

## **SB 1513 -1 STAFF MEASURE SUMMARY**

### **Senate Committee On Commerce and General Government**

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**Meeting Dates:** 2/4, 2/11

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#### **WHAT THE MEASURE DOES:**

The measure permits a real estate team to use the terms “realty,” “real estate,” or use a name that is identical to the registered business name until July 1, 2027. The measure declares an emergency and becomes effective upon passage.

Fiscal impact: *May have fiscal impact, but statement not yet issued*

Revenue impact: *May have revenue impact, but statement not yet issued*

#### **ISSUES DISCUSSED:**

- Updates to real estate statutes in House Bill 3137 (2025)
- Establishment of regulatory framework for real estate teams
- Prohibition on use of terms in the names of real estate teams to prevent consumer confusion
- Need to change operative date to allow for time for real estate teams to adapt
- Regulation of real estate teams in other states

#### **EFFECT OF AMENDMENT:**

-1 The amendment establishes operative date of July 1, 2027 for prohibition against a real estate team using the terms “realty,” “real estate,” or a name that is identical to the registered business.

Fiscal impact: *May have fiscal impact, but statement not yet issued*

Revenue impact: *May have revenue impact, but statement not yet issued*

#### **BACKGROUND:**

In 2025, House Bill 3137 allowed associated real estate licensees in a main real estate office or in a branch office, to form a real estate team with the approval of the managing principal broker. A “real estate team” is 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. A real estate team was prohibited from including the terms “realty” or “real estate” in the team’s name and prohibited from using a name that was identical to the registered business name. The provision became effective January 1, 2026.

The measure delays the operative date prohibiting a real estate team from including the words “realty,” “real estate,” or the name of registered business in the team’s name until July 1, 2027 to allow additional time for a real estate office to adjust marketing, branding, and other business communication tools.