

Enrolled House Bill 3137

Sponsored by Representative BREESE-IVERSON, Senators MEEK, ANDERSON; Representative WRIGHT (Presession filed.)

CHAPTER

AN ACT

Relating to real estate professionals; creating new provisions; amending ORS 696.010, 696.020, 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.182, 696.200, 696.241, 696.245, 696.280, 696.290, 696.294, 696.301, 696.310, 696.315, 696.320, 696.365, 696.385, 696.445, 696.710, 696.800, 696.815, 696.822 and 696.990; and repealing sections 14 and 18, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373).

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

SECTION 1. ORS 696.010 is amended to read:

696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to 696.870, 696.990 and 696.995 **and sections 13 and 20 of this 2025 Act**, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) Negotiating with prospective tenants;

(D) Accepting deposits from prospective tenants;

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

(F) Charging and collecting rent or lease payments;

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

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

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

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

(K) Providing staff and services to accommodate the tax reporting and other financial or accounting needs of the real estate;

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

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

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

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

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

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

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

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

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

(15) “Managing principal broker” means an individual who is a principal real estate broker and who has registered or assumed responsibility for a business name under this chapter.

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

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

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

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

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

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

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

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

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

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

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

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

(h) Engages in management of rental real estate;

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

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

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

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

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

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

[(18)] **(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 1a. If House Bill 2373 becomes law, section 1 of this 2025 Act (amending ORS 696.010) is repealed and ORS 696.010, as amended by section 1, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), 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 13 and 20 of this 2025 Act**, 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) Negotiating with prospective tenants;

(D) Accepting deposits from prospective tenants;

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

(F) Charging and collecting rent or lease payments;

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

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

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

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

(K) Providing staff and services to accommodate the tax reporting and other financial or accounting needs of the real estate;

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

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

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

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

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

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

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

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

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

(15) **“Managing principal broker” means an individual who is a principal real estate broker and who has registered or assumed responsibility for a business name under this chapter.**

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

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

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

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

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

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

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

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

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

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

- (f) Auctions, offers, attempts or agrees to auction real estate;
- (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- (h) Engages in management of rental real estate;
- (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;
- (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;
- (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;
- (L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;
- (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or
- (n) Performs real estate marketing activity as described in ORS 696.600.

[(18)] **(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, licensed real estate property manager or timeshare sales agent.

[(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.

[(24)] **(25)** “Timeshare” has the meaning given that term in ORS 94.803.

[(25)] **(26)** “Timeshare sales agent” means an individual who holds an active license as a timeshare sales agent issued under ORS 696.022 and is not a real estate broker [or], principal real estate broker **or managing principal broker.**

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 ca-

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

(C) Negotiating with prospective tenants;

(D) Accepting deposits from prospective tenants;

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

(F) Charging and collecting rent or lease payments;

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

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

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

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

(K) Providing staff and services to accommodate the tax reporting and other financial or accounting needs of the real estate;

(L) Providing copies of records of acts performed on behalf of the owner of the real estate; and
(M) Offering or attempting to do any of the acts described in this paragraph for the owner of the real estate; or

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

- (A) Consulting with tenants or prospective tenants about renting or leasing real estate;
- (B) Assisting prospective tenants in renting or leasing real estate;
- (C) Assisting prospective tenants in qualifying for renting or leasing real estate;
- (D) Accepting deposits or other funds from prospective tenants for renting or leasing real estate and holding the funds in trust for the prospective tenants;
- (E) Representing tenants or prospective tenants renting or leasing real estate; and
- (F) Offering or attempting to do any of the acts described in this paragraph for a tenant or prospective tenant.

(15) “Managing principal broker” means an individual who is a principal real estate broker and who has registered or assumed responsibility for a business name under this chapter.

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

- (a) Who has not obtained a real estate license; or
- (b) Whose real estate license is lapsed, expired, inactive, suspended, surrendered or revoked.

