

HB 2373-3
(LC 1636)
3/14/25 (HE/ps)

Requested by Representative BOSHART DAVIS

**PROPOSED AMENDMENTS TO
HOUSE BILL 2373**

On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and delete line 3 and insert “696.010, 696.020, 696.022, 696.026, 696.030, 696.125, 696.130, 696.174, 696.241, 696.270, 696.280, 696.294, 696.301, 696.310, 696.320, 696.365 and 696.710; and declaring an emergency.”.

Delete lines 5 through 28 and delete pages 2 through 5 and insert:

“SECTION 1. ORS 696.010 is amended to read:

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

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

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

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

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

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

“(3)(a) ‘Branch office’ means a business location, other than the main of-

1 fice designated under ORS 696.200, where professional real estate activity is
2 regularly conducted or that is advertised to the public as a place where
3 professional real estate activity may be regularly conducted.

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

10 “(4) ‘Business day’ means a day other than Saturday or Sunday or a fed-
11 eral or State of Oregon legal holiday.

12 “(5) ‘Commingle’ means the mixing of funds from any source, including
13 personal funds, with trust funds as defined in ORS 696.241, by a licensed real
14 estate property manager or principal real estate broker, except as specifically
15 authorized by this chapter.

16 “(6) ‘Compensation’ means valuable consideration for services rendered
17 or to be rendered, whether contingent or otherwise.

18 “(7) ‘Competitive market analysis’ means a method or process used by a
19 real estate licensee in pursuing a listing agreement or in formulating an of-
20 fer to acquire real estate in a transaction for the sale, lease, lease-option or
21 exchange of real estate. The objective of competitive market analysis is a
22 recommended listing, selling or purchase price or a lease or rental consid-
23 eration. A competitive market analysis may be expressed as an opinion of the
24 value of the real estate in a contemplated transaction. Competitive market
25 analysis may include but is not limited to an analysis of market conditions,
26 public records, past transactions and current listings of real estate.

27 “(8) ‘Expired’ means, in the context of a real estate licensee, that the li-
28 cense has not been renewed in a timely manner, but may still be renewed.

29 “(9) ‘Inactive’ means, in the context of a real estate licensee, that the
30 licensee is not authorized to engage in professional real estate activity. The

1 inactive status of a license continues until the license is reactivated or the
2 license expires or lapses.

3 “(10) ‘Lapsed’ means, in the context of a real estate licensee, that the li-
4 cense has not been renewed in a timely manner and is not eligible for re-
5 newal.

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

7 “(12) ‘Licensed real estate property manager’ means an individual who
8 holds an active real estate property manager’s license issued under ORS
9 696.022.

10 “(13) ‘Main office’ means the office designated by a principal real estate
11 broker or licensed real estate property manager pursuant to ORS 696.200.

12 “(14) ‘Management of rental real estate’ means:

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

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

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

18 “(C) Negotiating with prospective tenants;

19 “(D) Accepting deposits from prospective tenants;

20 “(E) Checking the qualifications and creditworthiness of prospective ten-
21 ants;

22 “(F) Charging and collecting rent or lease payments;

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

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

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

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

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

30 “(L) Providing copies of records of acts performed on behalf of the owner

1 of the real estate; and

2 “(M) Offering or attempting to do any of the acts described in this para-
3 graph for the owner of the real estate; or

4 “(b) Representing a tenant or prospective tenant when renting or leasing
5 real estate for which a real estate property manager has a property man-
6 agement agreement with the owner of the real estate and includes but is not
7 limited to:

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

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

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

13 “(D) Accepting deposits or other funds from prospective tenants for rent-
14 ing or leasing real estate and holding the funds in trust for the prospective
15 tenants;

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

18 “(F) Offering or attempting to do any of the acts described in this para-
19 graph for a tenant or prospective tenant.

20 “(15) ‘Nonlicensed individual’ means an individual:

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

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

24 “(16) ‘Principal real estate broker’ means an individual who holds an ac-
25 tive license as a principal real estate broker issued under ORS 696.022.

26 “(17) ‘Professional real estate activity’ means any of the following actions,
27 when engaged in for another and for compensation or with the intention or
28 in the expectation or upon the promise of receiving or collecting compen-
29 sation, by any person who:

