

HB 4103 STAFF MEASURE SUMMARY

Carrier: Rep. Breese-Iverson

House Committee On Business and Labor

Action Date: 02/14/22

Action: Do Pass.

Vote: 10-0-1-0

Yeas: 10 - Bonham, Boshart Davis, Bynum, Cate, Evans, George, Grayber, Holvey, Salinas, Witt

Exc: 1 - Smith Warner

Fiscal: Has minimal fiscal impact

Revenue: Has minimal revenue impact

Prepared By: Tyler Larson, LPRO Analyst

Meeting Dates: 2/9, 2/14

WHAT THE MEASURE DOES:

Increases minimum and maximum civil penalties that Real Estate Commissioner may assess for offenses related to engaging in professional real estate activity without holding an active license. Increases penalty for first offense from minimum of \$100 to \$1,000 and maximum of \$500 to \$2,500. Increases penalty for second and subsequent offense from minimum of \$500 to \$2,500 and maximum of \$1,000 to \$5,000. Applies to offenses committed on or after January 1, 2023.

ISSUES DISCUSSED:

- Need for civil penalties to be sufficiently sized to deter bad behavior
- Comparison to civil penalty thresholds enacted in neighboring states

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

Oregon law prohibits an individual from engaging in professional real estate activity without holding an active license from the Oregon Real Estate Agency (OREA). Individuals that violate the license requirement are subject to a maximum civil penalty of \$500 for the first violation and \$1,000 for each subsequent violation. The current civil penalty thresholds have been in place since at least 1991.

House Bill 4103 increases the minimum and maximum civil penalties that OREA can assess for license violations. The measure proposes civil penalties of at least \$1,000 and not more than \$2,500 for a first offense and at least \$2,500 and not more than \$5,000 for second and subsequent offenses.