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

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

- (a) Sells, exchanges, purchases, rents or leases real estate;
- (b) Offers to sell, exchange, purchase, rent or lease real estate;
- (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;
- (d) Lists, offers, attempts or agrees to list real estate for sale;
- (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any administrative or judicial proceeding regarding the value of real estate for taxation, except when the activity is performed by a state certified appraiser or state licensed appraiser;
- (f) Auctions, offers, attempts or agrees to auction real estate;
- (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- (h) Engages in management of rental real estate;
- (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;
- (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;
- (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;
- (L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;
- (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or
- (n) Performs real estate marketing activity as described in ORS 696.600.

~~[(18)]~~ **(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 2a. If House Bill 2373 becomes law, section 2 of this 2025 Act (amending ORS 696.010) is repealed and ORS 696.010, as amended by section 10, chapter 3, Oregon Laws 2024, and section 2, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), 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, **and sections 13 and 20 of this 2025 Act**, 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.

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

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

(7) “Competitive market analysis” means a method or process used by a real estate licensee in pursuing a listing agreement or in formulating an offer to acquire real estate in a transaction for the sale, lease, lease-option or exchange of real estate. The objective of competitive market analysis

is a recommended listing, selling or purchase price or a lease or rental consideration. A competitive market analysis may be expressed as an opinion of the value of the real estate in a contemplated transaction. Competitive market analysis may include but is not limited to an analysis of market conditions, public records, past transactions and current listings of real estate.

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

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

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

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

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

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

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

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

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

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

(C) Negotiating with prospective tenants;

(D) Accepting deposits from prospective tenants;

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

(F) Charging and collecting rent or lease payments;

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

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

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

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

(K) Providing staff and services to accommodate the tax reporting and other financial or accounting needs of the real estate;

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

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

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

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

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

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

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

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

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

(15) “Managing principal broker” means an individual who is a principal real estate broker and who has registered or assumed responsibility for a business name under this chapter.

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

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

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

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

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

- (a) Sells, exchanges, purchases, rents or leases real estate;
- (b) Offers to sell, exchange, purchase, rent or lease real estate;
- (c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange, purchase, rental or leasing of real estate;
- (d) Lists, offers, attempts or agrees to list real estate for sale;
- (e) Offers, attempts or agrees to perform or provide a competitive market analysis or letter opinion, to represent a taxpayer under ORS 305.239 or 309.100 or to give an opinion in any administrative or judicial proceeding regarding the value of real estate for taxation, except when the activity is performed by a state certified appraiser or state licensed appraiser;
- (f) Auctions, offers, attempts or agrees to auction real estate;
- (g) Buys, sells, offers to buy or sell or otherwise deals in options on real estate;
- (h) Engages in management of rental real estate;
- (i) Purports to be engaged in the business of buying, selling, exchanging, renting or leasing real estate;
- (j) Assists or directs in the procuring of prospects, calculated to result in the sale, exchange, leasing or rental of real estate;
- (k) Assists or directs in the negotiation or closing of any transaction calculated or intended to result in the sale, exchange, leasing or rental of real estate;
- (L) Except as otherwise provided in ORS 696.030 (12), advises, counsels, consults or analyzes in connection with real estate values, sales or dispositions, including dispositions through eminent domain procedures;
- (m) Advises, counsels, consults or analyzes in connection with the acquisition or sale of real estate by an entity if the purpose of the entity is investment in real estate; or
- (n) Performs real estate marketing activity as described in ORS 696.600.

[(18)] (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, licensed real estate property manager or timeshare sales agent.

[(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.

[(24)] (25) “Timeshare” has the meaning given that term in ORS 94.803.

[(25)] **(26)** “Timeshare sales agent” means an individual who holds an active license as a timeshare sales agent issued under ORS 696.022 and is not a real estate broker [or], principal real estate broker **or managing principal broker**.