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

1 “(b) Offers to sell, exchange, purchase, rent or lease real estate;
2 “(c) Negotiates, offers, attempts or agrees to negotiate the sale, exchange,
3 purchase, rental or leasing of real estate;
4 “(d) Lists, offers, attempts or agrees to list real estate for sale;
5 “(e) Offers, attempts or agrees to perform or provide a competitive market
6 analysis or letter opinion, to represent a taxpayer under ORS 305.239 or
7 309.100 or to give an opinion in any administrative or judicial proceeding
8 regarding the value of real estate for taxation, except when the activity is
9 performed by a state certified appraiser or state licensed appraiser;
10 “(f) Auctions, offers, attempts or agrees to auction real estate;
11 “(g) Buys, sells, offers to buy or sell or otherwise deals in options on real
12 estate;
13 “(h) Engages in management of rental real estate;
14 “(i) Purports to be engaged in the business of buying, selling, exchanging,
15 renting or leasing real estate;
16 “(j) Assists or directs in the procuring of prospects, calculated to result
17 in the sale, exchange, leasing or rental of real estate;
18 “(k) Assists or directs in the negotiation or closing of any transaction
19 calculated or intended to result in the sale, exchange, leasing or rental of
20 real estate;
21 “(L) Except as otherwise provided in ORS 696.030 (12), advises, counsels,
22 consults or analyzes in connection with real estate values, sales or dispo-
23 sitions, including dispositions through eminent domain procedures;
24 “(m) Advises, counsels, consults or analyzes in connection with the ac-
25 quisition or sale of real estate by an entity if the purpose of the entity is
26 investment in real estate; or
27 “(n) Performs real estate marketing activity as described in ORS 696.600.
28 “(18) ‘Property management agreement’ means a written contract for the
29 management of rental real estate between a real estate property manager and
30 the owner of the rental real estate.

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

7 “(20) ‘Real estate broker’ means an individual who holds an active license
8 as a real estate broker issued under ORS 696.022.

9 “(21) ‘Real estate licensee’ means an individual who holds an active li-
10 cense or an active limited license as a real estate broker, principal real es-
11 tate broker, [or] licensed real estate property manager **or timeshare sales**
12 **agent.**

13 “(22) ‘Real estate property manager’ means a real estate licensee who
14 engages in the management of rental real estate and is a licensed real estate
15 property manager, a principal real estate broker or a real estate broker who
16 is associated with and supervised by a principal real estate broker.

17 “(23) ‘Registered business name’ means a name registered with the Real
18 Estate Agency under which the individual registering the name engages in
19 professional real estate activity.

20 “(24) ‘Timeshare’ has the meaning given that term in ORS 94.803.

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

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

26 “696.010. As used in ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to
27 696.870, 696.990 and 696.995 and sections 1 to 9, chapter 3, Oregon Laws 2024,
28 unless the context requires otherwise:

29 “(1) ‘Associated with’ means to be employed, engaged or otherwise super-
30 vised by, with respect to the relationship between:

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

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

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

6 “(2) ‘Bank’ includes any bank or trust company, savings bank, mutual
7 savings bank, savings and loan association or credit union that maintains a
8 head office or a branch in this state in the capacity of a bank or trust
9 company, savings bank, mutual savings bank, savings and loan association
10 or credit union.

11 “(3)(a) ‘Branch office’ means a business location, other than the main of-
12 fice designated under ORS 696.200, where professional real estate activity is
13 regularly conducted or that is advertised to the public as a place where
14 professional real estate activity may be regularly conducted.

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

21 “(4) ‘Business day’ means a day other than Saturday or Sunday or a fed-
22 eral or State of Oregon legal holiday.

23 “(5) ‘Commingle’ means the mixing of funds from any source, including
24 personal funds, with trust funds as defined in ORS 696.241, by a licensed real
25 estate property manager or principal real estate broker, except as specifically
26 authorized by this chapter.

27 “(6) ‘Compensation’ means valuable consideration for services rendered
28 or to be rendered, whether contingent or otherwise.

29 “(7) ‘Competitive market analysis’ means a method or process used by a
30 real estate licensee in pursuing a listing agreement or in formulating an of-

1 fer to acquire real estate in a transaction for the sale, lease, lease-option or
2 exchange of real estate. The objective of competitive market analysis is a
3 recommended listing, selling or purchase price or a lease or rental consid-
4 eration. A competitive market analysis may be expressed as an opinion of the
5 value of the real estate in a contemplated transaction. Competitive market
6 analysis may include but is not limited to an analysis of market conditions,
7 public records, past transactions and current listings of real estate.

8 “(8) ‘Expired’ means, in the context of a real estate licensee, that the li-
9 cense has not been renewed in a timely manner, but may still be renewed.

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

14 “(10) ‘Lapsed’ means, in the context of a real estate licensee, that the li-
15 cense has not been renewed in a timely manner and is not eligible for re-
16 newal.

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

18 “(12) ‘Licensed real estate property manager’ means an individual who
19 holds an active real estate property manager’s license issued under ORS
20 696.022.

