



HB 3137 – Modernizing Statutes Governing the Real Estate Profession

Problem

Existing statutes governing the real estate profession need to be periodically updated to address terms, practices and issues common today but unforeseen in previous updates.

Importance

HB 3137 will enhance both real estate licensee professionalism and consumer protection

HB 3137's Solutions

- (1) Defines “Managing Principal Broker” as the Principal Broker who registers the real estate business with the Oregon Real Estate Agency (OREA). ORS 696 currently describes the license categories of “Principal Broker,” “Broker,” and “Property Manager” but lacks a term to distinguish between the Principal Broker managing the firm and all other Principal Brokers (there could be dozens) associated with the firm. The bill updates references throughout the statute to “Managing Principal Broker” when the statute is referring to obligations related to managing the firm rather than simply practicing real estate.
- (2) Spells out supervisory duties of a Managing Principal Broker and clarifies that OREA can reprimand, suspend or revoke the real estate license of a Managing Principal Broker for failure to carry out these duties. ORS 696 currently requires Brokers to practice real estate under the supervision and control of a Principal Broker but provides no explanation of what that means.
- (3) Updates the requirements of ORS 696.310 written intracompany control agreements to reflect the addition of “Managing Principal Broker” and to require succession planning in case of death or incapacity of a Principal Broker. Intracompany control agreements allocate broker supervision responsibilities when a firm has multiple Principal Brokers.
- (4) Updates continuing education requirements for license renewal to specify that the required 30 hours must include at least 2 hours in a course on recent law and rule changes and 2 hours in a course on state and federal fair housing laws.
- (5) Defines “Real Estate Teams” and creates a basic regulatory framework for Real Estate Teams to prevent consumer confusion. Real Estate Teams are a subdivision of a registered real estate business that is comprised of one or more real estate licensees operating under a name other than the registered business name. Teams are ubiquitous in real estate but currently are not defined or regulated by statute.
- (6) Requires a real estate licensee to pass a proficiency assessment (to be established in rule by OREA) before their license is renewed for the first time. Current requirements require continuing education but lack any practical skills component.



- (7) Empowers OREA to provide training material and model compliance materials on the rules OREA creates and enforces, and to reassign staff for this purpose.
- (8) Allows real estate licensees to give their compensation to charitable organizations. Oregon's current prohibition on sharing compensation with non-licensed persons is so broad it prevents real estate licensees from donating a portion of their earnings on a home sale to charity.

Support HB 3137 to improve professionalism and consumer protection in real estate