

A-Engrossed House Bill 3137

Ordered by the House February 24
Including House Amendments dated February 24

Sponsored by Representative BREESE-IVERSON, Senators MEEK, ANDERSON (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 changes laws about folks who work as real estate agents. (Flesch Readability Score: 81.8).

Modifies laws related to regulation of real estate professionals. Defines "managing principal broker" and prescribes responsibilities.

A BILL FOR AN ACT

1
2 Relating to real estate professionals; creating new provisions; and amending ORS 696.010, 696.020,
3 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.182, 696.200, 696.241, 696.245, 696.280,
4 696.290, 696.301, 696.310, 696.315, 696.320, 696.365, 696.385, 696.445, 696.710, 696.800, 696.815,
5 696.822 and 696.990.

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

7 **SECTION 1.** ORS 696.010 is amended to read:

8 696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and
9 696.995 **and sections 13 and 20 of this 2025 Act**, unless the context requires otherwise:

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

12 (a) A real estate broker and a [*principal real estate broker*] **managing principal broker**;

13 (b) A licensed real estate property manager and a [*principal real estate broker*] **managing**
14 **principal broker**; or

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 (C) Negotiating with prospective tenants;

33 (D) Accepting deposits from prospective tenants;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

12 **(15) “Managing principal broker” means an individual who is a principal real estate bro-**
13 **ker and who has registered or assumed responsibility for a business name under this chap-**
14 **ter.**

15 [(15)] **(16)** “Nonlicensed individual” means an individual:

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

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

18 [(16)] **(17)** “Principal real estate broker” means an individual who holds an active license as a
19 principal real estate broker issued under ORS 696.022.

20 [(17)] **(18)** “Professional real estate activity” means any of the following actions, when engaged
21 in for another and for compensation or with the intention or in the expectation or upon the promise
22 of receiving or collecting compensation, by any person who:

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

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

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

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

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

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

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

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

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

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

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

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

44 (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real
45 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)] (19) “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)] (20) “Real estate” includes leaseholds and licenses to use including, but not limited to, timeshare estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest or estate in real property, whether corporeal or incorporeal, whether freehold or nonfreehold, whether held separately or in common with others and whether the real property is situated in this state or elsewhere.

[(20)] (21) “Real estate broker” means an individual who holds an active license as a real estate broker issued under ORS 696.022.

[(21)] (22) “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.

[(22)] (23) “Real estate property manager” means a real estate licensee who engages in the management of rental real estate and is:

(a) A licensed real estate property manager[,];

(b) A managing principal broker; or

(c) A principal real estate broker or a real estate broker who is associated with and supervised by a [*principal real estate broker*] **managing principal broker.**

[(23)] (24) “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.

SECTION 2. ORS 696.010, as amended by section 10, chapter 3, Oregon Laws 2024, 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 and sections 1 to 9, chapter 3, Oregon Laws 2024, 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*] **managing principal broker;**

(b) A licensed real estate property manager and a [*principal real estate broker*] **managing principal 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 legal holiday.

1 (5) “Commingle” means the mixing of funds from any source, including personal funds, with trust
2 funds as defined in ORS 696.241, by a licensed real estate property manager or [*principal real estate*
3 *broker*] **managing principal broker**, except as specifically authorized by this chapter.

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

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

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

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

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

20 (11) “Letter opinion” has the meaning given that term in ORS 696.294.

21 (12) “Licensed real estate property manager” means an individual who holds an active real es-
22 tate property manager’s license issued under ORS 696.022.

23 (13) “Main office” means the office designated by a [*principal real estate broker*] **managing**
24 **principal broker** or licensed real estate property manager pursuant to ORS 696.200.

25 (14) “Management of rental real estate” means:

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

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

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

30 (C) Negotiating with prospective tenants;

31 (D) Accepting deposits from prospective tenants;

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

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

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

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

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

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

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

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

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

44 (b) Representing a tenant or prospective tenant when renting or leasing real estate for which
45 a real estate property manager has a property management agreement with the owner of the real

1 estate and includes but is not limited to:

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

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

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

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

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

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

10 **(15) “Managing principal broker” means an individual who is a principal real estate bro-**
11 **ker and who has registered or assumed responsibility for a business name under this chap-**
12 **ter.**

13 [(15)] (16) “Nonlicensed individual” means an individual:

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

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

16 [(16)] (17) “Principal real estate broker” means an individual who holds an active license as a
17 principal real estate broker issued under ORS 696.022.

18 [(17)] (18) “Professional real estate activity” means any of the following actions, when engaged
19 in for another and for compensation or with the intention or in the expectation or upon the promise
20 of receiving or collecting compensation, by any person who:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

45 [(18)] (19) “Property management agreement” means a written contract for the management of

1 rental real estate between a real estate property manager and the owner of the rental real estate.

2 [(19)] (20) "Real estate" includes leaseholds and licenses to use including, but not limited to,
3 timeshare estates and timeshare licenses as defined in ORS 94.803, as well as any and every interest
4 or estate in real property, whether corporeal or incorporeal, whether freehold or nonfreehold,
5 whether held separately or in common with others and whether the real property is situated in this
6 state or elsewhere.

7 [(20)] (21) "Real estate broker" means an individual who holds an active license as a real estate
8 broker issued under ORS 696.022.

9 [(21)] (22) "Real estate licensee" means an individual who holds an active license or an active
10 limited license as a real estate broker, principal real estate broker or licensed real estate property
11 manager.

12 [(22)] (23) "Real estate property manager" means a real estate licensee who engages in the
13 management of rental real estate and is:

14 (a) A licensed real estate property manager[.];

15 (b) **A managing principal broker; or**

16 (c) A principal real estate broker or a real estate broker who is associated with and supervised
17 by a [*principal real estate broker*] **managing principal broker.**

18 [(23)] (24) "Registered business name" means a name registered with the Real Estate Agency
19 under which the individual registering the name engages in professional real estate activity.

20 **SECTION 3.** ORS 696.020 is amended to read:

21 696.020. (1) The Real Estate Agency may issue a real estate license only to an individual.

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

25 (3) Real estate brokers, **managing principal brokers** and principal real estate brokers are
26 bound by and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to
27 696.870, 696.990 and 696.995 while:

28 (a) Engaging in professional real estate activity; or

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

31 (4) A real estate licensee is bound by and subject to the requirements of ORS 696.010 to 696.495,
32 696.600 to 696.785, 696.890, 696.990 and 696.995 while engaging in the management of rental real
33 estate.

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

38 **SECTION 4.** ORS 696.022 is amended to read:

39 696.022. (1) The Real Estate Agency shall establish by rule a system for licensing real estate
40 brokers, principal real estate brokers and licensed real estate property managers. The system shall
41 establish, at a minimum:

42 (a) The form and content of applications for licensing under each category of real estate pro-
43 fessional licensed by the agency;

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

45 (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*] **a managing principal broker and**
5 **supervised by the same managing principal broker.** Except as provided in paragraph (c) of this
6 subsection, a real estate broker may not employ, engage or supervise the professional real estate
7 activity of another real estate licensee.