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

23 “(14) ‘Management of rental real estate’ means:

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

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

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

29 “(C) Negotiating with prospective tenants;

30 “(D) Accepting deposits from prospective tenants;

1 “(E) Checking the qualifications and creditworthiness of prospective ten-
2 ants;
3 “(F) Charging and collecting rent or lease payments;
4 “(G) Representing the owner in inspection or repair of the real estate;
5 “(H) Contracting for repair or remodeling of the real estate;
6 “(I) Holding trust funds or property received in managing the real estate
7 and accounting to the owner for the funds or property;
8 “(J) Advising the owner regarding renting or leasing the real estate;
9 “(K) Providing staff and services to accommodate the tax reporting and
10 other financial or accounting needs of the real estate;
11 “(L) Providing copies of records of acts performed on behalf of the owner
12 of the real estate; and
13 “(M) Offering or attempting to do any of the acts described in this para-
14 graph for the owner of the real estate; or
15 “(b) Representing a tenant or prospective tenant when renting or leasing
16 real estate for which a real estate property manager has a property man-
17 agement agreement with the owner of the real estate and includes but is not
18 limited to:
19 “(A) Consulting with tenants or prospective tenants about renting or
20 leasing real estate;
21 “(B) Assisting prospective tenants in renting or leasing real estate;
22 “(C) Assisting prospective tenants in qualifying for renting or leasing real
23 estate;
24 “(D) Accepting deposits or other funds from prospective tenants for rent-
25 ing or leasing real estate and holding the funds in trust for the prospective
26 tenants;
27 “(E) Representing tenants or prospective tenants renting or leasing real
28 estate; and
29 “(F) Offering or attempting to do any of the acts described in this para-
30 graph for a tenant or prospective tenant.

1 “(15) ‘Nonlicensed individual’ means an individual:

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

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

5 “(16) ‘Principal real estate broker’ means an individual who holds an ac-
6 tive license as a principal real estate broker issued under ORS 696.022.

7 “(17) ‘Professional real estate activity’ means any of the following actions,
8 when engaged in for another and for compensation or with the intention or
9 in the expectation or upon the promise of receiving or collecting compen-
10 sation, by any person who:

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

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

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

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

16 “(e) Offers, attempts or agrees to perform or provide a competitive market
17 analysis or letter opinion, to represent a taxpayer under ORS 305.239 or
18 309.100 or to give an opinion in any administrative or judicial proceeding
19 regarding the value of real estate for taxation, except when the activity is
20 performed by a state certified appraiser or state licensed appraiser;

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

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

24 “(h) Engages in management of rental real estate;

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

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

29 “(k) Assists or directs in the negotiation or closing of any transaction
30 calculated or intended to result in the sale, exchange, leasing or rental of

1 real estate;

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

5 “(m) Advises, counsels, consults or analyzes in connection with the ac-
6 quisition or sale of real estate by an entity if the purpose of the entity is
7 investment in real estate; or

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

9 “(18) ‘Property management agreement’ means a written contract for the
10 management of rental real estate between a real estate property manager and
11 the owner of the rental real estate.

12 “(19) ‘Real estate’ includes leaseholds and licenses to use including, but
13 not limited to, timeshare estates and timeshare licenses as defined in ORS
14 94.803, as well as any and every interest or estate in real property, whether
15 corporeal or incorporeal, whether freehold or nonfreehold, whether held
16 separately or in common with others and whether the real property is situ-
17 ated in this state or elsewhere.

18 “(20) ‘Real estate broker’ means an individual who holds an active license
19 as a real estate broker issued under ORS 696.022.

20 “(21) ‘Real estate licensee’ means an individual who holds an active li-
21 cense or an active limited license as a real estate broker, principal real es-
22 tate broker, [or] licensed real estate property manager **or timeshare sales**
23 **agent.**

24 “(22) ‘Real estate property manager’ means a real estate licensee who
25 engages in the management of rental real estate and is a licensed real estate
26 property manager, a principal real estate broker or a real estate broker who
27 is associated with and supervised by a principal real estate broker.

28 “(23) ‘Registered business name’ means a name registered with the Real
29 Estate Agency under which the individual registering the name engages in
30 professional real estate activity.

1 “(24) ‘Timeshare’ has the meaning given that term in ORS 94.803.

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

5 “**SECTION 3.** ORS 696.020 is amended to read:

6 “696.020. (1) The Real Estate Agency may issue a real estate license only
7 to an individual.

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

12 “(3) Real estate brokers and principal real estate brokers are bound by
13 and subject to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785,
14 696.800 to 696.870, 696.990 and 696.995 while:

15 “(a) Engaging in professional real estate activity; or

16 “(b) Acting on the licensee’s own behalf in the sale, exchange, lease op-
17 tion or purchase of real estate or in the offer or negotiations for the sale,
18 exchange, lease option or purchase of real estate.

19 “(4) A [*real estate licensee*] **real estate broker, principal real estate**
20 **broker or licensed real estate property manager** is bound by and subject
21 to the requirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.890,
22 696.990 and 696.995 while engaging in the management of rental real estate.