SECTION 3. ORS 696.020 is amended to read:

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

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

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

(a) Engaging in professional real estate activity; or

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

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

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

SECTION 3a. If House Bill 2373 becomes law, section 3 of this 2025 Act (amending ORS 696.020) is repealed and ORS 696.020, as amended by section 3, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), is amended to read:

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

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

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

(a) Engaging in professional real estate activity; or

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

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

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

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

SECTION 4. ORS 696.022 is amended to read:

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

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

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

(c) Schedules and procedures for issuing and renewing licenses, including limited licenses under ORS 696.125; and

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

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

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

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

(B) Proof that the applicant:

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

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

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

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

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

(3)(a) A principal real estate broker may engage in professional real estate activity when the principal real estate broker is a managing principal broker or is associated with a managing principal broker and is supervised by the same managing principal broker.

(b) A principal real estate broker may conduct professional real estate activity in conjunction with other real estate brokers, principal real estate brokers or licensed real estate property managers. A principal real estate broker may employ, engage or supervise the professional real estate activity of another real estate licensee **only if the principal real estate broker is a managing principal broker or if the principal real estate broker has a written supervisory agreement permitting the principal real estate broker to employ, engage or supervise the professional real estate activity of another real estate licensee.**

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

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

(B) Proof that the applicant:

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

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

(iii) Has successfully completed the brokerage administration and sales supervision course required by the agency by rule; and

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

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

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

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

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

(B) Proof that the applicant:

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

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

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

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

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

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

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

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

SECTION 4a. If House Bill 2373 becomes law, section 4 of this 2025 Act (amending ORS 696.022) is repealed and ORS 696.022, as amended by section 4, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), is amended to read:

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

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

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

(c) Schedules and procedures for issuing and renewing licenses, including limited licenses under ORS 696.125; and

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

(2)(a) A real estate broker may engage in professional real estate activity only if the broker is associated with *[and supervised by a principal real estate broker]* **a managing principal broker and supervised by the same managing principal broker.** Except as provided in paragraph (c) of this

subsection, a real estate broker may not employ, engage or supervise the professional real estate activity of another real estate licensee.

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

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

(B) Proof that the applicant:

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

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

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

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

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

(3)(a) A principal real estate broker may engage in professional real estate activity when the principal real estate broker is a managing principal broker or is associated with a managing principal broker and is supervised by the same managing principal broker.

(b) A principal real estate broker may conduct professional real estate activity in conjunction with other real estate brokers, principal real estate brokers or licensed real estate property managers. A principal real estate broker may employ, engage or supervise the professional real estate activity of another real estate licensee **only if the principal real estate broker is a managing principal broker or if the principal real estate broker has a written supervisory agreement permitting the principal real estate broker to employ, engage or supervise the professional real estate activity of another real estate licensee.**

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

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

(B) Proof that the applicant:

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

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

(iii) Has successfully completed the brokerage administration and sales supervision course required by the agency by rule; and

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

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

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

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

(A) Certification by the applicant that the applicant has a high school diploma or a certificate for passing an approved high school equivalency test such as the General Educational Development

(GED) test or the international equivalent, or other equivalent education acceptable to the commissioner;

(B) Proof that the applicant:

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

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

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

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

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

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

(i) Ethics;

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

(iii) The principles and practices of selling timeshares;

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

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

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

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

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

(8) In order to satisfy the educational requirements under subsections (2) to (5) and (7) of this section, a course must be approved by the commissioner. The commissioner shall determine the final examination score acceptable as evidence of successful completion for each required course.

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

SECTION 5. ORS 696.026 is amended to read:

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

(2) The registration system must:

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

(b) Require the registered business name to be:

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

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

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

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

(A) Maintaining the registration of the business name;

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

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

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

(E) Renewing the registration of the business name;

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

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

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

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

(3) The renewal system must establish:

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

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

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

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

(a) The expiration of the registered business name;

(b) The inactivation of all associated licensees; and

(c) The inactivation of all associated branch offices.

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

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

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

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

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

(10) A *[principal real estate]* **managing principal broker** or licensed real estate property manager who registers a business name need not be an owner or officer of any entity lawfully entitled

to use or have an ownership interest in the registered business name. However, only a [*principal real estate broker*] **managing principal broker** or licensed real estate property manager may control and supervise the professional real estate activity conducted under the registered business name.