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

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

14 (B) Proof that the applicant:

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

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

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

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

23 [*(3)(a) A principal real estate broker may engage in professional real estate activity.*]

24 (3)(a) **A principal real estate broker may engage in professional real estate activity when**
25 **the principal real estate broker is a managing principal broker or is associated with a man-**
26 **aging principal broker and is supervised by the same managing principal broker.**

27 (b) A principal real estate broker may conduct professional real estate activity in conjunction
28 with other real estate brokers, principal real estate brokers or licensed real estate property man-
29 agers. A principal real estate broker may employ, engage or supervise the professional real estate
30 activity of another real estate licensee **only if the principal real estate broker is a managing**
31 **principal broker or if the principal real estate broker has a written supervisory agreement**
32 **permitting the principal real estate broker to employ, engage or supervise the professional**
33 **real estate activity of another real estate licensee.**

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

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

40 (B) Proof that the applicant:

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

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

45 (iii) Has successfully completed the brokerage administration and sales supervision course re-

1 quired by the agency by rule; and

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

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

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

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

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

14 (B) Proof that the applicant:

15 (i) Has successfully completed the basic real estate property manager's educational courses re-
16 quired by the agency by rule; and

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

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

20 (5)(a) A license for a real estate broker, principal real estate broker or licensed real estate
21 property manager may be granted only to an individual who is trustworthy and competent to con-
22 duct professional real estate activity in a manner that protects the public interest. As a condition
23 of licensing, the commissioner may require proof of competence and trustworthiness that the com-
24 missioner deems necessary to protect the public interest.

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

30 (6) An individual licensed to engage in professional real estate activity in another state or
31 country may qualify for a principal real estate broker license, real estate broker license or real es-
32 tate property manager license if the individual successfully completes the course of study for and
33 passes the license examination corresponding to the license for which the individual applies, both
34 as prescribed by agency rule, and if the individual meets the other requirements for licensure in this
35 chapter.

36 (7) In order to satisfy the educational requirements under subsections (2) to (4) and (6) of this
37 section, a course must be approved by the commissioner. The commissioner shall determine the final
38 examination score acceptable as evidence of successful completion for each required course.

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

42 **SECTION 5.** ORS 696.026 is amended to read:

43 696.026. (1) The Real Estate Agency shall establish by rule systems for the registration and re-
44 newal of business names.

45 (2) The registration system must:

1 (a) Require the physical address associated with a registered business name to be the main office
2 of a [*principal real estate broker*] **managing principal broker** or licensed real estate property man-
3 ager;

4 (b) Require the registered business name to be:

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

8 (B) The name under which the [*principal real estate broker*] **managing principal broker** or li-
9 censed real estate property manager license was issued;

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

13 (d) Require the name of the [*principal real estate broker*] **managing principal broker** or licensed
14 real estate property manager who is responsible for:

15 (A) Maintaining the registration of the business name;

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

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

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

22 (E) Renewing the registration of the business name;

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

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

26 (H) Inactivating or reactivating the registration of the business name and associated branch
27 offices[.]; **and**

28 **(e) Require notification of a change to the managing principal broker or licensed real**
29 **estate property manager responsible for the registered business as described in paragraph**
30 **(d) of this subsection.**

31 (3) The renewal system must establish:

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

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

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

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

38 (a) The expiration of the registered business name;

39 (b) The inactivation of all associated licensees; and

40 (c) The inactivation of all associated branch offices.

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

43 (6) Only a [*principal real estate broker*] **managing principal broker** or licensed real estate
44 property manager may register a business name or register a branch office under the registered
45 business name of the main office.

1 (7) Only a *[principal real estate broker]* **managing principal broker, principal real estate**
2 **broker with a written supervisory agreement permitting the principal real estate broker to**
3 **supervise professional real estate activity** or licensed real estate property manager may control
4 and supervise the professional real estate activity conducted under the registered business name.

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

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

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

15 (11) A real estate broker associated with a *[principal real estate broker]* **managing principal**
16 **broker** may have an ownership interest in any business through which the *[principal real estate*
17 *broker]* **managing principal broker** conducts professional real estate activity, but may not control
18 or supervise the professional real estate activity of any other real estate licensee.

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

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

28 (14)(a) A *[principal real estate broker]* **managing principal broker** or licensed real estate prop-
29 erty manager who registers a business name may register additional business names for business
30 organizations that are affiliated with the registered business name, or business organizations that
31 are subsidiaries of the business with the registered name.

32 (b) A principal real estate broker or licensed real estate property manager may conduct pro-
33 fessional real estate activity under two or more registered business names only if the business or-
34 ganizations are affiliated with, or subsidiaries of, the business with the registered name.

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

39 **SECTION 6.** ORS 696.030 is amended to read:

40 696.030. ORS 696.010 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785, 696.990
41 and 696.995 do not apply to:

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

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

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

1 (ii) Is the employee's principal activity, but the employer's principal activity or business is not
2 the sale, exchange, lease option or acquisition of real estate.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (a) Negotiating rental or lease agreements;

44 (b) Checking tenant and credit references;

45 (c) Physically maintaining the real estate;

- 1 (d) Conducting tenant relations;
2 (e) Collecting the rent;
3 (f) Supervising the premises' managers;
4 (g) Discussing financial matters relating to the management of the real estate with the owner;
5 and
6 (h) Receiving and disbursing trust funds in a clients' trust account under ORS 696.241.
- 7 (10) A nonlicensed individual who sells or leases cemetery lots, parcels or units while engaged
8 in the disposition of human bodies under ORS 97.010 to 97.040, 97.110 to 97.450, 97.510 to 97.730,
9 97.810 to 97.920 and 97.990 or an employee of the nonlicensed individual performing similar activ-
10 ities.
- 11 (11) A nonlicensed individual who is a salaried employee of the State of Oregon, or any of its
12 political subdivisions, engaging in professional real estate activity as a part of such employment.
- 13 (12) A nonlicensed individual who analyzes or provides advice regarding permissible land use
14 alternatives, environmental impact, building and use permit procedures, development alternatives
15 or demographic market studies or who performs development management, or a regular full-time
16 employee of the nonlicensed individual performing similar activities. This exclusion does not apply
17 to marketing, procuring prospects, leasing or the handling of transactional negotiations for transfer
18 of an interest in real estate.
- 19 (13) An individual who is a hotelkeeper or innkeeper as defined by ORS 699.005 arranging the
20 rental of transient lodging at a hotel or inn in the course of business as a hotelkeeper or innkeeper.
- 21 (14) A nonlicensed individual who is a travel agent arranging the rental of transient lodging at
22 a hotel or inn as defined in ORS 699.005 in the course of business as a travel agent for compen-
23 sation. For the purpose of this subsection, "travel agent" means a person, and employees of the
24 person, regularly representing and selling travel services to the public directly or through other
25 travel agents.
- 26 (15) A nonlicensed individual who is a common carrier arranging the rental of transient lodging
27 at a hotel or inn as defined in ORS 699.005 in the course of business as a common carrier. For the
28 purpose of this subsection, "common carrier" means a person that transports or purports to be
29 willing to transport individuals from place to place by rail, motor vehicle, boat or aircraft for hire,
30 compensation or consideration.
- 31 (16) A nonlicensed individual who is a hotel representative arranging the rental of transient
32 lodging at a hotel or inn as defined in ORS 699.005 in the course of business as a hotel represen-
33 tative. For the purpose of this subsection, "hotel representative" means a person that provides res-
34 ervations or sale services to independent hotels, airlines, steamship companies and government
35 tourist agencies.
- 36 (17) A nonlicensed individual transferring or acquiring an interest in real estate owned or to
37 be owned by the nonlicensed individual.
- 38 (18) A nonlicensed individual who is a general partner for a domestic or foreign limited part-
39 nership duly registered and operating within this state under ORS chapter 70 engaging in the sale
40 of limited partnership interests and the acquisition, sale, exchange, lease, transfer or management
41 of the real estate of the limited partnership.
- 42 (19) A nonlicensed individual who is a membership camping contract broker or salesperson
43 registered with the Real Estate Agency selling membership camping contracts.
- 44 (20) A nonlicensed individual who is a professional forester or farm manager engaging in prop-
45 erty management activity on forestland or farmland when the activity is incidental to the nonreal

1 estate duties involving overall management of forest or farm resources.

2 (21) A nonlicensed individual who is a registered investment adviser under the Investment Ad-
3 visers Act of 1940, 15 U.S.C. 80b-1 et seq., rendering real estate investment services for the office
4 of the State Treasurer or the Oregon Investment Council.

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

9 (23) A nonlicensed individual who gives an opinion in an administrative or judicial proceeding
10 regarding the value of real estate for taxation or representing a taxpayer under ORS 305.239 or
11 309.100.

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

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

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

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

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

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

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

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

34 **SECTION 7.** ORS 696.125 is amended to read:

35 696.125. (1) The Real Estate Commissioner may issue a limited license to an applicant for a li-
36 cense as a real estate broker, principal real estate broker or real estate property manager if the
37 commissioner determines that the issuance is in the public interest. The commissioner may limit a
38 license issued under this section:

39 (a) By term;

40 (b) To acts subject to the supervision of a specific [*principal real estate broker*] **managing**
41 **principal broker**;

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

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

45 (2) A limited license issued under this section may be renewed as provided by the commissioner

1 by rule. A limited license may be suspended or revoked, or the real estate licensee may be
2 reprimanded, by the commissioner on the grounds set out in ORS 696.301 or for failure to comply
3 with the limitations of the license.

4 **SECTION 8.** ORS 696.130 is amended to read:

5 696.130. (1)(a) If the license of a real estate broker or principal real estate broker is revoked
6 by the Real Estate Commissioner on grounds related to professional real estate activity other than
7 the management of rental real estate, the commissioner may not issue a new license until the indi-
8 vidual complies with the provisions of ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to
9 696.870.

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

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

18 (a) By term;

19 (b) To acts subject to the supervision of a specific [*principal real estate broker*] **managing**
20 **principal broker**; or

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

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

25 **SECTION 9.** ORS 696.174 is amended to read:

26 696.174. (1) To renew an active license or to reactivate a license for the first time since the li-
27 cense was renewed to an inactive status, a real estate licensee must complete 30 hours of real estate
28 continuing education courses that are eligible for credit under ORS 696.182 during the two years
29 preceding the renewal or reactivation. The 30 hours must include:

30 (a) At least [*three*] **two** hours in a course approved by the Real Estate Board on [*state and fed-*
31 *eral fair housing laws and*] recent changes in real estate rule and law; [*and*]

32 **(b) At least two hours in a course approved by the Real Estate Board on state and federal**
33 **fair housing laws; and**

34 [(b)(A)] **(c)(A)** If the real estate broker is renewing an active license for the first time or reac-
35 tivating a license for the first time since renewing the license to an inactive status, an advanced
36 course in real estate practices approved by the Real Estate Agency;

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

40 **(C)** If a principal real estate broker is renewing an active license for the first time or reactiv-
41 ating a license for the first time since renewing the license to an inactive status, an advanced
42 course in brokerage practices approved by the agency.

43 (2) The agency, in consultation with real estate professionals and educators, shall develop a re-
44 porting format to ensure that a real estate licensee has completed the number of hours required by
45 subsection (1) of this section. The reporting format must include:

- 1 (a) The date, name and length of time of each course attended;
- 2 (b) The name of the real estate continuing education provider that offered the course;
- 3 (c) The name of the instructor who taught the course; and
- 4 (d) Any other information that the agency requires by rule.

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

9 **(4) To renew an active license for the first time or to reactivate a license for the first**
10 **time since the license was renewed to an inactive status, a real estate licensee shall pass an**
11 **assessment of licensee proficiency, in a manner approved by the Real Estate Agency.**

12 **SECTION 10.** ORS 696.182 is amended to read:

13 696.182. (1) The Real Estate Agency, with advice from real estate professionals and educators,
14 shall establish by rule a system for certification and renewal of real estate continuing education
15 providers.

16 (2) The agency shall include in the rules that an applicant for certification under this section
17 must be:

18 (a) A main office or branch office, with a registered business name as provided under ORS
19 696.026, of a licensed real estate property manager or [*principal real estate broker*] **managing prin-**
20 **cipal broker;**

21 (b) A licensed title or escrow company conducting business in this state;

22 (c) A real estate trade association or a trade association in a related field;

23 (d) A real estate multiple listing service;

24 (e) An attorney who is an active member of the Oregon State Bar;

25 (f) A law firm, in which at least one of the attorneys associated with the law firm is an active
26 member of the Oregon State Bar;

27 (g) A private career school licensed by the Higher Education Coordinating Commission and ap-
28 proved by the agency to provide the basic real estate broker's or property manager's educational
29 courses required under ORS 696.022;

30 (h) An accredited community college, an accredited public university listed in ORS 352.002 or
31 a private and independent institution of higher education as defined in ORS 350.635;

32 (i) A distance learning provider as provided by rule of the agency; or

33 (j) Another provider approved by the Real Estate Board.

34 (3) The Real Estate Agency may provide continuing education without being certified under this
35 section.

36 (4) The agency, in consultation with real estate professionals and educators, shall provide by
37 rule:

38 (a) A broad list of course topics that are eligible for continuing education credit required by
39 ORS 696.174; and

40 (b) Learning objectives for each course topic.

41 (5) The list of course topics developed by the agency under subsection (4) of this section must
42 allow for changes in the real estate profession.

43 (6) The minimum length of each course is one hour. A continuing education provider or course
44 instructor may allow a break of no more than 10 minutes for each hour of instruction.

45 **SECTION 11.** ORS 696.200 is amended to read:

1 696.200. (1) A licensed real estate property manager or [*principal real estate broker*] **managing**
2 **principal broker** shall:

3 (a) Establish and maintain in this state a place of business designated as the real estate
4 licensee’s main office;

5 (b) Register the main office with the Real Estate Agency under a registered business name as
6 provided in ORS 696.026;

7 (c) Designate the main office by a sign that contains the name under which the real estate
8 licensee conducts professional real estate activity as provided in ORS 696.026; and

9 (d) Before changing a main office location, notify the agency of the new location on a form ap-
10 proved by the agency.

11 (2) The change of a business location without notification to the agency as required by sub-
12 sections (1) and [~~5~~] **(6)** of this section is grounds for revocation of a real estate license.

13 (3) The place of business of a [*principal real estate broker*] **managing principal broker** or li-
14 censed real estate property manager must be specified in the application for a registered business
15 name or branch office.

16 (4) A [*principal real estate broker*] **managing principal broker, principal real estate broker**
17 **with a written supervisory agreement permitting the principal real estate broker to super-**
18 **visе licensees** or licensed real estate property manager may:

19 (a) Establish and maintain one or more branch offices as separate business locations under the
20 control and supervision of a licensed real estate property manager [*or principal real estate broker*],
21 **managing principal broker or principal real estate broker with a written supervisory agree-**
22 **ment permitting the principal real estate broker to supervise licensees**; and

23 (b) Conduct and supervise the professional real estate activity of more than one office, whether
24 a main office or a branch office.

25 **(5) Only a managing principal broker or principal real estate broker with a written su-**
26 **pervisory agreement permitting the principal real estate broker to supervise licensees may**
27 **control or supervise a main office, branch office or portions of an office.**

28 [~~5~~] **(6)** A licensed real estate property manager or [*principal real estate broker*] **managing**
29 **principal broker** shall:

30 (a) Register each branch office with the agency under a registered business name as provided
31 in ORS 696.026;

32 (b) Designate each branch office by a sign that contains the name under which the real estate
33 licensee conducts professional real estate activity as provided in ORS 696.026; and

34 (c) Before changing a branch office location, notify the agency of the new location on a form
35 approved by the agency.

36 [~~6~~] **(7)** Upon vacating a main office or branch office location, the licensed real estate property
37 manager or [*principal real estate broker*] **managing principal broker** shall ensure that the sign
38 containing the registered business name is removed from the location.

39 [~~7~~] **(8)** A licensed real estate property manager or [*principal real estate broker*] **managing**
40 **principal broker** may not display any name at a main office or branch office other than the regis-
41 tered business name under which the real estate licensee conducts professional real estate activity.