23 “(5) **A timeshare sales agent is bound by and subject to the re-**
24 **quirements of ORS 696.010 to 696.495, 696.600 to 696.785, 696.800 to**
25 **696.870, 696.990 and 696.995 while selling or offering to sell timeshares.**

26 “[(5)] (6) The agency by rule may establish provisions for a nonlicensed
27 individual whose license is inactive or suspended and who acts on the
28 licensee’s own behalf in the sale, exchange, lease option or purchase of real
29 estate or in the offer or negotiations for the sale, exchange, lease option or
30 purchase of real estate.

1 **“SECTION 4.** ORS 696.022 is amended to read:

2 “696.022. (1) The Real Estate Agency shall establish by rule a system for
3 licensing real estate brokers, principal real estate brokers, [and] licensed
4 real estate property managers **and timeshare sales agents**. The system
5 shall establish, at a minimum:

6 “(a) The form and content of applications for licensing under each cate-
7 gory of real estate professional licensed by the agency;

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

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

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

12 “(2)(a) A real estate broker may engage in professional real estate activity
13 only if the broker is associated with and supervised by a principal real estate
14 broker. Except as provided in paragraph (c) of this subsection, a real estate
15 broker may not employ, engage or supervise the professional real estate ac-
16 tivity of another real estate licensee.

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

19 “(A) Certification by the applicant that the applicant has a high school
20 diploma or a certificate for passing an approved high school equivalency test
21 such as the General Educational Development (GED) test or the interna-
22 tional equivalent, or other equivalent education acceptable to the commis-
23 sioner;

24 “(B) Proof that the applicant:

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

27 “(ii) Has passed the real estate broker’s examination required by the
28 agency by rule; and

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

30 “(c) A real estate broker who has acquired three years of active experi-

1 ence as a real estate broker may supervise for up to 90 days the professional
2 real estate activity of another real estate licensee due to unforeseen cir-
3 cumstances or the temporary absence of a sole principal real estate broker,
4 as provided by the agency by rule.

5 “(3)(a) A principal real estate broker may engage in professional real es-
6 tate activity.

7 “(b) A principal real estate broker may conduct professional real estate
8 activity in conjunction with other real estate brokers, principal real estate
9 brokers or licensed real estate property managers. A principal real estate
10 broker may employ, engage or supervise the professional real estate activity
11 of another real estate licensee.

12 “(c) For an applicant to qualify for a principal real estate broker’s li-
13 cense, the commissioner must receive:

14 “(A) Certification by the applicant that the applicant has a high school
15 diploma or a certificate for passing an approved high school equivalency test
16 such as the General Educational Development (GED) test or the interna-
17 tional equivalent, or other equivalent education acceptable to the commis-
18 sioner;

19 “(B) Proof that the applicant:

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

22 “(ii) Has passed the principal real estate broker’s examination required
23 by the agency by rule; and

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

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

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

30 “(b) A licensed real estate property manager may employ, engage or su-

1 pervise the professional real estate activity of another licensed real estate
2 property manager.

3 “(c) For an applicant to qualify for a real estate property manager’s li-
4 cense, the commissioner must receive:

5 “(A) Certification by the applicant that the applicant has a high school
6 diploma or a certificate for passing an approved high school equivalency test
7 such as the General Educational Development (GED) test or the interna-
8 tional equivalent, or other equivalent education acceptable to the commis-
9 sioner;

10 “(B) Proof that the applicant:

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

13 “(ii) Has passed the real estate property manager’s license examination
14 required by the agency by rule; and

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

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

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

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

26 **“(i) Ethics;**

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

28 **“(iii) The principles and practices of selling timeshares;**

29 **“(B) Proof that the applicant has passed the timeshare sales agent’s**
30 **examination required by the agency by rule; and**

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

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

9 “(b) In implementing this subsection, the commissioner shall require fin-
10 gerprints and criminal offender information of an applicant for initial li-
11 censing and may require fingerprints and criminal offender information of
12 an applicant for license renewal. Fingerprints acquired under this sub-
13 section may be used for the purpose of requesting a state or nationwide
14 criminal records check under ORS 181A.195.

15 “[(6)] **(7)** An individual licensed to engage in professional real estate ac-
16 tivity in another state or country may qualify for a principal real estate
17 broker license, real estate broker license, [or] real estate property manager
18 license **or timeshare sales agent license** if the individual successfully
19 completes the course of study for and passes the license examination corre-
20 sponding to the license for which the individual applies, both as prescribed
21 by agency rule, and if the individual meets the other requirements for
22 licensure in this chapter.

23 “[(7)] **(8)** In order to satisfy the educational requirements under sub-
24 sections (2) to [(4) and (6)] **(5) and (7)** of this section, a course must be ap-
25 proved by the commissioner. The commissioner shall determine the final
26 examination score acceptable as evidence of successful completion for each
27 required course.

28 “[(8)] **(9)** The Real Estate Board may determine that an applicant for a
29 principal real estate broker’s license has experience related to professional
30 real estate activity that is equivalent to the experience required under sub-

1 section (3) of this section.

2 **“SECTION 5.** ORS 696.026 is amended to read:

3 “696.026. (1) The Real Estate Agency shall establish by rule systems for
4 the registration and renewal of business names.

5 “(2) The registration system must:

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

9 “(b) Require the registered business name to be:

10 “(A) The corporate name, professional corporate name, business corporate
11 name, cooperative name, limited partnership name, business trust name, re-
12 served name, registered corporate name or assumed business name of active
13 record with the Office of the Secretary of State; or

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

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

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

21 “(A) Maintaining the registration of the business name;

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

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

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

29 “(E) Renewing the registration of the business name;

30 “(F) Changing the registered business name, including the associated

1 branch offices;

2 “(G) Maintaining the business address of the main office and any associ-
3 ated branch offices of the registered business name as required by ORS
4 696.200; and

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

7 “(3) The renewal system must establish:

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

9 “(b) The schedule for annual renewals of registered business names, in-
10 cluding the date of the registered business name expiration; and

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

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

14 “(a) The expiration of the registered business name;

15 “(b) The inactivation of all associated licensees; and

16 “(c) The inactivation of all associated branch offices.

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

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

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

25 “(8) A business name registered under this section has no license stand-
26 ing.

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

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

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

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

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

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

27 “(b) A principal real estate broker or licensed real estate property man-
28 ager may conduct professional real estate activity under two or more regis-
29 tered business names only if the business organizations are affiliated with,
30 or subsidiaries of, the business with the registered name.

1 “(15) The agency shall establish by rule procedures to allow a real estate
2 broker or principal real estate broker who becomes associated with a differ-
3 ent registered business name to continue to engage in professional real es-
4 tate activity on transactions that began while the real estate broker or
5 principal real estate broker was associated with the original registered
6 business name.

7 **“SECTION 6.** ORS 696.030 is amended to read:

8 “696.030. ORS 696.010 to 696.375, 696.392, 696.395 to 696.430, 696.490,
9 696.600 to 696.785, 696.990 and 696.995 do not apply to:

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

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

13 “(B)(i) Is incidental to the employee’s normal, nonreal estate activities;
14 or

15 “(ii) Is the employee’s principal activity, but the employer’s principal ac-
16 tivity or business is not the sale, exchange, lease option or acquisition of
17 real estate.

18 “(b) For the purpose of this subsection, ‘owner of real estate’ means:

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

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

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

29 “(a) The power of attorney is recorded in the office of the recording offi-
30 cer for the county in which the real estate is located;

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

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

5 “(3) A nonlicensed individual who acts as attorney in fact under a duly
6 executed power of attorney in which the authorized agent is the spouse of
7 the principal, or the child, grandchild, parent, grandparent, sibling, aunt,
8 uncle, niece or nephew of the principal or of the spouse of the principal,
9 authorizing real estate activity if the power of attorney is recorded in the
10 office of the recording officer for the county in which the real estate to be
11 sold, leased or exchanged is located.

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

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

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

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

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

29 “(9) A nonlicensed individual who is employed by a principal real estate
30 broker engaged in the management of rental real estate or by a licensed real

1 estate property manager and who acts on behalf of the principal real estate
2 broker or licensed real estate property manager pursuant to a written dele-
3 gation of the principal real estate broker's or licensed real estate property
4 manager's authority, as provided by the agency by rule, if the real estate
5 activity of the nonlicensed individual is limited to:

6 “(a) Negotiating rental or lease agreements;

7 “(b) Checking tenant and credit references;

8 “(c) Physically maintaining the real estate;

9 “(d) Conducting tenant relations;

10 “(e) Collecting the rent;

11 “(f) Supervising the premises' managers;

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

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

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

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

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

30 “(13) An individual who is a hotelkeeper or innkeeper as defined by ORS

1 699.005 arranging the rental of transient lodging at a hotel or inn in the
2 course of business as a hotelkeeper or innkeeper.

3 “(14) A nonlicensed individual who is a travel agent arranging the rental
4 of transient lodging at a hotel or inn as defined in ORS 699.005 in the course
5 of business as a travel agent for compensation. For the purpose of this sub-
6 section, ‘travel agent’ means a person, and employees of the person, regularly
7 representing and selling travel services to the public directly or through
8 other travel agents.

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

15 “(16) A nonlicensed individual who is a hotel representative arranging the
16 rental of transient lodging at a hotel or inn as defined in ORS 699.005 in the
17 course of business as a hotel representative. For the purpose of this sub-
18 section, ‘hotel representative’ means a person that provides reservations or
19 sale services to independent hotels, airlines, steamship companies and gov-
20 ernment tourist agencies.

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

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

28 “(19) A nonlicensed individual who is a membership camping contract
29 broker or salesperson registered with the Real Estate Agency selling mem-
30 bership camping contracts.

1 “(20) A nonlicensed individual who is a professional forester or farm
2 manager engaging in property management activity on forestland or
3 farmland when the activity is incidental to the nonreal estate duties involv-
4 ing overall management of forest or farm resources.

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

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

14 “(23) A nonlicensed individual who gives an opinion in an administrative
15 or judicial proceeding regarding the value of real estate for taxation or re-
16 presenting a taxpayer under ORS 305.239 or 309.100.

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

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

23 “(26) A nonlicensed individual who is a representative of a financial in-
24 stitution or trust company, as those terms are defined in ORS 706.008, that
25 is attorney in fact under a duly executed power of attorney from the owner
26 or purchaser authorizing real estate activity, if the power of attorney is re-
27 corded in the office of the county clerk for the county in which the real es-
28 tate to be sold, leased or exchanged is located.

29 “(27) A nonlicensed individual who is a member of a domestic or foreign
30 limited liability company duly registered and operating within this state

1 under ORS chapter 63 and who is engaging in the acquisition, sale, exchange,
2 lease, transfer or management of the real estate of the limited liability
3 company if:

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

5 “(b) The limited liability company is manager-managed, and the nonli-
6 censed individual is a manager.

7 “(28) A nonlicensed individual who is a partner in a partnership as de-
8 fined in ORS 67.005 and who is engaging in the acquisition, sale, exchange,
9 lease, transfer or management of the real estate of the partnership.

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

14 **“(30) A nonlicensed individual who transfers a timeshare:**

15 **“(a) By deed in lieu of foreclosure;**

16 **“(b) As part of a foreclosure sale; or**

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

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

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

21 **or**

22 **“(C) At a foreclosure sale.**

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

25 **“SECTION 7.** ORS 696.125 is amended to read:

26 **“696.125. (1) The Real Estate Commissioner may issue a limited license**
27 **to an applicant for a license as a real estate broker, principal real estate**
28 **broker, [or] real estate property manager or timeshare sales agent if the**
29 **commissioner determines that the issuance is in the public interest. The**
30 **commissioner may limit a license issued under this section:**

1 “(a) By term;

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

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

6 “(d) In other ways determined by the commissioner as necessary or ap-
7 propriate to protect the public.

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

13 **“SECTION 8.** ORS 696.130 is amended to read:

14 “696.130. (1)(a) If the license of a real estate broker, [or] principal real
15 estate broker **or timeshare sales agent** is revoked by the Real Estate
16 Commissioner on grounds related to professional real estate activity other
17 than the management of rental real estate, the commissioner may not issue
18 a new license until the individual complies with the provisions of ORS
19 696.010 to 696.495, 696.600 to 696.785 and 696.800 to 696.870.

20 “(b) If the license of a licensed real estate property manager is revoked
21 by the commissioner, or if the license of a real estate broker or principal real
22 estate broker is revoked by the commissioner, on grounds related to the
23 management of rental real estate, the commissioner may not issue a new li-
24 cense until the individual complies with the provisions of ORS 696.010 to
25 696.495, 696.600 to 696.785 and 696.890.

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

30 “(a) By term;

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

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

5 “(3) A limited license issued under this section may be renewed as pro-
6 vided by the commissioner by rule. A limited license may be suspended or
7 revoked, or the licensee may be reprimanded, by the commissioner on the
8 grounds set out in ORS 696.301.

9 “SECTION 9. ORS 696.174 is amended to read:

10 “696.174. (1) To renew an active license or to reactivate a license for the
11 first time since the license was renewed to an inactive status, a real estate
12 licensee, **other than a timeshare sales agent**, must complete 30 hours of
13 real estate continuing education courses that are eligible for credit under
14 ORS 696.182 during the two years preceding the renewal or reactivation. The
15 30 hours must include:

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

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

23 “(B) If a licensed real estate property manager is renewing an active li-
24 cense for the first time or reactivating a license for the first time since re-
25 newing the license to an inactive status, an advanced course in property
26 management practices approved by the agency; or

27 “(C) If a principal real estate broker is renewing an active license for the
28 first time or reactivating a license for the first time since renewing the li-
29 cense to an inactive status, an advanced course in brokerage practices ap-
30 proved by the agency.

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

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

7 “(b) The name of the real estate continuing education provider that of-
8 fered the course;

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

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

11 “(3) The agency may waive any portion of the requirements of this section
12 for a real estate licensee who submits satisfactory evidence that poor health
13 or other circumstances beyond the real estate licensee’s control prevented
14 the real estate licensee from attending part or all of the continuing educa-
15 tion courses required by subsection (1) of this section.

16 **“SECTION 10.** ORS 696.241 is amended to read:

17 “696.241. (1) As used in this section, ‘trust funds’ means money belonging
18 to others that is received or handled by a licensed real estate property
19 manager or principal real estate broker in the course of conducting profes-
20 sional real estate activity and in the real estate licensee’s fiduciary capacity.

