



Oregon

Tina Kotek, Governor

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Date: February 4, 2026
To: Senate Committee on Commerce and General Government
From: Steve Strode, Real Estate Commissioner
Subject: Senate Bill 1513

Senate Bill 1513 addresses a provision of House Bill 3137, passed during the 2025 legislative session, that prohibits the use of the words “real estate” and “realty” in real estate team names. HB 3137 defined a “real estate team” as a subdivision of a registered business that performs professional real estate activity and is comprised of one or more real estate licensees operating under a name other than the registered business name.

During the rulemaking process to implement HB 3137 by its effective date of January 1, 2026, the Oregon Real Estate Agency received 245 written comments. Additionally, 10 individuals testified at the public hearing. Comments focused on a proposed rule that reiterated the bill’s prohibition on the use of the words “real estate” and “realty” in team names.

Commenters requested that the Agency repeal the prohibition. In response, the Agency amended the proposed rule containing the provision. However, the statutory prohibition remained. No opposition to the prohibition surfaced during the 2025 legislative session. The Agency notes that feedback on the remainder of the bill and the associated rulemaking was positive overall.

The input received during rulemaking, and subsequently from industry representatives, presented two possible pathways.

Repeal

Those seeking repeal of the provision believed the prohibition was unnecessary, as the newly prohibited words are common terms that accurately describe their profession. They also cited the cost to small businesses for rebranding, including business cards, signage, billboards, websites, and other marketing materials. Several comments referenced possible litigation based on the First Amendment should the prohibition not be repealed.

Delay

In response to the public comments, the industry introduced a secondary path that would delay implementation of that provision of the bill. This would give licensees more time to comply since many were not aware of the prohibition on the use of “real estate” and “realty” prior to rulemaking.

As the public comments the Agency received relate to a provision in statute, not rulemaking, the Agency is not in a position to either repeal or delay the prohibition. We shared the feedback, along with the observed risk of litigation, with several co-sponsors of HB 3137 and representatives from Oregon Realtors. HB 3137 was an industry-led bill, not an Agency-led one. The Agency also communicated with each individual who provided public comment that their requests to repeal were shared with the appropriate parties, and that we would withhold determination on any complaints related to the specific provision until the 2026 legislative session has concluded.

Position on SB 1513

The Agency is neutral on this bill, as both support for and opposition to the bill's content comes from members of the same trade association. With respect to future litigation risk to the Agency should the bill be passed as written, we cannot provide a legal opinion and defer to Legislative Counsel.