42 **SECTION 12. Section 13 of this 2025 Act is added to and made a part of ORS 696.010 to**
43 **696.495.**

44 **SECTION 13. Real estate teams. (1) As used in this section, “real estate team” means a**
45 **subdivision of a registered business that performs professional real estate activities and is**

1 comprised of one or more real estate licensees operating under a name other than the reg-
2 istered business name.

3 (2) Upon approval of the managing principal broker, some or all associated real estate
4 licensees in the main office or in a branch office may form a real estate team.

5 (3) Before entering into a written representation agreement or listing agreement with a
6 buyer or seller, a member of a real estate team shall provide a disclosure to the client in the
7 manner established by the Real Estate Agency by rule. The form established by the agency
8 must disclose the following information:

9 (a) The name and role of each member of the real estate team;

10 (b) Whether individual members of the real estate team are real estate licensees;

11 (c) The name of any members of the real estate team responsible for supervision and
12 control of some or all members of the real estate team, if any;

13 (d) The name of the managing principal broker with whom the real estate licensees on
14 the real estate team are associated and the registered business name of the brokerage; and

15 (e) A statement to the effect that the real estate team must have a disclosed limited
16 agency agreement in place before any members of the real estate team may perform any
17 professional real estate activities for a buyer or seller, when the real estate team either al-
18 ready represents another buyer or seller in the same real estate transaction or already re-
19 presents another buyer who wants to purchase the same property.

20 (4) A real estate team member must be a principal real estate broker before the real
21 estate team member may supervise or control the actions of any other real estate team
22 members. Unless the real estate team member is the managing principal broker, real estate
23 team members who supervise or control the actions of other real estate team members must
24 have a written supervisory agreement with the managing principal broker as described in
25 ORS 696.310.

26 (5) A name of a real estate team may not include the terms “realty” or “real estate” and
27 may not be identical to the registered business name.

28 (6) A real estate team may not perform professional real estate activities for a buyer or
29 seller when the real estate team either already represents another buyer or seller in the
30 same real estate transaction or already represents another buyer who wants to purchase the
31 same property, unless the real estate team has entered into a disclosed limited agency
32 agreement with the buyer and seller or with the multiple buyers respectively.

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

34 696.241. (1) As used in this section, “trust funds” means money belonging to others that is re-
35 ceived or handled by a licensed real estate property manager or principal real estate broker in the
36 course of conducting professional real estate activity and in the real estate licensee’s fiduciary ca-
37 pacity.

38 (2) A licensed real estate property manager, or a [*principal real estate broker*] **managing prin-**
39 **cipal broker** who engages in the management of rental real estate, shall open and maintain in this
40 state one or more separate federally insured bank accounts that are designated clients’ trust ac-
41 counts under ORS 696.245. A [*principal real estate broker*] **managing principal broker** who engages
42 in the management of rental real estate or a licensed real estate property manager shall deposit in
43 a clients’ trust account all trust funds received or handled by the [*principal real estate broker*]
44 **managing principal broker**, licensed real estate property manager or real estate licensees subject
45 to the supervision of the [*principal real estate broker*] **managing principal broker**.

1 (3)(a) A [*principal real estate broker*] **managing principal broker** who receives or handles trust
 2 funds and does not deposit the trust funds in a licensed neutral escrow depository as described in
 3 paragraph (b) of this subsection shall open and maintain in this state one or more separate federally
 4 insured bank accounts that are designated clients' trust accounts under ORS 696.245. Pursuant to
 5 written agreement of all parties to a real estate transaction having an interest in the trust funds,
 6 the [*principal real estate broker*] **managing principal broker** shall immediately place the trust funds
 7 in a clients' trust account.

8 (b) A [*principal real estate broker*] **managing principal broker** may deposit trust funds in a li-
 9 censed neutral escrow depository in this state.

10 (4) A [*principal real estate broker*] **managing principal broker** or licensed real estate property
 11 manager who opens a clients' trust account under subsection (2) or (3) of this section, or to whom
 12 ownership of a clients' trust account is transferred, is liable for all deposits and disbursements made
 13 using the clients' trust account until the principal real estate broker or licensed real estate property
 14 manager closes the account or transfers ownership of the account.

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

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

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

20 (6) If a licensed real estate property manager or [*principal real estate broker*] **managing prin-**
 21 **cipal broker** maintains a separate clients' trust account in a branch office, a separate bookkeeping
 22 system must be maintained in the branch office and a copy of the records required under ORS
 23 696.280 must be maintained in the main office of the licensed real estate property manager or
 24 [*principal real estate broker*] **managing principal broker**.

25 (7) Trust funds received by a licensed real estate property manager or [*principal real estate*
 26 *broker*] **managing principal broker** may be deposited by the licensed real estate property manager
 27 or [*principal real estate broker*] **managing principal broker** in a federally insured interest-bearing
 28 bank account that is designated a clients' trust account under ORS 696.245, but only with the prior
 29 written approval of all parties who have an interest in the trust funds. The earnings of the
 30 interest-bearing account inure to the benefit of the licensed real estate property manager or [*prin-*
 31 *cipal real estate broker*] **managing principal broker** only if expressly approved in writing by all
 32 parties who have an interest in the trust funds before deposit of the trust funds.

33 (8) With prior written notice to all parties who have an interest in the trust funds, a [*principal*
 34 *real estate broker*] **managing principal broker** may place trust funds received by the [*principal real*
 35 *estate broker*] **managing principal broker** in a real estate sales, purchase or exchange transaction
 36 in a federally insured interest-bearing bank account that is designated a clients' trust account under
 37 ORS 696.245, the earnings of which inure to the benefit of a public benefit corporation, as defined
 38 in ORS 65.001, for distribution to organizations and individuals for first-time homebuying assistance
 39 and for development of affordable housing. The [*principal real estate broker*] **managing principal**
 40 **broker** shall select a qualified public benefit corporation to receive the interest earnings.

41 (9) In connection with a real estate sales, purchase or exchange transaction, a principal real
 42 estate broker is not entitled to any part of any interest earnings on trust funds deposited under
 43 subsection (7) of this section or to any part of the earnest money or other money paid to the prin-
 44 cipal real estate broker as part or all of the principal real estate broker's compensation until the
 45 transaction has been completed or terminated. The principal real estate broker and the seller shall

1 negotiate and agree in writing to the disposition of forfeited earnest money at the time of execution
2 by the seller of any listing agreement or earnest money agreement. An agreement about the dispo-
3 sition of forfeited earnest money must be initialed by the seller or immediately precede the seller's
4 signature.

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

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

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

18 (13) A real estate licensee who, for the purpose of transmitting a check, receives the check from
19 a buyer or tenant that is payable to a property owner or seller is exempt from the deposit require-
20 ments of subsections (2) and (3) of this section. The agency may determine by rule the records that
21 must be maintained for checks received as described in this subsection and the manner in which the
22 checks must be transmitted.

23 **SECTION 15.** ORS 696.245 is amended to read:

24 696.245. (1) Each licensed real estate property manager and [*principal real estate broker*] **man-**
25 **aging principal broker**, at the time a clients' trust account is opened as required under ORS
26 696.241, shall provide the bank in which the account is opened with a notice, acknowledged by the
27 real estate licensee and the bank, in substantially the following form:
28

29 _____

30 NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE

31
32 To: _____ (name of bank)

33 Under the Oregon Real Estate License Law, I, _____ (licensed name), am a li-
34 censed real estate property manager or licensed principal real estate broker for
35 _____ (registered business name under ORS 696.026).

36 Under ORS 696.241, I am required to maintain in Oregon a clients' trust account for the purpose
37 of holding funds belonging to others received in the course of conducting professional real estate
38 activity.

39 An account numbered _____ in the name of _____ is hereby desig-
40 nated as a clients' trust account and the account is maintained with you as a depository for money
41 belonging to persons other than myself and in my fiduciary capacity as a licensed real estate prop-
42 erty manager or licensed principal real estate broker established by client agreements in separate
43 documents.

44 I hereby authorize you to furnish information requested by the Real Estate Commissioner and/or
45 authorized representative concerning the account listed above as required by ORS 696.245.

1 Dated: _____ (insert date)

2 _____
3 (signature of real estate licensee)

4
5 ACKNOWLEDGMENT OF RECEIPT

6
7 I, _____, a duly authorized representative of _____ (bank), do hereby
8 acknowledge receipt of the above NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORI-
9 ZATION TO EXAMINE on _____ (date).

10 _____
11 (signature)

12 _____
13 (title)

14
15
16 (2) Within 10 business days from the date a clients' trust account is opened, a licensed real es-
17 tate property manager or [*principal real estate*] **managing principal** broker shall notify the Real
18 Estate Agency that the account has been opened. The notice must include information about the
19 clients' trust account, including but not limited to:

- 20 (a) The name of the bank where the account is located;
- 21 (b) The account number;
- 22 (c) The name of the account;
- 23 (d) The date the account was opened; and
- 24 (e) An acknowledged copy of the notice described in subsection (1) of this section.

25 (3) Within 10 business days from the date a clients' trust account is closed or transferred, a li-
26 censed real estate property manager or [*principal real estate*] **managing principal** broker shall no-
27 tify the agency that the account has been closed or transferred and shall include in the notice the
28 date on which the account was closed or transferred.

29 (4) Notification to the agency under subsections (2) and (3) of this section must be made in the
30 manner established by the agency by rule.

31 (5) The [*principal real estate*] **managing principal** broker or licensed real estate property man-
32 ager shall retain the acknowledged copy of the notice described in subsection (1) of this section for
33 at least six years following the closing of the account as provided in ORS 696.280.

34 **SECTION 16.** ORS 696.280 is amended to read:

35 696.280. (1) A licensed real estate property manager or [*principal real estate broker*] **managing**
36 **principal broker** shall maintain within this state, except as provided in subsection (6) of this sec-
37 tion, complete and adequate records of all professional real estate activity conducted by or through
38 the licensed real estate property manager or [*principal real estate broker*] **managing principal**
39 **broker**. The Real Estate Agency shall specify by rule the records required to establish complete and
40 adequate records of a licensed real estate property manager's or [*principal real estate broker's*]
41 **managing principal broker's** professional real estate activity. The only documents the agency may
42 require by rule a licensed real estate property manager or [*principal real estate broker*] **managing**
43 **principal broker** to use or generate are documents that are otherwise required by law or are vol-
44 untarily generated in the course of conducting professional real estate activity.

45 (2) A real estate licensee shall maintain records of the licensee's attendance in continuing edu-

1 cation courses for a period of at least three years. The records of attendance must meet the re-
2 quirements of ORS 696.174.

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

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

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

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

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

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

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

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

19 **SECTION 17.** ORS 696.290 is amended to read:

20 696.290. (1)(a) Except as provided in [*paragraph (b) of*] this subsection, a real estate licensee may
21 not offer, promise, allow, give, pay or rebate, directly or indirectly, any part or share of the
22 licensee's compensation arising or accruing from any real estate transaction or pay a finder's fee
23 to any person who is not a real estate licensee licensed under ORS 696.022, including a nonlicensed
24 individual described in ORS 696.030.

25 (b) A [*principal real estate broker*] **managing principal broker** may pay a finder's fee or a share
26 of the real estate licensee's compensation on a cooperative sale when the payment is made to a li-
27 censed real estate broker in another state or country, provided that:

28 (A) The state or country in which the nonresident real estate broker is licensed has a law per-
29 mitting real estate brokers to cooperate with [*principal real estate brokers*] **managing principal**
30 **brokers** in this state; and

31 (B) The nonresident real estate broker does not conduct in this state any acts constituting
32 professional real estate activity and for which compensation is paid. If a country does not license
33 real estate brokers, the payee must be a citizen or resident of the country and represent that the
34 payee is in the business of real estate brokerage in the other country.

35 (c) **A real estate licensee may offer, promise, allow, give, pay or rebate, directly or indi-**
36 **rectly, parts or shares of the licensee's compensation, arising or accruing from any real es-**
37 **tate transaction, to a charitable organization that is tax exempt under section 501(c)(3) of**
38 **the Internal Revenue Code.**

39 (2) A real estate [*broker*] **licensee** associated with a [*principal real estate broker*] **managing**
40 **principal broker** may not accept compensation from any person other than the [*principal real estate*
41 *broker*] **managing principal broker** with whom the real estate [*broker*] **licensee** is associated at the
42 time.

43 (3) A [*principal real estate broker*] **managing principal broker** may not make payment to the
44 real estate broker of another [*principal real estate broker*] **managing principal broker** except
45 through the [*principal real estate broker*] **managing principal broker** with whom the real estate

1 broker is associated.

2 (4) Notwithstanding ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870, a principal
3 real estate broker or a real estate [*broker*] **licensee** associated with a [*principal real estate broker*]
4 **managing principal broker** may create a corporation, limited liability company, limited liability
5 partnership or other lawfully constituted business organization for the purpose of receiving com-
6 pensation. The real estate licensee may not conduct professional real estate activity under a busi-
7 ness organization created pursuant to this subsection.

8 (5) Nothing in this section prevents payment of compensation earned by a real estate broker or
9 principal real estate broker while licensed because of the real estate broker's or principal real es-
10 tate broker's association with a different [*principal real estate broker*] **managing principal broker**
11 or because of inactivation of the real estate broker's or principal real estate broker's license. The
12 compensation may be paid directly to the real estate licensee by the [*principal real estate broker*]
13 **managing principal broker** with whom the real estate licensee was associated at the time the
14 professional real estate activity for which the compensation was earned was conducted.

15 (6) Nothing in subsection (1) of this section prohibits a [*principal real estate*] **managing princi-**
16 **pal broker** or licensed real estate property manager who has a property management agreement
17 with the owner of a residential building or facility from authorizing the payment of a referral fee,
18 rent credit or other compensation to an existing tenant of the owner or real estate licensee, or a
19 former tenant if the former tenant resided in the building or facility within the previous six months,
20 as compensation for referring new tenants to the real estate licensee.

21 (7)(a) Nothing in subsection (1) of this section prevents an Oregon [*principal real estate broker*]
22 **managing principal broker** from sharing compensation on a cooperative nonresidential real estate
23 transaction with a person who holds an active real estate license in another state or country, pro-
24 vided:

25 (A) Before the out-of-state real estate licensee performs any act in this state that constitutes
26 professional real estate activity, the real estate licensee and the cooperating Oregon [*principal real*
27 *estate broker*] **managing principal broker** agree in writing that the acts constituting professional
28 real estate activity conducted in this state will be under the supervision and control of the cooper-
29 ating Oregon [*principal real estate broker*] **managing principal broker** and will comply with all ap-
30 plicable Oregon laws;

31 (B) The cooperating Oregon [*principal real estate*] **managing principal broker** or a real estate
32 [*broker*] **licensee** associated with the [*principal real estate*] **managing principal broker** accompanies
33 the out-of-state real estate licensee and the client during any property showings or negotiations
34 conducted in this state; and

35 (C) All property showings and negotiations regarding nonresidential real estate located in this
36 state are conducted under the supervision and control of the cooperating Oregon [*principal real es-*
37 *tate broker*] **managing principal broker**.

38 (b) As used in this subsection, "nonresidential real estate" means real property that is improved
39 or available for improvement by commercial structures or five or more residential dwelling units.

