,691,991	16,391,518	15,880,214
Positions	31	34	33	32
FTE	30.50	34.00	33.00	32.00

Attached are the Legislative Fiscal Office (LFO) recommendations for the 2025-27 biennial budget and Key Performance Measures for the Real Estate Agency. The recommended budget of \$15.9 million Other Funds and 32 positions (32.00 FTE) is an 8% increase from the 2023-25 legislatively approved budget (LAB), and a 3.1% decrease from the current service level budget. Increases from the 2023-25 LAB are due to growth in personal services costs and inflation in services and supplies. The budget includes \$2 million in Other Funds expenditure limitation carried forward from the prior biennium to complete the eLicense replacement project. The decrease from the current service level is primarily due to a \$719,280 Other Funds reduction to preserve an adequate ending fund balance, the removal of a long-term vacant position, and associated services and supplies savings. The recommended budget is projected to support approximately six months of operating reserves.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation

MOTION: I move the LFO recommendation to HB 5036. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to HB 5036, with modifications. *(vote)*

Performance Measures

See attached “Legislatively Proposed 2025-27 Key Performance Measures.”

Accept LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. *(vote)*

Amendment

LFO recommends a budget of \$15,880,214 Other Funds and 32 positions (32.00 FTE), which is reflected in the –1 amendment.

MOTION: I move adoption of the –1 amendment to HB 5036. *(vote)*

Final Subcommittee Action

LFO recommends that HB 5036, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5036, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 91900-000-00-00-00000

Real Estate Agency

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	13,996,881	-	-	-	13,996,881	34	34.00
2023-25 Ebds, SS & Admin Act	-	-	695,110	-	-	-	695,110	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	14,691,991	-	-	-	14,691,991	34	34.00
2023-25 Leg Approved Budget (Base)	-	-	14,691,991	-	-	-	14,691,991	34	34.00
Summary of Base Adjustments	-	-	1,003,357	-	-	-	1,003,357	(1)	(1.00)
2025-27 Base Budget	-	-	15,695,348	-	-	-	15,695,348	33	33.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	54,069	-	-	-	54,069	-	-
030: Inflation & Price List Adjustments	-	-	642,101	-	-	-	642,101	-	-
2025-27 Current Service Level	-	-	16,391,518	-	-	-	16,391,518	33	33.00
070: Revenue Reductions/Shortfall	-	-	(719,280)	-	-	-	(719,280)	(1)	(1.00)
Adjusted 2025-27 Current Service Level	-	-	15,672,238	-	-	-	15,672,238	32	32.00
Total LFO Recommended Packages	-	-	207,976	-	-	-	207,976	-	-
2025-27 Legislative Actions	-	-	15,880,214	-	-	-	15,880,214	32	32.00
Net change from 2023-25 Leg Approved Budget	-	-	1,188,223	-	-	-	1,188,223	(2)	(2.00)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	8.1%	0.0%	0.0%	0.0%	8.1%	(5.9%)	(5.9%)
Net change from 2025-27 Adj Current Service Level	-	-	207,976	-	-	-	207,976	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%

LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 91900-050-00-00-00000

Real Estate Agency

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	-	13,996,881	-	-	-	13,996,881	34	34.00
2023-25 Ebds, SS & Admin Act	-	-	695,110	-	-	-	695,110	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	-	14,691,991	-	-	-	14,691,991	34	34.00
2023-25 Leg Approved Budget (Base)	-	-	14,691,991	-	-	-	14,691,991	34	34.00
Summary of Base Adjustments	-	-	1,003,357	-	-	-	1,003,357	(1)	(1.00)
2025-27 Base Budget	-	-	15,695,348	-	-	-	15,695,348	33	33.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	54,069	-	-	-	54,069	-	-
030: Inflation & Price List Adjustments	-	-	642,101	-	-	-	642,101	-	-
2025-27 Current Service Level	-	-	16,391,518	-	-	-	16,391,518	33	33.00
070: Revenue Reductions/Shortfall	-	-	(719,280)	-	-	-	(719,280)	(1)	(1.00)
Adjusted 2025-27 Current Service Level	-	-	15,672,238	-	-	-	15,672,238	32	32.00
Total LFO Recommended Packages	-	-	207,976	-	-	-	207,976	-	-
2025-27 Legislative Actions	-	-	15,880,214	-	-	-	15,880,214	32	32.00
Net change from 2023-25 Leg Approved Budget	-	-	1,188,223	-	-	-	1,188,223	(2)	(2.00)
Percent change from 2023-25 Leg Approved Budget	0.0%	0.0%	8.1%	0.0%	0.0%	0.0%	8.1%	(5.9%)	(5.9%)
Net change from 2025-27 Adj Current Service Level	-	-	207,976	-	-	-	207,976	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	1.3%	0.0%	0.0%	0.0%	1.3%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 070 Revenue Shortfalls

Package Description This package eliminates a long-term vacant Compliance Specialist 3 position and reduces related services and supplies, resulting in a \$719,280 Other Funds reduction in personnel and operating costs.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(719,280)	-	-	-	(719,280)	(1)	(1.00)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package restores Other Funds expenditure limitation that was inadvertently removed during the position reclassification process under a Permanent Finance Plan.

LFO Recommendation Approve the package.

LFO Recommended	-	-	207,976	-	-	-	207,976	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 100 Wholesaler Registration - Fee Establishment

Package Description This package establishes a \$300 registration and annual renewal fee for residential property wholesalers, as authorized by HB 4058 (2024). It includes estimated revenue of \$15,000 for the 2025-27 biennium, with no associated expenditures.

LFO Recommendation Approve the package.

LFO Recommended	-	-	-	-	-	-	-	-	-
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Legislatively Proposed 2025 - 2027 Key Performance Measures

Published: 4/24/2025 4:29:32 PM

Agency: Real Estate Agency

Mission Statement:

To provide quality protection for Oregon consumers of real estate, escrow and land development services, balanced with a professional environment conducive to a healthy real estate market atmosphere.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Compliance Rate Achieved - Percent of property managers/principal brokers reviewed who meet compliance within 45 days of a mail-in compliance review.		Approved	100%	90%	90%
2. Percent of investigations completed within 150 days of receipt of complaint.		Approved	85%	80%	80%
4. Percent of licensees who rate the board-administered exam as "good" or "excellent" as an effective screen for competent and ethical professionals.		Approved	72%	75%	75%
5. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved	93%	93%	93%
	Overall		93%	93%	93%
	Timeliness		93%	93%	93%
	Accuracy		94%	93%	93%
	Expertise		92%	93%	93%
	Helpfulness		93%	93%	93%
3. Case Actions resolved through settlement - Percent of case actions that are resolved through informal settlement resolution and without formal hearing before the Office of Administrative Hearings.		Proposed New		95%	95%
3. Contested Case Actions resolved through settlement - Percent of contested case actions that are resolved through informal settlement resolution and prior to a formal hearing before the Office of Administrative Hearings.		Proposed Delete	98%		

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets, including the replacement of KPM #3, “Contested Case Actions resolved through settlement,” with “Case Actions resolved through settlement.”

SubCommittee Action: