

A-Engrossed House Bill 2373

Ordered by the House March 31
Including House Amendments dated March 31

Sponsored by Representatives BOSHART DAVIS, GOMBERG; Representative RUIZ, Senators MEEK, STARR (Pre-session filed.)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates a license for timeshare sales agents. (Flesch Readability Score: 75.5). Prohibits selling or offering for sale a timeshare without a license. Establishes a timeshare real estate license. Directs the Real Estate Agency and Real Estate Commissioner to regulate and issue timeshare sales agent licenses. Becomes operative January 1, 2026.
Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

Relating to timeshare sales agents; creating new provisions; amending ORS 696.010, 696.020, 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.241, 696.270, 696.280, 696.294, 696.301, 696.310, 696.320, 696.365 and 696.710; and declaring an emergency.

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

SECTION 1. ORS 696.010 is amended to read:

696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995, unless the context requires otherwise:

(1) "Associated with" means to be employed, engaged or otherwise supervised by, with respect to the relationship between:

(a) A real estate broker and a principal real estate broker;

(b) A licensed real estate property manager and a principal real estate broker; or

(c) A licensed real estate property manager and another licensed real estate property manager.

(2) "Bank" includes any bank or trust company, savings bank, mutual savings bank, savings and loan association or credit union that maintains a head office or a branch in this state in the capacity of a bank or trust company, savings bank, mutual savings bank, savings and loan association or credit union.

(3)(a) "Branch office" means a business location, other than the main office designated under ORS 696.200, where professional real estate activity is regularly conducted or that is advertised to the public as a place where professional real estate activity may be regularly conducted.

(b) Model units or temporary structures used solely for the dissemination of information and distribution of lawfully required public reports shall not be considered branch offices. A model unit means a permanent residential structure located in a subdivision or development used for such dissemination and distribution, so long as the unit is at all times available for sale, lease, lease option or exchange.

(4) "Business day" means a day other than Saturday or Sunday or a federal or State of Oregon

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 legal holiday.

2 (5) "Commingling" means the mixing of funds from any source, including personal funds, with trust
3 funds as defined in ORS 696.241, by a licensed real estate property manager or principal real estate
4 broker, except as specifically authorized by this chapter.

5 (6) "Compensation" means valuable consideration for services rendered or to be rendered,
6 whether contingent or otherwise.

7 (7) "Competitive market analysis" means a method or process used by a real estate licensee in
8 pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for
9 the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis
10 is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive
11 market analysis may be expressed as an opinion of the value of the real estate in a contemplated
12 transaction. Competitive market analysis may include but is not limited to an analysis of market
13 conditions, public records, past transactions and current listings of real estate.

14 (8) "Expired" means, in the context of a real estate licensee, that the license has not been re-
15 newed in a timely manner, but may still be renewed.

16 (9) "Inactive" means, in the context of a real estate licensee, that the licensee is not authorized
17 to engage in professional real estate activity. The inactive status of a license continues until the
18 license is reactivated or the license expires or lapses.

19 (10) "Lapsed" means, in the context of a real estate licensee, that the license has not been re-
20 newed in a timely manner and is not eligible for renewal.

21 (11) "Letter opinion" has the meaning given that term in ORS 696.294.

22 (12) "Licensed real estate property manager" means an individual who holds an active real es-
23 tate property manager's license issued under ORS 696.022.

24 (13) "Main office" means the office designated by a principal real estate broker or licensed real
25 estate property manager pursuant to ORS 696.200.

26 (14) "Management of rental real estate" means:

27 (a) Representing the owner of real estate under a property management agreement in the rental
28 or lease of the real estate and includes but is not limited to:

29 (A) Advertising the real estate for rent or lease;

30 (B) Procuring prospective tenants to rent or lease the real estate;

31 (C) Negotiating with prospective tenants;

32 (D) Accepting deposits from prospective tenants;

33 (E) Checking the qualifications and creditworthiness of prospective tenants;

34 (F) Charging and collecting rent or lease payments;

35 (G) Representing the owner in inspection or repair of the real estate;

36 (H) Contracting for repair or remodeling of the real estate;

37 (I) Holding trust funds or property received in managing the real estate and accounting to the
38 owner for the funds or property;

39 (J) Advising the owner regarding renting or leasing the real estate;

40 (K) Providing staff and services to accommodate the tax reporting and other financial or ac-
41 counting needs of the real estate;

42 (L) Providing copies of records of acts performed on behalf of the owner of the real estate; and

43 (M) Offering or attempting to do any of the acts described in this paragraph for the owner of
44 the real estate; or

45 (b) Representing a tenant or prospective tenant when renting or leasing real estate for which

a real estate property manager has a property management agreement with the owner of the real estate and includes but is not limited to:

(A) Consulting with tenants or prospective tenants about renting or leasing real estate;

(B) Assisting prospective tenants in renting or leasing real estate;

(C) Assisting prospective tenants in qualifying for renting or leasing real estate;

(D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate and holding the funds in trust for the prospective tenants;

(E) Representing tenants or prospective tenants renting or leasing real estate; and

(F) Offering or attempting to do any of the acts described in this paragraph for a tenant or prospective tenant.

(15) "Nonlicensed individual" means an individual:

(a) Who has not obtained a real estate license; or

(b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.

(16) "Principal real estate broker" means an individual who holds an active license as a principal real estate broker issued under ORS 696.022.

(17) "Professional real estate activity" means any of the following actions, when engaged in for another and for compensation or with the intention or in the expectation or upon the promise of receiving or collecting compensation, by any person who:

(a) Sells, exchanges, purchases, rents or leases real estate;

(b) Offers to sell, exchange, purchase, rent or lease real estate;

(c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;

(d) Lists, offers, attempts or agrees to list real estate for sale;

(e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any administrative or judicial proceeding regarding the value of real estate for taxation, except when the activity is performed by a state certified appraiser or state licensed appraiser;

(f) Auctions, offers, attempts or agrees to auction real estate;

(g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;

(h) Engages in management of rental real estate;

(i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;

(j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;

(k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;

(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;

(m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or

(n) Performs real estate marketing activity as described in ORS 696.600.

(18) "Property management agreement" means a written contract for the management of rental real estate between a real estate property manager and the owner of the rental real estate.

(19) "Real estate" includes leaseholds and licenses to use including, but not limited to, timeshare

1 estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest or estate
2 in real property, whether corporeal or incorporeal, whether freehold or nonfreehold, whether held
3 separately or in common with others and whether the real property is situated in this state or
4 elsewhere.

5 (20) "Real estate broker" means an individual who holds an active license as a real estate bro-
6 ker issued under ORS 696.022.

7 (21) "Real estate licensee" means an individual who holds an active license or an active limited
8 license as a real estate broker, principal real estate broker, [or] licensed real estate property man-
9 ager **or timeshare sales agent**.

10 (22) "Real estate property manager" means a real estate licensee who engages in the manage-
11 ment of rental real estate and is a licensed real estate property manager, a principal real estate
12 broker or a real estate broker who is associated with and supervised by a principal real estate
13 broker.

14 (23) "Registered business name" means a name registered with the Real Estate Agency under
15 which the individual registering the name engages in professional real estate activity.

16 (24) **"Timeshare" has the meaning given that term in ORS 94.803.**

17 (25) **"Timeshare sales agent" means an individual who holds an active license as a**
18 **timeshare sales agent issued under ORS 696.022 and is not a real estate broker or principal**
19 **real estate broker.**

20 **SECTION 2.** ORS 696.010, as amended by section 10, chapter 3, Oregon Laws 2024, is amended
21 to read:

22 696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and
23 696.995 and sections 1 to 9, chapter 3, Oregon Laws 2024, unless the context requires otherwise:

24 (1) "Associated with" means to be employed, engaged or otherwise supervised by, with respect
25 to the relationship between:

26 (a) A real estate broker and a principal real estate broker;

27 (b) A licensed real estate property manager and a principal real estate broker; or

28 (c) A licensed real estate property manager and another licensed real estate property manager.

29 (2) "Bank" includes any bank or trust company, savings bank, mutual savings bank, savings and
30 loan association or credit union that maintains a head office or a branch in this state in the capacity
31 of a bank or trust company, savings bank, mutual savings bank, savings and loan association or
32 credit union.

33 (3)(a) "Branch office" means a business location, other than the main office designated under
34 ORS 696.200, where professional real estate activity is regularly conducted or that is advertised to
35 the public as a place where professional real estate activity may be regularly conducted.

36 (b) Model units or temporary structures used solely for the dissemination of information and
37 distribution of lawfully required public reports shall not be considered branch offices. A model unit
38 means a permanent residential structure located in a subdivision or development used for such dis-
39 semination and distribution, so long as the unit is at all times available for sale, lease, lease option
40 or exchange.

41 (4) "Business day" means a day other than Saturday or Sunday or a federal or State of Oregon
42 legal holiday.

43 (5) "Commingle" means the mixing of funds from any source, including personal funds, with trust
44 funds as defined in ORS 696.241, by a licensed real estate property manager or principal real estate
45 broker, except as specifically authorized by this chapter.

1 (6) "Compensation" means valuable consideration for services rendered or to be rendered,
2 whether contingent or otherwise.

3 (7) "Competitive market analysis" means a method or process used by a real estate licensee in
4 pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for
5 the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis
6 is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive
7 market analysis may be expressed as an opinion of the value of the real estate in a contemplated
8 transaction. Competitive market analysis may include but is not limited to an analysis of market
9 conditions, public records, past transactions and current listings of real estate.

10 (8) "Expired" means, in the context of a real estate licensee, that the license has not been re-
11 newed in a timely manner, but may still be renewed.

12 (9) "Inactive" means, in the context of a real estate licensee, that the licensee is not authorized
13 to engage in professional real estate activity. The inactive status of a license continues until the
14 license is reactivated or the license expires or lapses.

15 (10) "Lapsed" means, in the context of a real estate licensee, that the license has not been re-
16 newed in a timely manner and is not eligible for renewal.

17 (11) "Letter opinion" has the meaning given that term in ORS 696.294.

18 (12) "Licensed real estate property manager" means an individual who holds an active real es-
19 tate property manager's license issued under ORS 696.022.

20 (13) "Main office" means the office designated by a principal real estate broker or licensed real
21 estate property manager pursuant to ORS 696.200.

22 (14) "Management of rental real estate" means:

23 (a) Representing the owner of real estate under a property management agreement in the rental
24 or lease of the real estate and includes but is not limited to:

25 (A) Advertising the real estate for rent or lease;

26 (B) Procuring prospective tenants to rent or lease the real estate;

27 (C) Negotiating with prospective tenants;

28 (D) Accepting deposits from prospective tenants;

29 (E) Checking the qualifications and creditworthiness of prospective tenants;

30 (F) Charging and collecting rent or lease payments;

31 (G) Representing the owner in inspection or repair of the real estate;

32 (H) Contracting for repair or remodeling of the real estate;

33 (I) Holding trust funds or property received in managing the real estate and accounting to the
34 owner for the funds or property;

35 (J) Advising the owner regarding renting or leasing the real estate;

36 (K) Providing staff and services to accommodate the tax reporting and other financial or ac-
37 counting needs of the real estate;

38 (L) Providing copies of records of acts performed on behalf of the owner of the real estate; and

39 (M) Offering or attempting to do any of the acts described in this paragraph for the owner of
40 the real estate; or

41 (b) Representing a tenant or prospective tenant when renting or leasing real estate for which
42 a real estate property manager has a property management agreement with the owner of the real
43 estate and includes but is not limited to:

44 (A) Consulting with tenants or prospective tenants about renting or leasing real estate;

45 (B) Assisting prospective tenants in renting or leasing real estate;

1 (C) Assisting prospective tenants in qualifying for renting or leasing real estate;

2 (D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate
3 and holding the funds in trust for the prospective tenants;

4 (E) Representing tenants or prospective tenants renting or leasing real estate; and

5 (F) Offering or attempting to do any of the acts described in this paragraph for a tenant or
6 prospective tenant.

7 (15) "Nonlicensed individual" means an individual:

8 (a) Who has not obtained a real estate license; or

9 (b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.

10 (16) "Principal real estate broker" means an individual who holds an active license as a princi-
11 pal real estate broker issued under ORS 696.022.

12 (17) "Professional real estate activity" means any of the following actions, when engaged in for
13 another and for compensation or with the intention or in the expectation or upon the promise of
14 receiving or collecting compensation, by any person who:

15 (a) Sells, exchanges, purchases, rents or leases real estate;

16 (b) Offers to sell, exchange, purchase, rent or lease real estate;

17 (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or
18 leasing of real estate;

19 (d) Lists, offers, attempts or agrees to list real estate for sale;

20 (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter
21 opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any admin-
22 istrative or judicial proceeding regarding the value of real estate for taxation, except when the ac-
23 tivity is performed by a state certified appraiser or state licensed appraiser;

24 (f) Auctions, offers, attempts or agrees to auction real estate;

25 (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;

26 (h) Engages in management of rental real estate;

27 (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real
28 estate;

29 (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange,
30 leasing or rental of real estate;

31 (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to
32 result in the sale, exchange, leasing or rental of real estate;

33 (L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in
34 connection with real estate values, sales or dispositions, including dispositions through eminent do-
35 main procedures;

36 (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real
37 estate by an entity if the purpose of the entity is investment in real estate; or

38 (n) Performs real estate marketing activity as described in ORS 696.600.

39 (18) "Property management agreement" means a written contract for the management of rental
40 real estate between a real estate property manager and the owner of the rental real estate.

41 (19) "Real estate" includes leaseholds and licenses to use including, but not limited to, timeshare
42 estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest or estate
43 in real property, whether corporeal or incorporeal, whether freehold or nonfreehold, whether held
44 separately or in common with others and whether the real property is situated in this state or
45 elsewhere.

(20) "Real estate broker" means an individual who holds an active license as a real estate broker issued under ORS 696.022.

(21) "Real estate licensee" means an individual who holds an active license or an active limited license as a real estate broker, principal real estate broker, [or] licensed real estate property manager **or timeshare sales agent**.

(22) "Real estate property manager" means a real estate licensee who engages in the management of rental real estate and is a licensed real estate property manager, a principal real estate broker or a real estate broker who is associated with and supervised by a principal real estate broker.

(23) "Registered business name" means a name registered with the Real Estate Agency under which the individual registering the name engages in professional real estate activity.

(24) "Timeshare" has the meaning given that term in ORS 94.803.

(25) "Timeshare sales agent" means an individual who holds an active license as a timeshare sales agent issued under ORS 696.022 and is not a real estate broker or principal real estate broker.

SECTION 3. ORS 696.020 is amended to read:

696.020. (1) The Real Estate Agency may issue a real estate license only to an individual.

(2) An individual may not engage in, carry on, advertise or purport to engage in or carry on professional real estate activity, or act in the capacity of a real estate licensee, within this state unless the individual holds an active license as provided for in this chapter.

(3) Real estate brokers and principal real estate brokers are bound by and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 while:

(a) Engaging in professional real estate activity; or

(b) Acting on the licensee's own behalf in the sale, exchange, lease option or purchase of real estate or in the offer or negotiations for the sale, exchange, lease option or purchase of real estate.

(4) A [real estate licensee] **real estate broker, principal real estate broker or licensed real estate property manager** is bound by and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.890, 696.990 and 696.995 while engaging in the management of rental real estate.

(5) A timeshare sales agent is bound by and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 while selling or offering to sell timeshares.

[(5)] (6) The agency by rule may establish provisions for a nonlicensed individual whose license is inactive or suspended and who acts on the licensee's own behalf in the sale, exchange, lease option or purchase of real estate or in the offer or negotiations for the sale, exchange, lease option or purchase of real estate.

SECTION 4. ORS 696.022 is amended to read:

696.022. (1) The Real Estate Agency shall establish by rule a system for licensing real estate brokers, principal real estate brokers, [and] licensed real estate property managers **and timeshare sales agents**. The system shall establish, at a minimum:

(a) The form and content of applications for licensing under each category of real estate professional licensed by the agency;

(b) A licensing examination for each category of license;

(c) Schedules and procedures for issuing and renewing licenses, including limited licenses under

1 ORS 696.125; and

2 (d) The term of a license in each category.

3 (2)(a) A real estate broker may engage in professional real estate activity only if the broker is
4 associated with and supervised by a principal real estate broker. Except as provided in paragraph
5 (c) of this subsection, a real estate broker may not employ, engage or supervise the professional real
6 estate activity of another real estate licensee.

7 (b) For an applicant to qualify for a real estate broker's license, the Real Estate Commissioner
8 must receive:

9 (A) Certification by the applicant that the applicant has a high school diploma or a certificate
10 for passing an approved high school equivalency test such as the General Educational Development
11 (GED) test or the international equivalent, or other equivalent education acceptable to the com-
12 missioner;

13 (B) Proof that the applicant:

14 (i) Has successfully completed the basic real estate broker's educational courses required by the
15 agency by rule; and

16 (ii) Has passed the real estate broker's examination required by the agency by rule; and

17 (C) Certification that the applicant is at least 18 years of age.

18 (c) A real estate broker who has acquired three years of active experience as a real estate
19 broker may supervise for up to 90 days the professional real estate activity of another real estate
20 licensee due to unforeseen circumstances or the temporary absence of a sole principal real estate
21 broker, as provided by the agency by rule.

22 (3)(a) A principal real estate broker may engage in professional real estate activity.

23 (b) A principal real estate broker may conduct professional real estate activity in conjunction
24 with other real estate brokers, principal real estate brokers or licensed real estate property man-
25 agers. A principal real estate broker may employ, engage or supervise the professional real estate
26 activity of another real estate licensee.

27 (c) For an applicant to qualify for a principal real estate broker's license, the commissioner must
28 receive:

29 (A) Certification by the applicant that the applicant has a high school diploma or a certificate
30 for passing an approved high school equivalency test such as the General Educational Development
31 (GED) test or the international equivalent, or other equivalent education acceptable to the com-
32 missioner;

33 (B) Proof that the applicant:

34 (i) Has three years of active licensed experience as a licensed real estate broker or a licensed
35 real estate salesperson in this state or another state;

36 (ii) Has passed the principal real estate broker's examination required by the agency by rule;
37 and

38 (iii) Has successfully completed the brokerage administration and sales supervision course re-
39 quired by the agency by rule; and

40 (C) Certification that the applicant is at least 18 years of age.

41 (4)(a) An individual who holds a real estate property manager license may engage only in the
42 management of rental real estate under a property management agreement with the owner of the
43 rental real estate.

44 (b) A licensed real estate property manager may employ, engage or supervise the professional
45 real estate activity of another licensed real estate property manager.

(c) For an applicant to qualify for a real estate property manager's license, the commissioner must receive:

(A) Certification by the applicant that the applicant has a high school diploma or a certificate for passing an approved high school equivalency test such as the General Educational Development (GED) test or the international equivalent, or other equivalent education acceptable to the commissioner;

(B) Proof that the applicant:

(i) Has successfully completed the basic real estate property manager's educational courses required by the agency by rule; and

(ii) Has passed the real estate property manager's license examination required by the agency by rule; and

(C) Certification that the applicant is at least 18 years of age.

(5)(a) The only professional real estate activity an individual who holds a timeshare sales agent license may engage in is selling or offering to sell timeshares. A timeshare sales agent must be associated with and supervised by a principal real estate broker. A timeshare sales agent may not employ, engage or supervise the professional real estate activity of another real estate licensee.

(b) For an applicant to qualify for a timeshare sales agent license, the commissioner must receive:

(A) Proof that the applicant has successfully completed at least 14 hours of instruction in:

(i) Ethics;

(ii) The applicable laws and rules relating to timeshares; and

(iii) The principles and practices of selling timeshares;

(B) Proof that the applicant has passed the timeshare sales agent's examination required by the agency by rule; and

(C) Certification that the applicant is at least 18 years of age.

~~[(5)(a)]~~ **(6)(a)** A license for a real estate broker, principal real estate broker, ~~[or]~~ licensed real estate property manager **or timeshare sales agent** may be granted only to an individual who is trustworthy and competent to conduct professional real estate activity in a manner that protects the public interest. As a condition of licensing, the commissioner may require proof of competence and trustworthiness that the commissioner deems necessary to protect the public interest.

(b) In implementing this subsection, the commissioner shall require fingerprints and criminal offender information of an applicant for initial licensing and may require fingerprints and criminal offender information of an applicant for license renewal. Fingerprints acquired under this subsection may be used for the purpose of requesting a state or nationwide criminal records check under ORS 181A.195.

~~[(6)]~~ **(7)** An individual licensed to engage in professional real estate activity in another state or country may qualify for a principal real estate broker license, real estate broker license, ~~[or]~~ real estate property manager license **or timeshare sales agent license** if the individual successfully completes the course of study for and passes the license examination corresponding to the license for which the individual applies, both as prescribed by agency rule, and if the individual meets the other requirements for licensure in this chapter.

~~[(7)]~~ **(8)** In order to satisfy the educational requirements under subsections (2) to ~~[(4) and (6)]~~ **(5) and (7)** of this section, a course must be approved by the commissioner. The commissioner shall

determine the final examination score acceptable as evidence of successful completion for each required course.

[(8)] (9) The Real Estate Board may determine that an applicant for a principal real estate broker's license has experience related to professional real estate activity that is equivalent to the experience required under subsection (3) of this section.

SECTION 5. ORS 696.026 is amended to read:

696.026. (1) The Real Estate Agency shall establish by rule systems for the registration and renewal of business names.

(2) The registration system must:

(a) Require the physical address associated with a registered business name to be the main office of a principal real estate broker or licensed real estate property manager;

(b) Require the registered business name to be:

(A) The corporate name, professional corporate name, business corporate name, cooperative name, limited partnership name, business trust name, reserved name, registered corporate name or assumed business name of active record with the Office of the Secretary of State; or

(B) The name under which the principal real estate broker or licensed real estate property manager license was issued;

(c) Allow a principal real estate broker or licensed real estate property manager to register one or more branch offices under the registered business name of the main office; and

(d) Require the name of the principal real estate broker or licensed real estate property manager who is responsible for:

(A) Maintaining the registration of the business name;

(B) Registering any branch offices of the registered business name;

(C) Registering any additional business names, as described in subsection (14) of this section;

(D) Maintaining the information described in ORS 696.245 for each clients' trust account opened, closed or transferred by a principal real estate broker or licensed real estate property manager who conducts professional real estate activity under the registered business name;

(E) Renewing the registration of the business name;

(F) Changing the registered business name, including the associated branch offices;

(G) Maintaining the business address of the main office and any associated branch offices of the registered business name as required by ORS 696.200; and

(H) Inactivating or reactivating the registration of the business name and associated branch offices.

(3) The renewal system must establish:

(a) The form and content of the renewal application;

(b) The schedule for annual renewals of registered business names, including the date of the registered business name expiration; and

(c) The procedures for renewing a registered business name.

(4) Failure to renew a registered business name and pay any required fees by the expiration date of the registration will result in:

(a) The expiration of the registered business name;

(b) The inactivation of all associated licensees; and

(c) The inactivation of all associated branch offices.

(5) The Real Estate Commissioner may by rule provide an opportunity for the late renewal of an expired registered business name.

(6) Only a principal real estate broker or licensed real estate property manager may register a business name or register a branch office under the registered business name of the main office.

(7) Only a principal real estate broker or licensed real estate property manager may control and supervise the professional real estate activity conducted under the registered business name.

(8) A business name registered under this section has no license standing.

(9) All professional real estate activity conducted by the principal real estate broker, licensed real estate property manager or real estate licensees associated with a principal real estate broker or licensed real estate property manager must be conducted under an active registered business name.

(10) A principal real estate broker or licensed real estate property manager who registers a business name need not be an owner or officer of any entity lawfully entitled to use or have an ownership interest in the registered business name. However, only a principal real estate broker or licensed real estate property manager may control and supervise the professional real estate activity conducted under the registered business name.

(11) A real estate broker **or timeshare sales agent** associated with a principal real estate broker may have an ownership interest in any business through which the principal real estate broker conducts professional real estate activity, but may not control or supervise the professional real estate activity of any other real estate licensee.

(12) A licensed real estate property manager associated with a principal real estate broker may have an ownership interest in any business through which the principal real estate broker conducts professional real estate activity, but may not control or supervise the professional real estate activity of a real estate broker or principal real estate broker.

(13) A nonlicensed individual may have an ownership interest in any business through which a licensed real estate property manager or principal real estate broker engages in professional real estate activity, but may not control or supervise the professional real estate activity of any real estate licensee.

(14)(a) A principal real estate broker or licensed real estate property manager who registers a business name may register additional business names for business organizations that are affiliated with the registered business name, or business organizations that are subsidiaries of the business with the registered name.

(b) A principal real estate broker or licensed real estate property manager may conduct professional real estate activity under two or more registered business names only if the business organizations are affiliated with, or subsidiaries of, the business with the registered name.

(15) The agency shall establish by rule procedures to allow a real estate broker or principal real estate broker who becomes associated with a different registered business name to continue to engage in professional real estate activity on transactions that began while the real estate broker or principal real estate broker was associated with the original registered business name.

SECTION 6. ORS 696.030 is amended to read:

696.030. ORS 696.010 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785, 696.990 and 696.995 do not apply to:

(1)(a) A nonlicensed individual who is a full-time employee of an owner of real estate and whose real estate activity:

(A) Involves only the real estate of the employer; and

(B)(i) Is incidental to the employee's normal, nonreal estate activities; or

(ii) Is the employee's principal activity, but the employer's principal activity or business is not

1 the sale, exchange, lease option or acquisition of real estate.

2 (b) For the purpose of this subsection, "owner of real estate" means:

3 (A) A person who has a sole ownership interest in the real estate; or

4 (B) More than one person, each of whom has an ownership interest in the real estate, if the
5 ownership interest is by survivorship, tenancy in common or tenancy by the entirety.

6 (2) A nonlicensed individual who acts as attorney in fact under a duly executed power of at-
7 torney from the owner or purchaser authorizing the supervision of the closing of or supervision of
8 the performance of a contract for the sale, leasing or exchanging of real estate if the power of at-
9 torney was executed prior to July 1, 2002, in compliance with the requirements of law at the time
10 of execution or if:

11 (a) The power of attorney is recorded in the office of the recording officer for the county in
12 which the real estate is located;

13 (b) The power of attorney specifically describes the real estate; and

14 (c) The nonlicensed individual does not use the power of attorney as a device to engage in
15 professional real estate activity without obtaining the necessary real estate license.

16 (3) A nonlicensed individual who acts as attorney in fact under a duly executed power of at-
17 torney in which the authorized agent is the spouse of the principal, or the child, grandchild, parent,
18 grandparent, sibling, aunt, uncle, niece or nephew of the principal or of the spouse of the principal,
19 authorizing real estate activity if the power of attorney is recorded in the office of the recording
20 officer for the county in which the real estate to be sold, leased or exchanged is located.

21 (4) A nonlicensed individual who is an attorney at law rendering services in the performance
22 of duties as an attorney at law.

23 (5) A nonlicensed individual who acts in the nonlicensed individual's official capacity as a re-
24 ceiver, a conservator, a trustee in bankruptcy, a personal representative or a trustee, or a regular
25 salaried employee of the trustee, acting under a trust agreement, deed of trust or will.

26 (6) A nonlicensed individual who performs an act of professional real estate activity under order
27 of a court.

28 (7) A nonlicensed individual who is a regular full-time employee of a single corporation, part-
29 nership, association, limited liability company or nonlicensed individual owner of real property act-
30 ing for the corporation, partnership, association, limited liability company or nonlicensed individual
31 owner in the rental or management of the real property, but not in the sale, exchange, lease option
32 or purchase of the real property.

33 (8) A nonlicensed individual who is a registered professional engineer or architect rendering
34 services in performance of duties as a professional engineer or architect.

35 (9) A nonlicensed individual who is employed by a principal real estate broker engaged in the
36 management of rental real estate or by a licensed real estate property manager and who acts on
37 behalf of the principal real estate broker or licensed real estate property manager pursuant to a
38 written delegation of the principal real estate broker's or licensed real estate property manager's
39 authority, as provided by the agency by rule, if the real estate activity of the nonlicensed individual
40 is limited to:

41 (a) Negotiating rental or lease agreements;

42 (b) Checking tenant and credit references;

43 (c) Physically maintaining the real estate;

44 (d) Conducting tenant relations;

45 (e) Collecting the rent;

(f) Supervising the premises' managers;

(g) Discussing financial matters relating to the management of the real estate with the owner;

and

(h) Receiving and disbursing trust funds in a clients' trust account under ORS 696.241.

(10) A nonlicensed individual who sells or leases cemetery lots, parcels or units while engaged in the disposition of human bodies under ORS 97.010 to 97.040, 97.110 to 97.450, 97.510 to 97.730, 97.810 to 97.920 and 97.990 or an employee of the nonlicensed individual performing similar activities.

(11) A nonlicensed individual who is a salaried employee of the State of Oregon, or any of its political subdivisions, engaging in professional real estate activity as a part of such employment.

(12) A nonlicensed individual who analyzes or provides advice regarding permissible land use alternatives, environmental impact, building and use permit procedures, development alternatives or demographic market studies or who performs development management, or a regular full-time employee of the nonlicensed individual performing similar activities. This exclusion does not apply to marketing, procuring prospects, leasing or the handling of transactional negotiations for transfer of an interest in real estate.

(13) An individual who is a hotelkeeper or innkeeper as defined by ORS 699.005 arranging the rental of transient lodging at a hotel or inn in the course of business as a hotelkeeper or innkeeper.

(14) A nonlicensed individual who is a travel agent arranging the rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a travel agent for compensation. For the purpose of this subsection, "travel agent" means a person, and employees of the person, regularly representing and selling travel services to the public directly or through other travel agents.

(15) A nonlicensed individual who is a common carrier arranging the rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a common carrier. For the purpose of this subsection, "common carrier" means a person that transports or purports to be willing to transport individuals from place to place by rail, motor vehicle, boat or aircraft for hire, compensation or consideration.

(16) A nonlicensed individual who is a hotel representative arranging the rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a hotel representative. For the purpose of this subsection, "hotel representative" means a person that provides reservations or sale services to independent hotels, airlines, steamship companies and government tourist agencies.

(17) A nonlicensed individual transferring or acquiring an interest in real estate owned or to be owned by the nonlicensed individual.

(18) A nonlicensed individual who is a general partner for a domestic or foreign limited partnership duly registered and operating within this state under ORS chapter 70 engaging in the sale of limited partnership interests and the acquisition, sale, exchange, lease, transfer or management of the real estate of the limited partnership.

(19) A nonlicensed individual who is a membership camping contract broker or salesperson registered with the Real Estate Agency selling membership camping contracts.

(20) A nonlicensed individual who is a professional forester or farm manager engaging in property management activity on forestland or farmland when the activity is incidental to the nonreal estate duties involving overall management of forest or farm resources.

(21) A nonlicensed individual who is a registered investment adviser under the Investment Ad-

visers Act of 1940, 15 U.S.C. 80b-1 et seq., rendering real estate investment services for the office of the State Treasurer or the Oregon Investment Council.

(22) A nonlicensed individual who refers a new tenant for compensation to a real estate licensee acting as the property manager for a residential building or facility while the nonlicensed individual resides in the building or facility or within six months after termination of the nonlicensed individual's tenancy.

(23) A nonlicensed individual who gives an opinion in an administrative or judicial proceeding regarding the value of real estate for taxation or representing a taxpayer under ORS 305.239 or 309.100.

(24) A nonlicensed individual acting as a paid fiduciary whose real estate activity is limited to negotiating a contract to obtain the services of a real estate licensee.

(25) A nonlicensed individual who is acting as a fiduciary under a court order, without regard to whether the court order specifically authorizes real estate activity.

(26) A nonlicensed individual who is a representative of a financial institution or trust company, as those terms are defined in ORS 706.008, that is attorney in fact under a duly executed power of attorney from the owner or purchaser authorizing real estate activity, if the power of attorney is recorded in the office of the county clerk for the county in which the real estate to be sold, leased or exchanged is located.

(27) A nonlicensed individual who is a member of a domestic or foreign limited liability company duly registered and operating within this state under ORS chapter 63 and who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the limited liability company if:

(a) The limited liability company is member-managed; or

(b) The limited liability company is manager-managed, and the nonlicensed individual is a manager.

(28) A nonlicensed individual who is a partner in a partnership as defined in ORS 67.005 and who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the partnership.

(29) A nonlicensed individual who is an officer or director of a domestic or foreign corporation duly registered and operating within this state under ORS chapter 60 and who is engaging in the acquisition, sale, exchange, lease, transfer or management of the real estate of the corporation.

(30) A nonlicensed individual who transfers a timeshare:

(a) By deed in lieu of foreclosure;

(b) As part of a foreclosure sale; or

(c) As part of a resale by a managing entity of a timeshare that has been acquired by the managing entity:

(A) As a result of terminating a contractual right of occupancy;

(B) By deed in lieu of foreclosure, other transfer or termination; or

(C) At a foreclosure sale.

(31) A nonlicensed individual who offers for sale a timeshare owned by the individual.

SECTION 7. ORS 696.125 is amended to read:

696.125. (1) The Real Estate Commissioner may issue a limited license to an applicant for a license as a real estate broker, principal real estate broker, [or] real estate property manager **or timeshare sales agent** if the commissioner determines that the issuance is in the public interest. The commissioner may limit a license issued under this section:

(a) By term;

(b) To acts subject to the supervision of a specific principal real estate broker;

(c) By conditions to be observed in the exercise and the privileges granted; or

(d) In other ways determined by the commissioner as necessary or appropriate to protect the public.

(2) A limited license issued under this section may be renewed as provided by the commissioner by rule. A limited license may be suspended or revoked, or the real estate licensee may be reprimanded, by the commissioner on the grounds set out in ORS 696.301 or for failure to comply with the limitations of the license.

SECTION 8. ORS 696.130 is amended to read:

696.130. (1)(a) If the license of a real estate broker, [or] principal real estate broker **or timeshare sales agent** is revoked by the Real Estate Commissioner on grounds related to professional real estate activity other than the management of rental real estate, the commissioner may not issue a new license until the individual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870.

(b) If the license of a licensed real estate property manager is revoked by the commissioner, or if the license of a real estate broker or principal real estate broker is revoked by the commissioner, on grounds related to the management of rental real estate, the commissioner may not issue a new license until the individual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785 and 696.890.

(2) Notwithstanding subsection (1) of this section, the commissioner may issue the individual a limited license if, in the discretion of the commissioner, it is in the public interest to do so. The commissioner may limit a license issued under this subsection:

(a) By term;

(b) To acts subject to the supervision of a specific principal real estate broker; or

(c) By conditions to be observed in the exercise and the privileges granted.

(3) A limited license issued under this section may be renewed as provided by the commissioner by rule. A limited license may be suspended or revoked, or the licensee may be reprimanded, by the commissioner on the grounds set out in ORS 696.301.

SECTION 9. ORS 696.174 is amended to read:

696.174. (1) To renew an active license or to reactivate a license for the first time since the license was renewed to an inactive status, a real estate licensee, **other than a timeshare sales agent**, must complete 30 hours of real estate continuing education courses that are eligible for credit under ORS 696.182 during the two years preceding the renewal or reactivation. The 30 hours must include:

(a) At least three hours in a course approved by the Real Estate Board on state and federal fair housing laws and recent changes in real estate rule and law; and

(b)(A) If the real estate broker is renewing an active license for the first time or reactivating a license for the first time since renewing the license to an inactive status, an advanced course in real estate practices approved by the Real Estate Agency;

(B) If a licensed real estate property manager is renewing an active license for the first time or reactivating a license for the first time since renewing the license to an inactive status, an advanced course in property management practices approved by the agency; or

(C) If a principal real estate broker is renewing an active license for the first time or reactivating a license for the first time since renewing the license to an inactive status, an advanced

1 course in brokerage practices approved by the agency.

2 (2) The agency, in consultation with real estate professionals and educators, shall develop a re-
3 porting format to ensure that a real estate licensee, **other than a timeshare sales agent**, has
4 completed the number of hours required by subsection (1) of this section. The reporting format must
5 include:

6 (a) The date, name and length of time of each course attended;

7 (b) The name of the real estate continuing education provider that offered the course;

8 (c) The name of the instructor who taught the course; and

9 (d) Any other information that the agency requires by rule.

10 (3) The agency may waive any portion of the requirements of this section for a real estate
11 licensee who submits satisfactory evidence that poor health or other circumstances beyond the real
12 estate licensee's control prevented the real estate licensee from attending part or all of the contin-
13 uing education courses required by subsection (1) of this section.

14 **SECTION 10.** ORS 696.241 is amended to read:

15 696.241. (1) As used in this section, "trust funds" means money belonging to others that is re-
16 ceived or handled by a licensed real estate property manager or principal real estate broker in the
17 course of conducting professional real estate activity and in the real estate licensee's fiduciary ca-
18 pacity.

19 (2) A licensed real estate property manager, or a principal real estate broker who engages in
20 the management of rental real estate, shall open and maintain in this state one or more separate
21 federally insured bank accounts that are designated clients' trust accounts under ORS 696.245. A
22 principal real estate broker who engages in the management of rental real estate or a licensed real
23 estate property manager shall deposit in a clients' trust account all trust funds received or handled
24 by the principal real estate broker, licensed real estate property manager or real estate licensees,
25 **other than a timeshare sales agent**, subject to the supervision of the principal real estate broker.

26 (3)(a) A principal real estate broker who receives or handles trust funds and does not deposit
27 the trust funds in a licensed neutral escrow depository as described in paragraph (b) of this sub-
28 section shall open and maintain in this state one or more separate federally insured bank accounts
29 that are designated clients' trust accounts under ORS 696.245. Pursuant to written agreement of all
30 parties to a real estate transaction having an interest in the trust funds, the principal real estate
31 broker shall immediately place the trust funds in a clients' trust account.

32 (b) A principal real estate broker may deposit trust funds in a licensed neutral escrow deposi-
33 tory in this state.

34 (4) A principal real estate broker or licensed real estate property manager who opens a clients'
35 trust account under subsection (2) or (3) of this section, or to whom ownership of a clients' trust
36 account is transferred, is liable for all deposits and disbursements made using the clients' trust ac-
37 count until the principal real estate broker or licensed real estate property manager closes the ac-
38 count or transfers ownership of the account.

39 (5) A principal real estate broker or licensed real estate property manager may not commingle
40 any other funds with the trust funds held in a clients' trust account, except for:

41 (a) Earned interest on a clients' trust account as provided in subsections (7) and (8) of this
42 section; and

43 (b) Earned compensation as provided in subsection (9) of this section.

44 (6) If a licensed real estate property manager or principal real estate broker maintains a sepa-
45 rate clients' trust account in a branch office, a separate bookkeeping system must be maintained in

1 the branch office and a copy of the records required under ORS 696.280 must be maintained in the
2 main office of the licensed real estate property manager or principal real estate broker.

