

**HB 3092 A STAFF MEASURE SUMMARY**  
**House Committee On Housing and Homelessness**

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**Action Date:** 03/09/23

**Action:** Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

**Vote:** 10-0-1-0

**Yeas:** 10 - Boice, Cate, Dexter, Fahey, Gamba, Hartman, Helfrich, Helm, Javadi, Wright

**Exc:** 1 - Levy E

**Fiscal:** Fiscal impact issued

**Revenue:** No revenue impact, statement issued (Indeterminate Impact)

**Prepared By:** Claire Adamsick, LPRO Analyst

**Meeting Dates:** 2/21, 3/9

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**WHAT THE MEASURE DOES:**

Prohibits residential property wholesaling without registration, subject to specific conditions. Defines “residential property wholesaling” as marketing for sale the purchase of residential property for which the wholesaler has only equitable interest or an option to purchase for fewer than 90 days and has invested less than \$10,000 in land development or improvement costs. Directs Real Estate Agency to establish standards for disclosure requirements of real estate licensees who engage in residential property wholesaling. Directs Real Estate Commissioner to establish in rule a registration system for residential property wholesalers including specific provisions. Allows Real Estate Agency to charge a fee of no more than \$300 for residential property wholesaler registration and no more than \$300 for renewal of registration. Requires residential property wholesaler to provide written disclosure to potential buyers or sellers before entering into contract for residential property wholesale transaction; provides grounds under which buyer or seller may terminate contract. Allows Real Estate Commissioner to suspend, revoke, or deny issuance or renewal of registration to residential property wholesaler for misrepresentation, fraud, or acting in bad faith. Describes criminal or civil penalties Real Estate Commissioner may impose for violation of registration or disclosure requirements. Applies provisions of Act to contracts entered into on or after effective date.

**ISSUES DISCUSSED:**

- Practice of wholesaling and potential consumer impacts
- Distinction between wholesaler and buyer's agent with regard to disclosure
- Length of contract as partial remedy to concerns regarding wholesaling and disclosure

**EFFECT OF AMENDMENT:**

Replaces the measure.

**BACKGROUND:**

Real estate wholesaling typically involves the temporary purchase of a seller’s property by a wholesaler who agrees by contract to sell a property for a minimum amount by a certain date. In a wholesaling transaction, the wholesaler does not assume ownership of the property in question. Distressed properties in disrepair are often desirable to wholesalers due to a seller’s desire to sell quickly. Residential property wholesaling in Oregon is legal, and there is limited data on the impacts of residential property wholesaling on the overall real estate market.

House Bill 3092 A prohibits residential property wholesaling in Oregon without registration, subject to specific conditions. It directs the Real Estate Commissioner to establish a residential property wholesaler registration system, under specified terms. The measure establishes disclosure requirements for persons engaging in

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residential property wholesaling, and penalties that may be imposed for violation of registration and disclosure requirements.