

Oregon Real Estate News-Journal

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Commissioner
Steve Strobe

Send Your Comments on Draft 2020-2021 LARRC

Steve Strobe, Real Estate Commissioner

The 2019 legislative session produced a number of bills affecting the housing industry. While most of these bills did not change statutes under the Oregon Real Estate Agency’s authority, they could affect the professional activities of licensees. With this in mind, the Real Estate Board's role in the process was expanded from oversight to course development. The Board is comprised of seasoned professionals operating from various corners of the industry. By leveraging this expertise, the Agency and Board were able to collaboratively develop an outline that captures the legislation that has the highest impact to our licensees

Continuing education requirements for each licensee include “at least three hours in a course on recent changes in rule and law approved by the Real Estate Board.” [Oregon Revised Statutes (ORS) 696.174(1)(a)] The Real Estate Board “shall create or approve a real estate continuing education course for

real estate licensees.” [ORS 696.425(3)]. The updates to LARRC usually coincide with the end of each “long” legislative session of the Oregon legislature, which occur in the odd-numbered calendar years.

A committee comprised of current board members met with Agency staff on August 4 in Hood River to evaluate recently passed bills that affect the professional activities of licensees, including housing. The committee was tasked with recommending which bills would be required or optional topics for the 2020-2021 version of LARRC, as well as determine the learning objectives for all required topics.

The draft outline of the 2020-2021 LARRC is presented below. The written public comment period is from August 12 through September 3, 2019. You may email your comments to madeline.c.alvarado@oregon.gov.

The Board will approve the final course outline at its October 7 meeting.

*Please see **Draft LARRC** on page 2*



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Draft LARRC

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DRAFT REQUIRED TOPICS

[House Bill 2001](#)

Requires cities with populations greater than 10,000, or within Metro, to allow duplexes in lands zoned for single-family dwellings within urban growth boundary.

Learning Objectives:

Upon completion of this course, the licensee will be able to:

- Define “duplex” and “middle housing.”
- Explain the requirement for duplex or middle housing in areas zoned for residential use.
- Explain population requirements.
- Define “urban growth boundary” as a land use planning line required by Oregon law that each Oregon city and metropolitan area has created around its perimeter to control urban expansion into farm and forest lands.
- Relate potential impact of sections 12 and 13 on amendments and enforceability of covenants, conditions and restrictions (CCRs).
- Explain affirmative duty to advise sellers and buyers to seek expert advice on matters related to a transaction that are beyond the licensee’s expertise per ORS 696.805(3)(e) and 696.810(3)(e).

[Senate Bill 454](#)

Transfers administration of Uniform Disposition of Unclaimed Property Act, unclaimed estates and escheating funds from Department of State Lands to State Treasurer.

Learning Objective:

Upon completion of this course, the licensee will be able to:

- Recall that unclaimed funds must be transferred to the Oregon Department of Treasury rather than State Lands beginning July 1, 2021. The most common type of unclaimed funds for real estate licensees is tenant security deposits.

[Senate Bill 534](#)

Requires local governments to allow the

development of at least one dwelling unit on each platted lot that is zoned to allow single-family dwellings within urban growth boundary of city with population greater than 25,000.

Learning Objectives:

Upon completion of this course, the licensee will be able to:

- Define “local government” per ORS 197.015(13).
- Explain the allowance for unit development on lots zoned for single-family dwellings.
- Explain local government approval exceptions.
- Recall local government population requirements subject to this law.

[Senate Bill 608](#)

Prohibits landlord from terminating month-to-month tenancy without cause after 12 months of occupancy.

Learning Objectives:

Upon completion of this course, the licensee will be able to:

- Recall exceptions for certain tenancies on building or lot used by landlord as residence.
- Explain the requirements allowing landlords to terminate tenancy.
- Outline the exemptions to the law and landlord non-renewal allowances and terms.
- Explain timeline and amount limitations to rent increases.

DRAFT OPTIONAL TOPICS

[House Bill 2002](#)

Requires property owner subject to affordability restriction to provide more notice to Housing and Community Services Department and local governments before restrictions expire.

[House Bill 2006](#)

Appropriates moneys to Housing and Community Services Department for grants to

support services and programs for families seeking or needing housing that have low or very low incomes.

House Bill 2106

Allows dog training classes to be conducted in farm buildings existing on January 1, 2019, within counties that adopted marginal lands provisions.

House Bill 2118

Standardizes use of consumer price index for purposes of indexing values in statutes and session law.

House Bill 2225

Defines "center of the subject tract" for siting certain permissible forest dwellings.

House Bill 2285

Clarifies receivership proceedings and reporting and notice requirements for residential properties that city or county determines are threat to public health, safety or welfare.

House Bill 2306

Requires city or county to issue residential building permits upon substantial completion of construction of public improvements in residential subdivisions.

House Bill 2312

Requires seller disclosure form to include warning regarding flood insurance.

House Bill 2423

Adopts Small Home Specialty Code to regulate construction of homes not more than 400 square feet in size.

House Bill 2425

Allows county clerk to record electronic record or record bearing electronic signature and to charge for electronic delivery of copies of records.

House Bill 2459

Permits person or agent of person that holds lien that encumbers real property to request statement from person that holds another lien

that also encumbers same real property of amount that is necessary to pay off other lien.

House Bill 2466

Requires certain homeowners associations and all condominium unit owners associations to carry fidelity bond coverage, unless owners and board have elected otherwise in the preceding year.

House Bill 2469

Allows counties to approve second dwelling on forestlands within rural fire protection district near existing dwelling for owner or relative who supports owner's forestry practices.

