

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	5 - 0 - 0
Yeas:	Deckert, George L., Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	0
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	1-24

WHAT THE MEASURE DOES: Requires the Real Estate Agency to establish a procedure by which a real estate licensee may disburse disputed funds from client trust accounts to the person who delivered the funds to the real estate licensee. Applies only to funds held in relation to the sale, exchange, or purchase of real estate.

ISSUES DISCUSSED:

- Need for clarification to narrow application of the procedure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Legislation passed in 2005 (HB 2604) 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. SB 166 clarifies that the disbursal procedure developed by the Real Estate Agency will only apply to client trust accounts in real estate transactions. It also specifies that the procedure is optional, allowing the distribution of disputed funds to be negotiated.