40 **SECTION 18.** ORS 696.301 is amended to read:

41 696.301. Subject to ORS 696.396, the Real Estate Commissioner may suspend or revoke the real
42 estate license of any real estate licensee, reprimand any real estate licensee or deny the issuance
43 or renewal of a license to an applicant who has:

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

1 (2) Represented, attempted to represent or accepted compensation from a [*principal real estate*]
2 **managing principal** broker other than the [*principal real estate broker*] **managing principal broker**
3 with whom the real estate [*broker*] **licensee** is associated.

4 (3) Disregarded or violated any provision of ORS 659A.421, 696.010 to 696.495, 696.600 to 696.785,
5 696.800 to 696.870 and 696.890 or any rule of the Real Estate Agency.

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

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

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

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

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

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

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

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

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

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

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

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

33 **(16) If the licensee is a managing principal broker, failed to exercise reasonable super-
34 vision and control over the activities of associated real estate licensees.**

35 **SECTION 19. Section 20 of this 2025 Act is added to and made a part of ORS 696.010 to
36 696.495.**

37 **SECTION 20. Managing principal broker supervision and control. (1) A managing princi-
38 pal broker shall exercise reasonable supervision and control over the activities of real estate
39 brokers and principal real estate brokers associated with the managing principal broker. Reasonable supervision and control includes the establishment and enforcement of written
40 policies, procedures and systems to:**

41 **(a) Review and manage professional real estate activities of associated brokers;**

42 **(b) Review and manage usage of disclosure forms and contracts;**

43 **(c) Manage document filing and storage;**

44 **(d) Manage handling of client trust funds;**

1 (e) Manage usage of unlicensed assistants by associated brokers;

2 (f) Educate associated brokers on federal, state and local laws relating to the practice
3 of real estate;

4 (g) Review and inspect documents that may have a material effect on the rights or obli-
5 gations of a party to a transaction; and

6 (h) Ensure all licensees associated with the managing principal broker hold active real
7 estate licenses under ORS 696.022 before the licensees conduct any professional real estate
8 activity.

9 (2) The managing principal broker shall establish a system for monitoring compliance of
10 associated brokers with statutes, rules and the brokerage's policies, procedures and systems.

11 (3) The managing principal broker is responsible for the acts of all associated brokers
12 related to professional real estate activities and performed while a licensee's license is as-
13 sociated with the managing principal broker.

14 (4) The managing principal broker may allocate some or all of this supervisory control
15 and responsibility to a principal real estate broker associated with the managing principal
16 broker through a written supervisory agreement as described in ORS 696.310.

17 (5) This section does not apply to managing principal brokers who maintain a single office
18 and are not associated with other real estate licensees.

19 **SECTION 21.** ORS 696.310 is amended to read:

20 696.310. *[(1) If two or more principal real estate brokers are associated with the same registered
21 business name, the principal real estate brokers shall:]*

22 *[(a) Execute one or more written supervisory agreements between them that:]*

23 (1) Two or more principal real estate brokers may supervise real estate activities of real
24 estate licensees associated with the same registered business name, only if a managing
25 principal broker and a principal real estate broker:

26 (a) Execute one or more written supervisory agreements between the managing principal
27 broker and principal real estate broker that:

28 (A) *[Fully]* Allocate all or some of the supervisory control and responsibility for the profes-
29 sional real estate activities of all real estate *[brokers]* licensees associated with the registered
30 business name;

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

34 (C) Include any supervisory control and responsibility of *[one principal real estate broker]* the
35 managing principal broker over *[another]* the principal real estate broker;

36 (D) Include any supervisory control and responsibility of one principal real estate broker
37 over another principal real estate broker in the event that multiple principal real estate
38 brokers execute supervisory agreements with the managing principal broker;

39 (E) Include a succession plan that addresses scenarios where the managing principal
40 broker becomes deceased or incapacitated or their license becomes inactive, expired or as-
41 sociated with a different registered business name. The succession plan must describe how
42 supervisory control and responsibility for the registered business name will flow to a re-
43 maining principal real estate broker who will assume the managing principal broker role; and

44 (F) Expressly state that the managing principal broker's responsibility for professional
45 real estate activities of all real estate licensees associated with the registered business name

1 **may not be limited by the supervisory agreement;**

2 **(b) Update the written supervisory agreement if another principal real estate broker ex-**
3 **ecutes a written supervisory agreement with the managing principal broker; and**

4 *[(b)] (c) Update the written supervisory agreement if the disassociation of a principal real estate*
5 *broker occurs that affects the allocation of supervisory control or responsibility[; and].*

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

9 (2) If a licensed real estate property manager is associated with the same registered business
10 name as any combination of licensed real estate property managers and principal real estate bro-
11 kers, the licensed real estate property managers and *[principal real estate]* **managing principal**
12 **brokers shall:**

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

14 (A) *[Fully Allocates]* **Allocate all or some of the** supervisory control and responsibility for
15 management of rental real estate conducted by all *[principal real estate brokers]* **real estate**
16 **licensees** and licensed real estate property managers associated with the registered business name;
17 *[and]*

18 (B) *[Includes]* **Include** any arrangement for supervisory control and responsibility over the
19 management of rental real estate conducted by the licensed real estate property managers and
20 principal real estate brokers, **including opening and maintaining clients' trust accounts under**
21 **ORS 696.241 and 696.245;**

22 (C) **Include any supervisory control and responsibility of one real estate licensee or li-**
23 **icensed real estate property manager over another real estate licensee or licensed real estate**
24 **property manager in the event that multiple supervisory agreements are executed; and**

25 (D) **Include a succession plan in the event the real estate licensee or licensed real estate**
26 **property manager dies or is incapacitated, describing any allocation of supervisory control**
27 **and responsibility for the registered business name that will flow to the surviving real estate**
28 **licensees or licensed real estate property managers;**

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

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

34 (3) Licensed real estate property managers and *[principal real estate]* **managing principal** bro-
35 kers who do not exercise administrative or supervisory control over one another are each respon-
36 sible for their own management of rental real estate.

37 **SECTION 22.** ORS 696.315 is amended to read:

38 696.315. (1) Except as provided in subsection (2) of this section, a real estate licensee may not
39 knowingly permit a nonlicensed individual to engage in professional real estate activity, with or on
40 behalf of the licensee.

41 (2)(a) A *[principal real estate broker]* **managing principal broker** engaging in the management
42 of rental real estate or a licensed real estate property manager may delegate to a person who is not
43 licensed under this chapter the authority to conduct an activity described in ORS 696.030 (9). A
44 delegation made under this paragraph must be in writing.

45 (b) The *[principal real estate broker]* **managing principal broker** or licensed real estate property

1 manager is liable for the conduct of the nonlicensed person that the [*principal real estate broker*]
2 **managing principal broker** or licensed real estate property manager authorizes under paragraph
3 (a) of this subsection.

4 **SECTION 23.** ORS 696.320 is amended to read:

5 696.320. The suspension or revocation of a [*principal real estate broker's*] **managing principal**
6 **broker's** license renders inactive every license of the real estate brokers engaged by the [*principal*
7 *real estate broker*] **managing principal broker** pending a transfer of the license. The Real Estate
8 Agency shall transfer a license rendered inactive under this section if the real estate licensee re-
9 quests a transfer within 30 days after the effective date of the suspension or revocation of the
10 [*principal real estate broker's*] **managing principal broker's** license and pays a transfer fee.

11 **SECTION 24.** ORS 696.365 is amended to read:

12 696.365. (1) A city or county may not impose a business license tax on or collect a business li-
13 cense tax from an individual licensed as a real estate broker who engages in professional real estate
14 activity only as an agent of a [*principal real estate broker*] **managing principal broker**.

15 (2) As used in this section, "business license tax" has the meaning given that term in ORS
16 701.015.

17 **SECTION 25.** ORS 696.385 is amended to read:

18 696.385. The Real Estate Agency shall have the power to:

19 (1) Adopt a seal by which it shall authenticate its proceedings.