3 (7) Trust funds received by a licensed real estate property manager or principal real estate
4 broker may be deposited by the licensed real estate property manager or principal real estate broker
5 in a federally insured interest-bearing bank account that is designated a clients' trust account under
6 ORS 696.245, but only with the prior written approval of all parties who have an interest in the trust
7 funds. The earnings of the interest-bearing account inure to the benefit of the licensed real estate
8 property manager or principal real estate broker only if expressly approved in writing by all parties
9 who have an interest in the trust funds before deposit of the trust funds.

10 (8) With prior written notice to all parties who have an interest in the trust funds, a principal
11 real estate broker may place trust funds received by the principal real estate broker in a real estate
12 sales, purchase or exchange transaction in a federally insured interest-bearing bank account that is
13 designated a clients' trust account under ORS 696.245, the earnings of which inure to the benefit
14 of a public benefit corporation, as defined in ORS 65.001, for distribution to organizations and indi-
15 viduals for first-time homebuying assistance and for development of affordable housing. The principal
16 real estate broker shall select a qualified public benefit corporation to receive the interest earnings.

17 (9) In connection with a real estate sales, purchase or exchange transaction, a principal real
18 estate broker is not entitled to any part of any interest earnings on trust funds deposited under
19 subsection (7) of this section or to any part of the earnest money or other money paid to the prin-
20 cipal real estate broker as part or all of the principal real estate broker's compensation until the
21 transaction has been completed or terminated. The principal real estate broker and the seller shall
22 negotiate and agree in writing to the disposition of forfeited earnest money at the time of execution
23 by the seller of any listing agreement or earnest money agreement. An agreement about the dispo-
24 sition of forfeited earnest money must be initialed by the seller or immediately precede the seller's
25 signature.

26 (10) Trust funds in a clients' trust account are not subject to execution or attachment on any
27 claim against a licensed real estate property manager or principal real estate broker.

28 (11) The Real Estate Agency by rule shall establish an optional procedure by which a principal
29 real estate broker may elect to disburse disputed funds held in relation to the sale, exchange or
30 purchase of real estate from a clients' trust account to the person who delivered the funds to the
31 principal real estate broker. The procedure must allow disbursal not more than 20 days after a re-
32 quest is made for the disbursal. A disbursal pursuant to the procedure does not affect the claim of
33 any other person to the funds.

34 (12) The agency may provide by rule for other records to be maintained and for the manner in
35 which trust funds are deposited, held and disbursed. The rules adopted under this subsection may
36 include requirements for interest or compensation held in a clients' trust account pursuant to sub-
37 section (5) of this section to be disbursed from the clients' trust account to a licensed real estate
38 property manager or principal real estate broker.

39 (13) A real estate *[licensee]* **broker or principal real estate broker** who, for the purpose of
40 transmitting a check, receives the check from a buyer or tenant that is payable to a property owner
41 or seller is exempt from the deposit requirements of subsections (2) and (3) of this section. *[The*
42 *agency may determine by rule the records that must be maintained for checks received as described in*
43 *this subsection and the manner in which the checks must be transmitted.]*

44 (14) **A licensed real estate property manager who, for the purpose of transmitting a**
45 **check, receives the check from a tenant that is payable to a property owner is exempt from**

the deposit requirements of subsection (2) of this section.

(15) A timeshare sales agent who, for the purpose of transmitting a check, receives the check from a buyer that is payable to a property owner or seller is exempt from the deposit requirements of subsection (3) of this section.

(16) The agency may determine by rule the records that must be maintained for checks received as described in subsections (13), (14) and (15) of this section and the manner in which the checks must be transmitted.

SECTION 11. ORS 696.270 is amended to read:

696.270. The Real Estate Commissioner, with the approval of the Oregon Department of Administrative Services, shall prescribe the fees that the Real Estate Agency may charge for activities listed under this section, subject to the following maximum amounts:

(1) For each licensing examination applied for, \$75.

(2) For each applicant for a real estate broker, principal real estate broker, [or] licensed real estate property manager **or timeshare sales agent** license:

(a) Application for license, \$300; and

(b) Change of name, \$10.

(3) For each real estate broker, principal real estate broker, [or] licensed real estate property manager **or timeshare sales agent** licensee:

(a) Renewal of active license or active limited license, \$300;

(b) Renewal of inactive license or inactive limited license, \$150;

(c) Late fee for renewal of active or inactive license charged in addition to the renewal fee, \$150;

(d) Change of name, \$10;

(e) Transfer of license between registered business names, \$10; and

(f) Reactivation of inactive license, \$150.

(4) For each registered business name:

(a) Initial registration, \$300;

(b) Renewal of active registration, \$50; and

(c) Change of name, \$300.

(5) For initial registration of each branch office, \$50.

(6) For each temporary license issued under ORS 696.205:

(a) Initial issuance, \$150; and

(b) Extension, \$150.

(7) For each continuing education provider certification:

(a) Initial application, \$300; and

(b) Renewal, \$50.

SECTION 12. ORS 696.280 is amended to read:

696.280. (1) A licensed real estate property manager or principal real estate broker shall maintain within this state, except as provided in subsection (6) of this section, complete and adequate records of all professional real estate activity conducted by or through the licensed real estate property manager or principal real estate broker. The Real Estate Agency shall specify by rule the records required to establish complete and adequate records of a licensed real estate property manager's or principal real estate broker's professional real estate activity. The only documents the agency may require by rule a licensed real estate property manager or principal real estate broker to use or generate are documents that are otherwise required by law or are voluntarily generated

in the course of conducting professional real estate activity.

(2) A real estate licensee, **other than a timeshare sales agent**, shall maintain records of the licensee's attendance in continuing education courses for a period of at least three years. The records of attendance must meet the requirements of ORS 696.174.

(3) Records maintained under this section must at all times be open for inspection by the Real Estate Commissioner or the commissioner's authorized representatives.

(4) Except as provided in subsection (2) of this section, records under this section must be maintained by the real estate licensee for a period of not less than six years after the following date:

(a) For a notice of clients' trust account and authorization to examine under ORS 696.245, the date the account was closed;

(b) For real estate transactions, the date a transaction closed or failed, whichever is later;

(c) For management of rental real estate, the date on which the record expired, was superseded or terminated, or otherwise ceased to be in effect; and

(d) For all other records, the date the record was created or received, whichever is later.

(5) Records under this section may be maintained in any format that allows for inspection and copying by the commissioner or the commissioner's representatives, as prescribed by rule of the agency.

(6) The agency may prescribe by rule terms and conditions under which a licensed real estate property manager or principal real estate broker may maintain records outside this state.