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

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

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

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

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

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

SECTION 6. ORS 696.030 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

(3) A nonlicensed individual who acts as attorney in fact under a duly executed power of attorney in which the authorized agent is the spouse of the principal, or the child, grandchild, parent,

grandparent, sibling, aunt, uncle, niece or nephew of the principal or of the spouse of the principal, authorizing real estate activity if the power of attorney is recorded in the office of the recording officer for the county in which the real estate to be sold, leased or exchanged is located.

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

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

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

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

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

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

(a) Negotiating rental or lease agreements;

(b) Checking tenant and credit references;

(c) Physically maintaining the real estate;

(d) Conducting tenant relations;

(e) Collecting the rent;

(f) Supervising the premises' managers;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 7. ORS 696.125 is amended to read:

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

(a) By term;

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

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

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

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

SECTION 8. ORS 696.130 is amended to read:

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

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

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

(a) By term;

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

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

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

SECTION 9. ORS 696.174 is amended to read:

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

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

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

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

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

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

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

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

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

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

SECTION 9a. If House Bill 2373 becomes law, section 9 of this 2025 Act (amending ORS 696.174) is repealed and ORS 696.174, as amended by section 9, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), is amended to read:

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

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

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

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

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

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

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

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

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

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

SECTION 10. ORS 696.182 is amended to read:

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

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

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

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

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

(d) A real estate multiple listing service;

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

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

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

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

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

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

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

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

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

(b) Learning objectives for each course topic.

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

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

SECTION 11. ORS 696.200 is amended to read:

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

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

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

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

(d) Before changing a main office location, notify the agency of the new location on a form approved by the agency.

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

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

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

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

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

(5) Only a managing principal broker or principal real estate broker with a written supervisory agreement permitting the principal real estate broker to supervise licensees may control or supervise a main office, branch office or portions of an office.

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

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

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

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

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

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

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

SECTION 13. Real estate teams. (1) As used in this section, “real estate team” means a subdivision of a registered business that performs professional real estate activities and is comprised of one or more real estate licensees operating under a name other than the registered business name.

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

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

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

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

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

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

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

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

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

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

SECTION 14. ORS 696.241 is amended to read:

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

(2) A licensed real estate property manager, or a [*principal real estate broker*] **managing principal broker** who engages in the management of rental real estate, shall open and maintain in this state one or more separate federally insured bank accounts that are designated clients’ trust accounts under ORS 696.245. A [*principal real estate broker*] **managing principal broker** who engages in the management of rental real estate or a licensed real estate property manager shall deposit in a clients’ trust account all trust funds received or handled by the [*principal real estate broker*] **managing principal broker**, licensed real estate property manager or real estate licensee subject to the supervision of the [*principal real estate broker*] **managing principal broker**.

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

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

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

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

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

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

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

(7) Trust funds received by a licensed real estate property manager or [*principal real estate broker*] **managing principal broker** may be deposited by the licensed real estate property manager

or [*principal real estate broker*] **managing principal broker** in a federally insured interest-bearing bank account that is designated a clients' trust account under ORS 696.245, but only with the prior written approval of all parties who have an interest in the trust funds. The earnings of the interest-bearing account inure to the benefit of the licensed real estate property manager or [*principal real estate broker*] **managing principal broker** only if expressly approved in writing by all parties who have an interest in the trust funds before deposit of the trust funds.

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

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

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

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

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

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

SECTION 14a. If House Bill 2373 becomes law, section 14 of this 2025 Act (amending ORS 696.241) is repealed and ORS 696.241, as amended by section 10, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), is amended to read:

696.241. (1) As used in this section, "trust funds" means money belonging to others that is received or handled by a licensed real estate property manager or principal real estate broker in the course of conducting professional real estate activity and in the real estate licensee's fiduciary capacity.

(2) A licensed real estate property manager, or a [*principal real estate broker*] **managing principal broker** who engages in the management of rental real estate, shall open and maintain in this state one or more separate federally insured bank accounts that are designated clients' trust accounts under ORS 696.245. A [*principal real estate broker*] **managing principal broker** who engages

in the management of rental real estate or a licensed real estate property manager shall deposit in a clients' trust account all trust funds received or handled by the [*principal real estate broker*] **managing principal broker**, licensed real estate property manager or real estate licensees, other than a timeshare sales agent, subject to the supervision of the [*principal real estate broker*] **managing principal broker**.

