

REVENUE: No revenue impact

FISCAL: No fiscal impact

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|-----------------------|---|
| <b>Action:</b>        | Do Pass and Be Placed on the Consent Calendar |
| <b>Vote:</b>          | 4 - 0 - 1                                     |
| <b>Yeas:</b>          | Beyer, Edwards C., Girod, Riley               |
| <b>Nays:</b>          | 0   |
| <b>Exc.:</b>          | Thatcher                                      |
| <b>Prepared By:</b>   | Patrick Brennan, Administrator                |
| <b>Meeting Dates:</b> | 5/1   |

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**WHAT THE MEASURE DOES:** Directs the Real Estate Agency to establish an optional procedure to allow sole practitioners or principal real estate brokers to disburse disputed funds held in relation to real estate transactions.

**ISSUES DISCUSSED:**

- Fixes inadvertent inclusion of real estate property managers
- Makes procedure optional

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** House Bill 2604 (2005) required the Oregon Real Estate Agency to create a procedure for real estate licensees to disburse funds held in client trust accounts. Such accounts hold earnest monies in real estate transactions. The term "client trust accounts," however, is also used to apply to tenant security deposits and in landlord tenant law, both applying to property managers. Senate Bill 166 clarifies that the disbursal procedure developed by the Real Estate Agency will apply only to client trust accounts in real estate transactions. The measure also specifies that the procedure is optional, allowing the distribution of disputed funds to be negotiated.

5/2/2007 2:46:00 PM

*This summary has not been adopted or officially endorsed by action of the committee.*