SECTION 13. ORS 696.294 is amended to read:

696.294. *[(1) As used in this section, "letter opinion" means a document that expresses a real estate licensee's conclusion regarding a recommended listing, selling or purchase price or a rental or lease consideration of certain real estate and that results from the licensee's competitive market analysis.]*

(1) As used in this section, "letter opinion" means:

(a) A document that expresses a real estate broker's, principal real estate broker's or licensed real estate property manager's conclusion regarding a recommended listing, selling or purchase price or a rental or lease consideration of certain real estate and that results from the licensee's competitive market analysis; or

(b) A document that expresses a timeshare sales agent's conclusion regarding a recommended listing, selling or purchase price of a timeshare and that results from the licensee's competitive market analysis.

(2) The Real Estate Commissioner by rule shall specify the minimum contents of a letter opinion, including but not limited to the distinction between a letter opinion and a real estate appraisal.

SECTION 14. ORS 696.301 is amended to read:

696.301. Subject to ORS 696.396, the Real Estate Commissioner may suspend or revoke the real estate license of any real estate licensee, reprimand any real estate licensee or deny the issuance or renewal of a license to an applicant who has:

(1) Created a reasonable probability of damage or injury to a person by making one or more material misrepresentations or false promises in a matter related to professional real estate activity.

(2) Represented, attempted to represent or accepted compensation from a principal real estate broker other than the principal real estate broker with whom the real estate broker **or timeshare sales agent** is associated.

(3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency.

(4) Knowingly or recklessly published materially misleading or untruthful advertising.

(5) Acted as an agent and an undisclosed principal in any transaction.

(6) Intentionally interfered with the contractual relations of others concerning real estate or professional real estate activity.

(7) Intentionally interfered with the exclusive representation or exclusive brokerage relationship of another real estate licensee.

(8) Accepted employment or compensation for the preparation of a competitive market analysis or letter opinion that is contingent upon reporting a predetermined value or for real estate in which the real estate licensee had an undisclosed interest.

(9) Represented a taxpayer as described in ORS 305.239 or 309.100, contingent upon reporting a predetermined value or for real estate in which the real estate licensee had an undisclosed interest.

(10) Failed to ensure, in any real estate transaction in which the real estate licensee performed the closing, that the buyer and seller received a complete detailed closing statement showing the amount and purpose of all receipts, adjustments and disbursements.

(11) Has been convicted of a felony or misdemeanor substantially related to the real estate licensee's trustworthiness or competence to engage in professional real estate activity.

(12) Demonstrated incompetence or untrustworthiness in performing any act for which the real estate licensee is required to hold a license.

(13) Violated a term, condition, restriction or limitation contained in an order issued by the commissioner.

(14) Committed an act of fraud or engaged in dishonest conduct substantially related to the fitness of the applicant or real estate licensee to conduct professional real estate activity, without regard to whether the act or conduct occurred in the course of professional real estate activity.

(15) Engaged in any conduct that is below the standard of care for the practice of professional real estate activity in Oregon as established by the community of individuals engaged in the practice of professional real estate activity in Oregon.

SECTION 15. ORS 696.310 is amended to read:

696.310. (1) If two or more principal real estate brokers are associated with the same registered business name, the principal real estate brokers shall:

(a) Execute one or more written supervisory agreements between them that:

(A) Fully allocate the supervisory control and responsibility for the professional real estate activities of all real estate brokers **and timeshare sales agents** associated with the registered business name;

(B) Include a default allocation of supervisory control and responsibility for any real estate brokers **and timeshare sales agents** who associate with the registered business name in the future or who are otherwise omitted from the written supervisory agreement; and

(C) Include any supervisory control and responsibility of one principal real estate broker over another principal real estate broker;

(b) Update the written supervisory agreement if the disassociation of a principal real estate broker occurs that affects the allocation of supervisory control or responsibility; and

(c) Share equal supervisory control and responsibility for any professional real estate activity conducted by real estate brokers **and timeshare sales agents** associated with the registered business name that is not otherwise covered by the written supervisory agreement.

(2) If a licensed real estate property manager is associated with the same registered business name as any combination of licensed real estate property managers and principal real estate bro-

kers, the licensed real estate property managers and principal real estate brokers shall:

(a) Execute one or more written supervisory agreements between them that:

(A) Fully allocates supervisory control and responsibility for management of rental real estate conducted by all principal real estate brokers and licensed real estate property managers associated with the registered business name; and

(B) Includes any arrangement for supervisory control and responsibility over the management of rental real estate conducted by the licensed real estate property managers and principal real estate brokers;

(b) Update the written supervisory agreement if another licensed real estate property manager or principal real estate broker associates with the registered business name; and

(c) Update the written supervisory agreement if the disassociation of a licensed real estate property manager or principal real estate broker occurs that affects the allocation of supervisory control or responsibility over management of rental real estate.

(3) Licensed real estate property managers and principal real estate brokers who do not exercise administrative or supervisory control over one another are each responsible for their own management of rental real estate.

SECTION 16. ORS 696.320 is amended to read:

696.320. The suspension or revocation of a principal real estate broker's license renders inactive every license of the real estate brokers **and timeshare sales agents** engaged by the principal real estate broker pending a transfer of the license. The Real Estate Agency shall transfer a license rendered inactive under this section if the real estate licensee requests a transfer within 30 days after the effective date of the suspension or revocation of the principal real estate broker's license and pays a transfer fee.

SECTION 17. ORS 696.365 is amended to read:

696.365. (1) A city or county may not impose a business license tax on or collect a business license tax from an individual licensed as a real estate broker **or a timeshare sales agent** who engages in professional real estate activity only as an agent of a principal real estate broker.

(2) As used in this section, "business license tax" has the meaning given that term in ORS 701.015.

SECTION 18. ORS 696.710 is amended to read:

696.710. (1) A real estate broker, [or] principal real estate broker **or timeshare sales agent** conducting professional real estate activity within this state may not bring or maintain any action for the collection of compensation without alleging and proving that the individual was a real estate licensee when the alleged cause of action arose.

(2) An action for collection of compensation from a client for professional real estate activity conducted by a real estate broker **or timeshare sales agent** associated with a principal real estate broker may not be brought or maintained except by the principal real estate broker with whom the real estate broker **or timeshare sales agent** was associated when the alleged cause of action arose.

SECTION 19. (1) The amendments to ORS 696.010, 696.020, 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.241, 696.270, 696.280, 696.294, 696.301, 696.310, 696.320, 696.365 and 696.710 by sections 1 to 18 of this 2025 Act become operative on January 1, 2026.

(2) The Real Estate Agency may adopt rules and take any other action before the operative date specified in subsection (1) of this section that is necessary to enable the agency to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the agency by the amendments to ORS 696.010,

1 **696.020, 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.241, 696.270, 696.280, 696.294,**
2 **696.301, 696.310, 696.320, 696.365 and 696.710 by sections 1 to 18 of this 2025 Act.**

3 **SECTION 20. This 2025 Act being necessary for the immediate preservation of the public**
4 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
5 **July 1, 2025.**

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