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

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

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

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

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

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

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

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

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

(9) In connection with a real estate sales, purchase or exchange transaction, a principal real estate broker is not entitled to any part of any interest earnings on trust funds deposited under subsection (7) of this section or to any part of the earnest money or other money paid to the principal real estate broker as part or all of the principal real estate broker's compensation until the transaction has been completed or terminated. The principal real estate broker and the seller shall negotiate and agree in writing to the disposition of forfeited earnest money at the time of execution by the seller of any listing agreement or earnest money agreement. An agreement about the dispo-

sition of forfeited earnest money must be initialed by the seller or immediately precede the seller's signature.

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

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

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

(13) A real estate broker [or], principal real estate broker **or managing principal broker** who, for the purpose of transmitting a check, receives the check from a buyer or tenant that is payable to a property owner or seller is exempt from the deposit requirements of subsections (2) and (3) of this section.

(14) A licensed real estate property manager who, for the purpose of transmitting a check, receives the check from a tenant that is payable to a property owner is exempt from the deposit requirements of subsection (2) of this section.

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

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

SECTION 15. ORS 696.245 is amended to read:

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

NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE

To: _____ (name of bank)

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

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

An account numbered _____ in the name of _____ is hereby designated as a clients' trust account and the account is maintained with you as a depository for money belonging to persons other than myself and in my fiduciary capacity as a licensed real estate property manager or licensed principal real estate broker established by client agreements in separate documents.

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

Dated: _____ (insert date)

(signature of real estate licensee)

ACKNOWLEDGMENT OF RECEIPT

I, _____, a duly authorized representative of _____ (bank), do hereby acknowledge receipt of the above NOTICE OF CLIENTS' TRUST ACCOUNT AND AUTHORIZATION TO EXAMINE on _____ (date).

(signature)

(title)

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

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

(3) Within 10 business days from the date a clients' trust account is closed or transferred, a licensed real estate property manager or [*principal real estate*] **managing principal** broker shall notify the agency that the account has been closed or transferred and shall include in the notice the date on which the account was closed or transferred.

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

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

SECTION 16. ORS 696.280 is amended to read:

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

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

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

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

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

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

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

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

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

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

SECTION 17. ORS 696.290 is amended to read:

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

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

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

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

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

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

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

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

(5) Nothing in this section prevents payment of compensation earned by a real estate broker or principal real estate broker while licensed because of the real estate broker's or principal real estate broker's association with a different [*principal real estate broker*] **managing principal broker** or because of inactivation of the real estate broker's or principal real estate broker's license. The compensation may be paid directly to the real estate licensee by the [*principal real estate broker*]

managing principal broker with whom the real estate licensee was associated at the time the professional real estate activity for which the compensation was earned was conducted.

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

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

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

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

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

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

SECTION 17a. If House Bill 2373 becomes law, ORS 696.290, as amended by section 17 of this 2025 Act, is amended to read:

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

(b) A managing principal broker may pay a finder’s fee or a share of the real estate licensee’s compensation on a cooperative sale when the payment is made to a licensed real estate broker in another state or country, provided that:

(A) The state or country in which the nonresident real estate broker is licensed has a law permitting real estate brokers to cooperate with managing principal brokers in this state; and

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

(c) A real estate licensee may offer, promise, allow, give, pay or rebate, directly or indirectly, parts or shares of the licensee’s compensation, arising or accruing from any real estate transaction, to a charitable organization that is tax exempt under section 501(c)(3) of the Internal Revenue Code.

(2) A real estate licensee, **other than a timeshare sales agent**, associated with a managing principal broker may not accept compensation from any person other than the managing principal broker with whom the real estate licensee is associated at the time.

(3) A managing principal broker may not make payment to the real estate broker of another managing principal broker except through the managing principal broker with whom the real estate broker is associated.