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

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

9 “(b) A principal real estate broker may deposit trust funds in a licensed
10 neutral escrow depository in this state.

11 “(4) A principal real estate broker or licensed real estate property man-
12 ager who opens a clients’ trust account under subsection (2) or (3) of this
13 section, or to whom ownership of a clients’ trust account is transferred, is
14 liable for all deposits and disbursements made using the clients’ trust ac-
15 count until the principal real estate broker or licensed real estate property
16 manager closes the account or transfers ownership of the account.

17 “(5) A principal real estate broker or licensed real estate property man-
18 ager may not commingle any other funds with the trust funds held in a
19 clients’ trust account, except for:

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

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

23 “(6) If a licensed real estate property manager or principal real estate
24 broker maintains a separate clients’ trust account in a branch office, a sep-
25 arate bookkeeping system must be maintained in the branch office and a
26 copy of the records required under ORS 696.280 must be maintained in the
27 main office of the licensed real estate property manager or principal real
28 estate broker.

29 “(7) Trust funds received by a licensed real estate property manager or
30 principal real estate broker may be deposited by the licensed real estate

1 property manager or principal real estate broker in a federally insured
2 interest-bearing bank account that is designated a clients' trust account un-
3 der ORS 696.245, but only with the prior written approval of all parties who
4 have an interest in the trust funds. The earnings of the interest-bearing ac-
5 count inure to the benefit of the licensed real estate property manager or
6 principal real estate broker only if expressly approved in writing by all
7 parties who have an interest in the trust funds before deposit of the trust
8 funds.

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

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

30 “(10) Trust funds in a clients' trust account are not subject to execution

1 or attachment on any claim against a licensed real estate property manager
2 or principal real estate broker.

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

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

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

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

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

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

5 “**SECTION 11.** ORS 696.270 is amended to read:

6 “696.270. The Real Estate Commissioner, with the approval of the Oregon
7 Department of Administrative Services, shall prescribe the fees that the Real
8 Estate Agency may charge for activities listed under this section, subject to
9 the following maximum amounts:

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

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

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

15 “(b) Change of name, \$10.

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

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

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

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

22 “(d) Change of name, \$10;

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

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

25 “(4) For each registered business name:

26 “(a) Initial registration, \$300;

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

28 “(c) Change of name, \$300.

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

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

1 “(a) Initial issuance, \$150; and

2 “(b) Extension, \$150.

3 “(7) For each continuing education provider certification:

4 “(a) Initial application, \$300; and

5 “(b) Renewal, \$50.

6 **“SECTION 12.** ORS 696.280 is amended to read:

7 “696.280. (1) A licensed real estate property manager or principal real es-
8 tate broker shall maintain within this state, except as provided in subsection
9 (6) of this section, complete and adequate records of all professional real
10 estate activity conducted by or through the licensed real estate property
11 manager or principal real estate broker. The Real Estate Agency shall spec-
12 ify by rule the records required to establish complete and adequate records
13 of a licensed real estate property manager’s or principal real estate broker’s
14 professional real estate activity. The only documents the agency may require
15 by rule a licensed real estate property manager or principal real estate bro-
16 ker to use or generate are documents that are otherwise required by law or
17 are voluntarily generated in the course of conducting professional real estate
18 activity.

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

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

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

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

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

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

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

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

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

14 **“SECTION 13.** ORS 696.294 is amended to read:

15 *“696.294. [(1) As used in this section, ‘letter opinion’ means a document that*
16 *expresses a real estate licensee’s conclusion regarding a recommended listing,*
17 *selling or purchase price or a rental or lease consideration of certain real es-*
18 *tate and that results from the licensee’s competitive market analysis.]*

19 **“(1) As used in this section, ‘letter opinion’ means:**

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

25 **“(b) A document that expresses a timeshare sales agent’s conclu-**
26 **sion regarding a recommended listing, selling or purchase price of a**
27 **timeshare and that results from the licensee’s competitive market**
28 **analysis.**

29 **“(2) The Real Estate Commissioner by rule shall specify the minimum**
30 **contents of a letter opinion, including but not limited to the distinction be-**

1 tween a letter opinion and a real estate appraisal.

2 **“SECTION 14.** ORS 696.301 is amended to read:

3 “696.301. Subject to ORS 696.396, the Real Estate Commissioner may sus-
4 pend or revoke the real estate license of any real estate licensee, reprimand
5 any real estate licensee or deny the issuance or renewal of a license to an
6 applicant who has:

7 “(1) Created a reasonable probability of damage or injury to a person by
8 making one or more material misrepresentations or false promises in a mat-
9 ter related to professional real estate activity.

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

13 “(3) Disregarded or violated any provision of ORS 659A.421, 696.010 to
14 696.495, 696.600 to 696.785, 696.800 to 696.870 and 696.890 or any rule of the
15 Real Estate Agency.