20 (2) From time to time, circulate among the real estate licensees of Oregon any material that the
21 agency may deem helpful or educational or proper for the guidance and welfare of the real estate
22 licensees.

23 (3) Make and enforce rules as necessary to administer and enforce the provisions of, and enforce
24 and discharge the duties defined in, any law with the administration or enforcement of which the
25 agency is charged.

26 (4) Except as provided in subsection (5) of this section, when the agency proposes to adopt,
27 amend or repeal a rule concerning real estate licensees, the agency shall:

28 (a) Submit a copy of the proposed rule to the Real Estate Board at least 10 days prior to pub-
29 lication of the notice of intended action required under ORS 183.335 for the rule.

30 (b) Consider any recommendations that the board, by majority vote, makes concerning the pro-
31 posed rule.

32 (c) Publish as part of the statement of need in the matters any written comments submitted by
33 the board for publication under paragraph (b) of this subsection.

34 (5) Subsection (4) of this section does not apply to a temporary rule that is adopted, amended
35 or suspended pursuant to ORS 183.335 (5). However, the agency shall submit to the board a copy
36 of any proposed temporary rule as soon as practicable and, to the extent possible under the cir-
37 cumstances, consider any recommendations that the board may make by majority vote regarding the
38 temporary rule.

39 **(6) Make available to all real estate licensees, free of charge, training material on all**
40 **rules and laws the agency is charged with carrying out or enforcing.**

41 **SECTION 26.** ORS 696.445 is amended to read:

42 696.445. (1) Pursuant to ORS 696.385 (2), the Real Estate Agency shall provide for the advance-
43 ment of education and research in connection with the educational requirements for the securing
44 of licenses for real estate licensees under ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to
45 696.870 and 696.995.

1 (2) The Real Estate Commissioner may assign and reassign staff in the agency to perform such
2 duties as the commissioner considers necessary to carry out subsection (1) of this section, including
3 but not limited to **the following**:

4 (a) **The creation of model advertisements, model procedures and model recordkeeping**
5 **practices and the review of advertisements, promotional activities of real estate licensees,**
6 **model property management process guides, managing principal broker office policies, prop-**
7 **erty manager office policies and recordkeeping policies for compliance with rules**
8 **promulgated by the commissioner.**

9 (b) The preparation and distribution of a periodic publication to be known as the Oregon Real
10 Estate News Journal. [and]

11 (c) The preparation and publication of other printed or electronic information of an educational
12 nature for the benefit of real estate licensees.

13 (3) The commissioner shall publish in the Oregon Real Estate News Journal the names and the
14 city and state of:

- 15 (a) Real estate and escrow agent licensees who have been reprimanded;
 - 16 (b) Real estate and escrow agent licensees whose licenses have been suspended or revoked; and
 - 17 (c) Real estate and escrow agent licensees against whom the agency has assessed civil penalties.
- 18 (4) Each publication under subsection (3) of this section must include:

- 19 (a) A brief description of the situation involved and the grounds for the commissioner's action;
- 20 or
- 21 (b) The complete final order issued by the agency.

22 **SECTION 27.** ORS 696.710 is amended to read:

23 696.710. (1) A real estate broker or principal real estate broker conducting professional real
24 estate activity within this state may not bring or maintain any action for the collection of compen-
25 sation without alleging and proving that the individual was a real estate licensee when the alleged
26 cause of action arose.

27 (2) An action for collection of compensation from a client for professional real estate activity
28 conducted by a real estate [broker] **licensee** associated with a [principal real estate broker] **manag-**
29 **ing principal broker** may not be brought or maintained except by the [principal real estate broker]
30 **managing principal broker** with whom the real estate [broker] **licensee** was associated when the
31 alleged cause of action arose.

32 **SECTION 28.** ORS 696.800, as amended by section 15, chapter 3, Oregon Laws 2024, is amended
33 to read:

34 696.800. As used in ORS 696.392, 696.600 to 696.785, 696.800 to 696.870 and 696.995, unless the
35 context requires otherwise:

- 36 (1) "Agent" means:
 - 37 (a) A [principal real estate broker] **managing principal broker** who has entered into:
 - 38 (A) A listing agreement with a seller;
 - 39 (B) A representation agreement with a buyer to represent the buyer; or
 - 40 (C) A disclosed limited agency agreement; or
 - 41 (b) A real estate broker **or principal real estate broker** associated with a [principal real estate
 - 42 **broker] managing principal broker** who is authorized to act as the [principal real estate broker's]
 - 43 **managing principal broker's** agent in connection with acts requiring a real estate license and to
 - 44 function under the [principal real estate broker's] **managing principal broker's** supervision.

- 45 (2) "Buyer" means a potential transferee in a real property transaction, and includes a person

1 who:

2 (a) Executes an offer to purchase real property from a seller through an agent; or

3 (b) Enters into a buyer's representation agreement with an agent, whether or not a sale or
4 transfer of property results.

5 (3) "Confidential information" means information communicated to an agent by the buyer or
6 seller of one to four residential units regarding the real property transaction, including but not
7 limited to price, terms, financial qualifications or motivation to buy or sell. "Confidential informa-
8 tion" does not mean information that:

9 (a) The buyer instructs the agent to disclose about the buyer to the seller or the seller instructs
10 the agent to disclose about the seller to the buyer; and

11 (b) The agent knows or should know failure to disclose would constitute fraudulent represen-
12 tation.

13 (4) "Disclosed limited agency" means a real property transaction in which the representation
14 of a buyer and seller or the representation of two or more buyers occurs within the same real estate
15 business.

16 (5) "Listing agreement" means a contract between an agent and a seller of real property that
17 authorizes the agent, in exchange for compensation, to act on behalf of the seller in offering the real
18 property for sale or in finding and obtaining a buyer.

19 (6) "Listing price" means the amount expressed in dollars, specified in the listing agreement, for
20 which the seller is willing to sell the real property through the listing agent.

21 (7) "Offer" means a written proposal executed by a buyer for the sale or lease of real property.

22 (8) "Offering price" is the amount expressed in dollars specified in an offer to purchase for
23 which the buyer is willing to buy the real property.

24 (9) "Principal" means the person who has permitted or directed an agent to act on the
25 principal's behalf. In a real property transaction, this generally means the buyer or the seller.

26 (10) "Purchase" refers to a transaction for the acquisition of real property by the buyer from
27 the seller and includes:

28 (a) Exchanges of real property between the seller and the buyer and third parties; and

29 (b) Land sales contracts.

30 (11) "Real property" means any estate in real property, including a condominium as defined in
31 ORS 100.005, a timeshare property as defined in ORS 94.803 and the granting of an option or right
32 of first refusal. "Real property" also includes a manufactured structure, as defined in ORS 446.561,
33 owned by the same person who owns the land upon which the manufactured structure is situated.
34 "Real property" does not include a leasehold in real property.

35 (12) "Real property transaction" means a transaction regarding real property in which an agent
36 is employed by one or more of the principals to act in that transaction and includes but is not lim-
37 ited to listing agreements, buyer's representation agreements and offers to purchase.

38 (13) "Representation agreement" means a contract between an agent and buyer of real property
39 that authorizes the agent, in exchange for compensation, to act on behalf of the buyer in purchasing
40 real property or identifying real property for purchase.

41 (14) "Sale" or "sold" refers to a transaction for the transfer of real property from the seller to
42 the buyer and includes:

43 (a) Exchanges of real property between the seller and the buyer and third parties; and

44 (b) Land sales contracts.

45 (15) "Seller" means a potential transferor in a real property transaction and includes an owner:

1 (a) Who enters into a listing agreement with an agent, whether or not a transfer results; or

2 (b) Who receives an offer to purchase real property that the seller owns from an agent acting
3 on behalf of a buyer.