(4) Notwithstanding ORS 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870, a principal real estate broker or a real estate licensee, **other than a timeshare sales agent**, associated with a managing principal broker may create a corporation, limited liability company, limited liability partnership or other lawfully constituted business organization for the purpose of receiving compensation. The real estate licensee may not conduct professional real estate activity under a business organization created pursuant to this subsection.

(5) Nothing in this section prevents payment of compensation earned by a real estate broker or principal real estate broker while licensed because of the real estate broker's or principal real estate broker's association with a different managing principal broker or because of inactivation of the real estate broker's or principal real estate broker's license. The compensation may be paid directly to the real estate licensee by the managing principal broker with whom the real estate licensee was associated at the time the professional real estate activity for which the compensation was earned was conducted.

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

(7)(a) Nothing in subsection (1) of this section prevents an Oregon managing principal broker from sharing compensation on a cooperative nonresidential real estate transaction with a person who holds an active real estate license in another state or country, provided:

(A) Before the out-of-state real estate licensee performs any act in this state that constitutes professional real estate activity, the real estate licensee and the cooperating Oregon managing principal broker agree in writing that the acts constituting professional real estate activity conducted in this state will be under the supervision and control of the cooperating Oregon managing principal broker and will comply with all applicable Oregon laws;

(B) The cooperating Oregon managing principal broker or a real estate licensee, **other than a timeshare sales agent**, associated with the managing principal broker accompanies the out-of-state real estate licensee and the client during any property showings or negotiations conducted in this state; and

(C) All property showings and negotiations regarding nonresidential real estate located in this state are conducted under the supervision and control of the cooperating Oregon managing principal broker.

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

SECTION 17b. If House Bill 2373 becomes law, ORS 696.294, as amended by section 13, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), is amended to read:

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

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

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

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

SECTION 18. ORS 696.301 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(16) If the licensee is a managing principal broker, failed to exercise reasonable supervision and control over the activities of associated real estate licensees.

SECTION 18a. If House Bill 2373 becomes law, section 14, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373) (amending ORS 696.301), is repealed.

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

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

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

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

(c) Manage document filing and storage;

(d) Manage handling of client trust funds;

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

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

(g) Review and inspect documents that may have a material effect on the rights or obligations of a party to a transaction; and

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

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

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

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

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

SECTION 21. ORS 696.310 is amended to read:

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

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

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

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

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

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

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

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

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

(F) Expressly state that the managing principal broker's responsibility for professional real estate activities of all real estate licensees associated with the registered business name may not be limited by the supervisory agreement;

(b) Update the written supervisory agreement if another principal real estate broker executes a written supervisory agreement with the managing principal broker; and

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

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

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

kers, the licensed real estate property managers and *[principal real estate]* **managing principal** brokers shall:

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

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

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

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

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

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

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

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

SECTION 21a. If House Bill 2373 becomes law, section 21 of this 2025 Act (amending ORS 696.310) is repealed and ORS 696.310, as amended by section 15, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373), is amended to read:

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

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

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

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

(A) *[Fully]* **Allocate all or some of the** supervisory control and responsibility for the professional real estate activities of all real estate *[brokers and timeshare sales agents]* **licensees** associated with the registered business name;

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

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

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

(E) Include a succession plan that:

(i) Addresses scenarios where the managing principal broker becomes deceased or incapacitated or the principal managing broker's license becomes inactive, expired or associated with a different registered business name; and

(ii) Describes how supervisory control and responsibility for the registered business name will flow to a remaining principal real estate broker who will assume the managing principal broker role; and

(F) Expressly state that the managing principal broker's responsibility for professional real estate activities of all real estate licensees associated with the registered business name may not be limited by the supervisory agreement;

(b) Update the written supervisory agreement if another principal real estate broker executes a written supervisory agreement with the managing principal broker; and

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

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

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

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

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

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

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

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

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

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

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

SECTION 22. ORS 696.315 is amended to read:

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

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

(b) The [principal real estate broker] **managing principal broker** or licensed real estate property manager is liable for the conduct of the nonlicensed person that the [principal real estate broker]

managing principal broker or licensed real estate property manager authorizes under paragraph (a) of this subsection.

