

House Bill 2497

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Consumer Protection and Government Accountability)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Allows real estate broker or principal real estate broker to pay share of commission to principal of real estate transaction.

A BILL FOR AN ACT

1
2 Relating to real estate transaction commissions; amending ORS 696.290.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 696.290 is amended to read:

5 696.290. (1) A real estate licensee may not offer, promise, allow, give, pay or rebate, directly or
6 indirectly, any part or share of the licensee's compensation arising or accruing from any real estate
7 transaction or pay a finder's fee to any person who is not a real estate licensee [*licensed under ORS*
8 *696.022. However,*].

9 **(2) Notwithstanding subsection (1) of this section,** a real estate broker or principal real es-
10 tate broker may pay a finder's fee or a share of the licensee's compensation on a cooperative sale
11 when the payment is made to a licensed real estate broker in another state or country, provided that
12 the state or country in which that broker is licensed has a law permitting real estate brokers to
13 cooperate with real estate brokers or principal real estate brokers in this state and that such non-
14 resident real estate broker does not conduct in this state any acts constituting professional real
15 estate activity and for which compensation is paid. If a country does not license real estate brokers,
16 the payee must be a citizen or resident of the country and represent that the payee is in the busi-
17 ness of real estate brokerage in the other country.

18 **(3)** A real estate broker associated with a principal real estate broker may not accept compen-
19 sation from any person other than the principal real estate broker with whom the real estate broker
20 is associated at the time.

21 **(4)** A principal real estate broker may not make payment to the real estate broker of another
22 principal real estate broker except through the principal real estate broker with whom the real es-
23 tate broker is associated.

24 **(5)** [*Nothing in*] This section [*prevents*] **does not prohibit** payment of compensation earned by
25 a real estate broker or principal real estate broker while licensed, because of change of affiliation
26 or inactivation of the broker's license.

27 [(2)] **(6)** [*Nothing in*] Subsection (1) of this section [*prohibits*] **does not prohibit** a real estate
28 licensee who has a written property management agreement with the owner of a residential building
29 or facility from authorizing the payment of a referral fee, rent credit or other compensation to an
30 existing tenant of the owner or licensee, or a former tenant if the former tenant resided in the
31 building or facility within the previous six months, as compensation for referring new tenants to the

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 licensee.

2 **(7) Subsection (1) of this section does not prohibit a real estate broker or principal real**
3 **estate broker from rebating or paying a share of the broker's or principal broker's commis-**
4 **sion resulting from a real estate transaction to a principal of the transaction.**

5 [(3)(a)] **(8)(a)** [*Nothing in*] Subsection (1) of this section [*prevents*] **does not prohibit** an Oregon
6 real estate broker or principal real estate broker from sharing compensation on a cooperative non-
7 residential real estate transaction with a person who holds an active real estate license in another
8 state or country, provided:

9 (A) Before the out-of-state real estate licensee performs any act in this state that constitutes
10 professional real estate activity, the licensee and the cooperating Oregon real estate broker or
11 principal real estate broker agree in writing that the acts constituting professional real estate ac-
12 tivity conducted in this state will be under the supervision and control of the cooperating Oregon
13 broker and will comply with all applicable Oregon laws;

14 (B) The cooperating Oregon real estate broker or principal real estate broker accompanies the
15 out-of-state real estate licensee and the client during any property showings or negotiations con-
16 ducted in this state; and

17 (C) All property showings and negotiations regarding nonresidential real estate located in this
18 state are conducted under the supervision and control of the cooperating Oregon real estate broker
19 or principal real estate broker.

20 (b) As used in this subsection, "nonresidential real estate" means real property that is improved
21 or available for improvement by commercial structures or five or more residential dwelling units.

22