4 **SECTION 29.** ORS 696.815, as amended by section 18, chapter 3, Oregon Laws 2024, is amended
5 to read:

6 696.815. (1) A real estate licensee may represent both the seller and the buyer in a real estate
7 transaction as a disclosed limited agent under a disclosed limited agency agreement, with full dis-
8 closure of the relationship under the agreement. The real estate licensee must also have a written
9 listing agreement with the seller that meets the requirements of ORS 696.805 and a written repre-
10 sentation agreement with the buyer that meets the requirements of ORS 696.810.

11 (2) A real estate licensee acting pursuant to a disclosed limited agency agreement has the fol-
12 lowing duties and obligations:

13 (a) To the seller, the duties under ORS 696.805 **as applicable**;

14 (b) To the buyer, the duties under ORS 696.810 **as applicable**; and

15 (c) To both seller and buyer, except with express written permission of the respective person,
16 the duty not to disclose to the other person:

17 (A) That the seller will accept a price lower or terms less favorable than the listing price or
18 terms;

19 (B) That the buyer will pay a price greater or terms more favorable than the offering price or
20 terms; or

21 (C) Specific confidential information as defined in ORS 696.800 (3).

22 (3) Nothing in this section implies a duty to investigate matters that are outside the scope of
23 the real estate licensee's expertise unless the licensee agrees in writing to investigate a matter.

24 (4) In a real estate transaction in which different real estate [*brokers*] **licensees** associated with
25 the same [*principal real estate broker*] **managing principal broker** establish agency relationships
26 with different parties to the real estate transaction, the [*principal real estate broker*] **managing**
27 **principal broker** shall be the only broker acting as a disclosed limited agent representing both
28 seller and buyer. Other brokers shall continue to represent only the party with whom the broker
29 has an agency relationship unless all parties agree otherwise in writing.

30 (5) The [*principal real estate broker*] **managing principal broker** and the real estate licensees
31 representing either seller or buyer shall owe the following duties to the seller and buyer:

32 (a) To disclose a conflict of interest in writing to all parties;

33 (b) To take no action that is adverse or detrimental to either party's interest in the transaction;
34 and

35 (c) To obey the lawful instructions of both parties.

36 **SECTION 30.** ORS 696.822 is amended to read:

37 696.822. (1) A principal is not liable for an act, error or omission by an agent or subagent of the
38 principal arising out of an agency relationship established under ORS 696.805, 696.810, 696.815 or
39 696.820:

40 (a) Unless the principal participates in or authorizes the act, error or omission; and

41 (b) Only to the extent that:

42 (A) The principal benefited from the act, error or omission; and

43 (B) A court or arbitrator determines that it is highly probable that the claimant would be unable
44 to enforce a judgment against the agent or subagent of the principal.

45 (2) A real estate licensee is not liable for an act, error or omission by a principal or an agent

1 of a principal that is not related to the licensee unless the licensee participates in or authorizes the
2 act, error or omission. This subsection does not limit the liability of a [*principal real estate broker*]
3 **managing principal broker** for an act, error or omission by a real estate licensee under the prin-
4 cipal broker's supervision.

5 (3) Unless acknowledged by a principal in writing, facts known by an agent or subagent of the
6 principal may not be imputed to the principal if the principal does not have actual knowledge.

7 (4) Unless acknowledged by a real estate licensee in writing, facts known by a principal or an
8 agent of the principal may not be imputed to the licensee if the licensee does not have actual
9 knowledge. This subsection does not limit the knowledge imputed to a [*principal real estate broker*]
10 **managing principal broker** of facts known by a real estate licensee under the supervision of the
11 [*principal real estate broker*] **managing principal broker**.

12 **SECTION 31.** ORS 696.990 is amended to read:

13 696.990. (1) Violation of any provision of ORS 696.010 to 696.130, 696.200, 696.205, 696.241 to
14 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600 to 696.785 and 696.995 is a Class A misdemeanor.

15 (2) Any officer, director or shareholder or agent of a corporation, or member or agent of a
16 partnership or association, who personally participates in or is an accessory to any violation of ORS
17 696.010 to 696.130, 696.200, 696.205, 696.241 to 696.375, 696.392, 696.395 to 696.430, 696.490, 696.600
18 to 696.785 and 696.995 by the partnership, association or corporation, is subject to the penalties
19 prescribed in subsection (1) of this section.

20 (3) A violation of any one of the provisions of ORS 696.505 to 696.590 is a Class A misdemeanor.

21 (4) Any person that violates ORS 696.020 (2) may be required by the Real Estate Commissioner
22 to forfeit and pay to the General Fund of the State Treasury a civil penalty in an amount determined
23 by the commissioner of:

24 (a) Not less than \$1,000 nor more than \$2,500 for the first offense of unlicensed professional real
25 estate activity; and

26 (b) Not less than \$2,500 nor more than \$5,000 for the second and subsequent offenses of unli-
27 censed professional real estate activity.

28 (5) In addition to the civil penalty set forth in subsection (4) of this section, any person that
29 violates ORS 696.020 may be required by the commissioner to forfeit and pay to the General Fund
30 of the State Treasury a civil penalty in an amount determined by the commissioner but not to ex-
31 ceed the amount by which such person profited in any transaction that violates ORS 696.020.

32 (6)(a) Except as provided in paragraph (b) of this subsection, a real estate licensee who is a real
33 estate property manager or [*principal real estate broker*] **managing principal broker** and who is
34 engaging in or who has engaged in the management of rental real estate may be required to forfeit
35 and pay to the General Fund of the State Treasury a civil penalty of up to \$1,000 per day of vio-
36 lation, or a lesser penalty in an amount determined by the commissioner, if the licensee fails to
37 comply with rules that require the licensee to produce for inspection records related to the man-
38 agement of rental real estate that are maintained by the licensee as provided by ORS 696.280.

39 (b) A civil penalty imposed under this subsection may not exceed \$10,000.

40 (7) Civil penalties under this section shall be imposed as provided in ORS 183.745.

41 (8) The civil penalty provisions of subsections (4) to (6) of this section are in addition to and
42 not in lieu of the criminal penalties for unlicensed professional real estate activity in subsections
43 (1) and (2) of this section.

44 (9) For the purposes of subsection (4) of this section, any violation of ORS 696.020 (2) that re-
45 sults from a failure of a real estate licensee to renew a license within the time allowed by law

1 constitutes a single offense of unlicensed professional real estate activity for each 30-day period af-
2 ter expiration of the license during which the individual engages in professional real estate activity.
3 A civil penalty imposed for a violation of ORS 696.020 (2) that results from a failure of a real estate
4 licensee to renew a license within the time allowed by law is not subject to the minimum dollar
5 amounts specified in subsection (4) of this section.

6 (10) Subsection (5) of this section does not apply to a violation of ORS 696.020 (2) that results
7 from a failure of a real estate licensee to renew a license within the time allowed by law.

8 **SECTION 32. (1) The amendments to ORS 696.174 by section 9 of this 2025 Act apply to**
9 **real estate licenses renewed or reactivated on or after the effective date of this 2025 Act.**

10 (2) Sections 13 and 20 of this 2025 Act and the amendments to ORS 696.010, 696.020,
11 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.182, 696.200, 696.241, 696.245, 696.280,
12 696.290, 696.301, 696.310, 696.315, 696.320, 696.365, 696.385, 696.445, 696.710, 696.800, 696.815,
13 696.822 and 696.990 by sections 1 to 11, 14 to 18 and 21 to 31 of this 2025 Act apply to conduct
14 occurring on or after the effective date of this 2025 Act.

15 **SECTION 33. The section captions used in this 2025 Act are provided only for the con-**
16 **venience of the reader and do not become part of the statutory law of this state or express**
17 **any legislative intent in the enactment of this 2025 Act.**

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