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

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

19 “(6) Intentionally interfered with the contractual relations of others con-
20 cerning real estate or professional real estate activity.

21 “(7) Intentionally interfered with the exclusive representation or exclu-
22 sive brokerage relationship of another real estate licensee.

23 “(8) Accepted employment or compensation for the preparation of a com-
24 petitive market analysis or letter opinion that is contingent upon reporting
25 a predetermined value or for real estate in which the real estate licensee had
26 an undisclosed interest.

27 “(9) Represented a taxpayer as described in ORS 305.239 or 309.100, con-
28 tingent upon reporting a predetermined value or for real estate in which the
29 real estate licensee had an undisclosed interest.

30 “(10) Failed to ensure, in any real estate transaction in which the real

1 estate licensee performed the closing, that the buyer and seller received a
2 complete detailed closing statement showing the amount and purpose of all
3 receipts, adjustments and disbursements.

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

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

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

11 “(14) Committed an act of fraud or engaged in dishonest conduct sub-
12 stantially related to the fitness of the applicant or real estate licensee to
13 conduct professional real estate activity, without regard to whether the act
14 or conduct occurred in the course of professional real estate activity.

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

19 **“SECTION 15.** ORS 696.310 is amended to read:

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

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

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

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

1 the written supervisory agreement; and

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

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

7 “(c) Share equal supervisory control and responsibility for any profes-
8 sional real estate activity conducted by real estate brokers **and timeshare**
9 **sales agents** associated with the registered business name that is not oth-
10 erwise covered by the written supervisory agreement.

11 “(2) If a licensed real estate property manager is associated with the same
12 registered business name as any combination of licensed real estate property
13 managers and principal real estate brokers, the licensed real estate property
14 managers and principal real estate brokers shall:

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

17 “(A) Fully allocates supervisory control and responsibility for manage-
18 ment of rental real estate conducted by all principal real estate brokers and
19 licensed real estate property managers associated with the registered busi-
20 ness name; and

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

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

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

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

4 “**SECTION 16.** ORS 696.320 is amended to read:

5 “696.320. The suspension or revocation of a principal real estate broker’s
6 license renders inactive every license of the real estate brokers **and**
7 **timeshare sales agents** engaged by the principal real estate broker pending
8 a transfer of the license. The Real Estate Agency shall transfer a license
9 rendered inactive under this section if the real estate licensee requests a
10 transfer within 30 days after the effective date of the suspension or revoca-
11 tion of the principal real estate broker’s license and pays a transfer fee.

12 “**SECTION 17.** ORS 696.365 is amended to read:

13 “696.365. (1) A city or county may not impose a business license tax on
14 or collect a business license tax from an individual licensed as a real estate
15 broker **or a timeshare sales agent** who engages in professional real estate
16 activity only as an agent of a principal real estate broker.

17 “(2) As used in this section, ‘business license tax’ has the meaning given
18 that term in ORS 701.015.

19 “**SECTION 18.** ORS 696.710 is amended to read:

20 “696.710. (1) A real estate broker, [or] principal real estate broker **or**
21 **timeshare sales agent** conducting professional real estate activity within
22 this state may not bring or maintain any action for the collection of com-
23 pensation without alleging and proving that the individual was a real estate
24 licensee when the alleged cause of action arose.

25 “(2) An action for collection of compensation from a client for profes-
26 sional real estate activity conducted by a real estate broker **or timeshare**
27 **sales agent** associated with a principal real estate broker may not be
28 brought or maintained except by the principal real estate broker with whom
29 the real estate broker **or timeshare sales agent** was associated when the
30 alleged cause of action arose.

1 **“SECTION 19.** (1) The amendments to ORS 696.010, 696.020, 696.022,
2 696.026, 696.030, 696.125, 696.130, 696.174, 696.241, 696.270, 696.280, 696.294,
3 696.301, 696.310, 696.320, 696.365 and 696.710 by sections 1 to 18 of this
4 2025 Act become operative on January 1, 2026.

5 **“(2)** The Real Estate Agency may adopt rules and take any other
6 action before the operative date specified in subsection (1) of this sec-
7 tion that is necessary to enable the agency to exercise, on and after
8 the operative date specified in subsection (1) of this section, all the
9 duties, functions and powers conferred on the agency by the amend-
10 ments to ORS 696.010, 696.020, 696.022, 696.026, 696.030, 696.125, 696.130,
11 696.174, 696.241, 696.270, 696.280, 696.294, 696.301, 696.310, 696.320, 696.365
12 and 696.710 by sections 1 to 18 of this 2025 Act.

13 **“SECTION 20.** This 2025 Act being necessary for the immediate
14 preservation of the public peace, health and safety, an emergency is
15 declared to exist, and this 2025 Act takes effect July 1, 2025.”.
