Dear Senators,

I submit this letter in opposition to SB 1513. While the bill provides a temporary delay, it fails to address the core issue: a team-name restriction created by HB 3137 that is unnecessary, economically harmful, and potentially unconstitutional.

SB 1513 does not fix the problem. It merely postpones enforcement. When the delay expires in 2027, Oregon real estate professionals will face the same disruption, costs, and uncertainty—only later. Delaying a flawed policy does not make it sound policy.

Existing law already protects consumers

Oregon law and the Oregon Real Estate Agency's administrative rules already provide comprehensive consumer protection related to advertising. These include:

- Clear identification of the supervising brokerage and registered business name
- Prohibitions on false, misleading, or deceptive representations
- Authority for OREA to investigate and discipline licensees for advertising violations

If these provisions were consistently enforced, consumer concerns cited in support of HB 3137 would already be addressed. There is no demonstrated regulatory gap that requires banning commonly used, descriptive professional terms.

The restriction raises constitutional concerns

"Realty" and "real estate" are generic, accurate descriptors of licensed professional activity. Prohibiting their use by affiliated teams—while allowing brokerages to continue using them—appears to be a content-based restriction on commercial speech.

I am not offering a legal opinion. However, blanket prohibitions of truthful, non-misleading language raise serious constitutional questions, particularly when less restrictive alternatives already exist, such as:

- Requiring prominent display of the brokerage's registered business name, or
- Requiring a short disclosure that a team is affiliated with a brokerage

A delay does not cure the harm

SB 1513 implicitly acknowledges the damage this rule would cause by delaying enforcement. But postponement does not resolve the underlying policy failure. It extends uncertainty for Oregon real estate teams, many of which are treated as small businesses by the Oregon Department of Revenue.

These teams incur normal business expenses, pay state and local taxes, and invest heavily in branding and marketing. By deferring enforcement rather than correcting the rule, SB 1513

leaves these businesses unable to plan, budget, or invest with confidence—while guaranteeing a forced rebrand in the future.

Significant financial and operational impact

Real estate teams across Oregon have invested substantial time, money, and goodwill into brands that are:

- Not misleading
- Not deceptive
- Clearly affiliated with a registered brokerage

Forced rebranding would require, at minimum:

- New signage and marketing materials
- Website and domain changes
- Reprinting contracts, disclosures, and advertising
- Loss of brand recognition and consumer trust

These are material costs—often totaling thousands of dollars per business—and they disproportionately impact small and minority-owned teams.

No demonstrated improvement in consumer clarity

When advertising clearly identifies the supervising brokerage and registered business name, the use of "realty" or "real estate" does not create consumer confusion. These terms simply describe the services provided. Consumers already understand that teams operate under brokerages.

Conclusion

SB 1513 does not resolve the problem created by HB 3137. It merely delays enforcement of a rule that is unnecessary, burdensome, and legally questionable.

If consumer protection is the objective, Oregon already has effective tools in place. The appropriate response is consistent enforcement of existing law—not the elimination of common, accurate professional language.

I respectfully urge the Legislature to repeal or permanently amend the team-name restriction, rather than defer its impact.

Sincerely,
Joe Schafbuch
Managing Principal Broker
Keller Williams Portland Premiere