SECTION 23. ORS 696.320 is amended to read:

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

SECTION 24. ORS 696.365 is amended to read:

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

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

SECTION 25. ORS 696.385 is amended to read:

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

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

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

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

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

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

(b) Consider any recommendations that the board, by majority vote, makes concerning the proposed rule.

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

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

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

SECTION 26. ORS 696.445 is amended to read:

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

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

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

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

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

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

- (a) Real estate and escrow agent licensees who have been reprimanded;
 - (b) Real estate and escrow agent licensees whose licenses have been suspended or revoked; and
 - (c) Real estate and escrow agent licensees against whom the agency has assessed civil penalties.
- (4) Each publication under subsection (3) of this section must include:
- (a) A brief description of the situation involved and the grounds for the commissioner's action;

or

- (b) The complete final order issued by the agency.

SECTION 27. ORS 696.710 is amended to read:

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

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

SECTION 27a. If House Bill 2373 becomes law, section 18, chapter 39, Oregon Laws 2025 (Enrolled House Bill 2373) (amending ORS 696.710), is repealed.

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

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

(1) "Agent" means:

- (a) A *[principal real estate broker]* **managing principal broker** who has entered into:

- (A) A listing agreement with a seller;
- (B) A representation agreement with a buyer to represent the buyer; or
- (C) A disclosed limited agency agreement; or

(b) A real estate broker **or principal real estate broker** associated with a *[principal real estate broker]* **managing principal broker** who is authorized to act as the *[principal real estate broker's]* **managing principal broker's** agent in connection with acts requiring a real estate license and to function under the *[principal real estate broker's]* **managing principal broker's** supervision.

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

- (a) Executes an offer to purchase real property from a seller through an agent; or
- (b) Enters into a buyer's representation agreement with an agent, whether or not a sale or transfer of property results.

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

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

(b) The agent knows or should know failure to disclose would constitute fraudulent representation.

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

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

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

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

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

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

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

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

(b) Land sales contracts.

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

(12) “Real property transaction” means a transaction regarding real property in which an agent is employed by one or more of the principals to act in that transaction and includes but is not limited to listing agreements, buyer’s representation agreements and offers to purchase.

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

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

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

(b) Land sales contracts.

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

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

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

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

696.815. (1) A real estate licensee may represent both the seller and the buyer in a real estate transaction as a disclosed limited agent under a disclosed limited agency agreement, with full disclosure of the relationship under the agreement. The real estate licensee must also have a written listing agreement with the seller that meets the requirements of ORS 696.805 and a written representation agreement with the buyer that meets the requirements of ORS 696.810.

(2) A real estate licensee acting pursuant to a disclosed limited agency agreement has the following duties and obligations:

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 30. ORS 696.822 is amended to read:

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

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

(b) Only to the extent that:

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

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

(2) A real estate licensee is not liable for an act, error or omission by a principal or an agent of a principal that is not related to the licensee unless the licensee participates in or authorizes the act, error or omission. This subsection does not limit the liability of a *[principal real estate broker]* **managing principal broker** for an act, error or omission by a real estate licensee under the principal broker's supervision.

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

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

SECTION 31. ORS 696.990 is amended to read:

696.990. (1) Violation of any provision of ORS 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 to 696.785 and 696.995 is a Class A misdemeanor.

(2) Any officer, director or shareholder or agent of a corporation, or member or agent of a partnership or association, who personally participates in or is an accessory to any violation of ORS 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 to 696.785 and 696.995 by the partnership, association or corporation, is subject to the penalties prescribed in subsection (1) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Passed by House March 4, 2025

Repassed by House June 13, 2025

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Timothy G. Sekerak, Chief Clerk of House

.....
Julie Fahey, Speaker of House

Passed by Senate June 11, 2025

.....
Rob Wagner, President of Senate

Received by Governor:

.....M.,....., 2025

Approved:

.....M.,....., 2025

.....
Tina Kotek, Governor

Filed in Office of Secretary of State:

.....M.,....., 2025

.....
Tobias Read, Secretary of State