House Bill 2485

Establishes procedures for adoption of restated declaration, restated assignment of use of limited common elements and restated bylaws by condominium association.

House Bill 2486

Allows Real Estate Agency to electronically facilitate condominium reporting process.

House Bill 2530

Requires persons who send or serve certain documents related to termination of tenancy, forcible entry or detainer and residential foreclosures to include certain information regarding assistance that may be available to veterans of armed forces.

House Bill 2997

Requires cities and counties to exempt certain CCRCs (continuing care retirement communities) from requirements to include affordable housing within development.

House Bill 3024

Prohibits county from considering property tax classification of dwellings that were previously removed, destroyed, demolished or converted to nonresidential uses when reviewing application for replacement dwelling on lands zoned for exclusive farm use.

Please see Draft LARRC on page 4

Transferring a New Applicant into Your Business?

If you are a principal broker trying to add a "brand new broker" into your registered business name, don't be surprised when you can't find that person in the Oregon Real Estate Agency's online license search.

You can find the new licensee by signing into your personal [eLicense](#) account, clicking the "Online Services" dropdown menu, and select "Add/Remove Licensee." Using their license number, locate the person and add them to your company.

License applicants are not searchable via the Agency's online licensee search because they are not considered officially licensed until they are added to a business. ■

Draft LARRC *Continued from page 3*

[Senate Bill 262](#)

Extends sunset for property tax exemption for multiple-unit housing.

[Senate Bill 369](#)

Modifies definition of "substantial completion" for purposes of statute of limitation for action arising out of construction, alteration or repair of improvement to real property.

[Senate Bill 484](#)

Limits landlord to single applicant screening charge per 60-day period, per applicant applying to rent multiple dwelling units owned or managed by landlord.

[Senate Bill 873](#)

Allows defendant in eviction action to apply for order setting aside judgment.

[Senate Bill 970](#)

Limits applicable screening criteria for residential landlords. ■

Next Board Meeting in Astoria

**October 7, 2019 at
10:00 a.m.**

Location TBA

The public is invited to attend the next general meeting of the Oregon Real Estate Board. Additional information can be found on the [Oregon Real Estate Agency's website](#).

Deputy Commissioner Owens Retires

Dean Owens retired June 30, 2019, after 35 years of public service with the state of Oregon. He had previously worked for the Oregon State Hospital and the Oregon Department of Energy before starting at the Oregon Real Estate Agency in 2006 as the Business Manager. He was promoted to Deputy Commissioner in 2007.

Mr. Owens extensive knowledge of state government helped the Agency achieve many accomplishments, including weathering the economic downturn of the late 2000s and moving most licensing processes online.

His retirement will include more golf and time with family. The Agency thanks Dean for his years of service to the State of Oregon and especially for his 13 years with the Agency. ■

Principal Broker Advanced Practices Course Now Required

Renewing your active principal broker license for the first time?

Reactivating your principal broker license for the first time after an inactive first renewal?

You must complete these two specific [continuing education](#) courses to renew or reactivate your license:

- 27-hour Principal Broker Advanced Practices (PBAP) course.
- 3-hour Law and Rule Required Course (LARRC).

Where do I find these classes?

A list of approved PBAP and LARRC providers are available at <https://orea.license.irondata.com/Lookup/GenerateRoster.aspx>.

Why do I have to take PBAP?

The Oregon Legislature passed House Bill 4048 in 2018 that amends Oregon Revised Statute 696.174. The law now requires an advanced practices course for principal brokers for their first active license renewal.

What about other courses I have taken?

Only the 27-hour PBAP course and the 3-hour LARRC will meet requirements for an active first renewal of a principal broker license. Other courses taken will not count.

Final Agency Acknowledgement

What to mark when brokers from the same company represent different parties in a sales transaction.

The Oregon Real Estate Agency often receives calls from licensees confused about “designated agency.”

This term isn’t in Oregon Real Estate License Law. Agency laws and terms vary among states. So in conversations with colleagues or clients, you may hear terms such as "designated agent" or "dual agent" not specifically described in Oregon statutes or rules. What we do have are the agency relationships as described in [Oregon Revised Statutes \(ORS\) 696.805 through 815](#) and in [Oregon Administrative Rule \(OAR\) 863-015-0200](#).

Unless the parties specifically agree to a different relationship not prohibited by law, relationships in a real estate transaction are limited to the following:

- An agency relationship between a real estate licensee and the seller exclusively. The licensee is a **seller’s agent**.
- An agency relationship between a real estate licensee and the buyer exclusively. The licensee is a **buyer’ agent**.
- A disclosed limited agency relationship where one or more real estate licensees associated with the same principal broker represents both the seller and the buyer in the same real estate transaction. The licensees are **disclosed limited agents**.
- A disclosed limited agency relationship where real estate licensees associated with the same principal broker are designated to represent, respectively, the buyer exclusively and the seller exclusively. The licensees are, respectively, **a buyer’s agent and a seller’s agent**. The principal broker is the disclosed limited agent.
- A disclosed limited agency relationship where one or more real estate licensees associated with the same principal broker represents more than one buyer in the same real estate transaction. All the licensees are **disclosed limited agents**.

Let’s consider these following scenarios.

SCENARIO #1

Pauleen is a broker representing the seller. Louie, who works for a different real estate business, is a broker representing the buyer in the same transaction. How should the Final Agency Acknowledgment be marked to indicate the proper agency relationships?

Answer: On the Final Agency Acknowledgment, Pauleen is the agent of the seller exclusively, and Louie is the agent of the buyer exclusively.

SCENARIO #2

Derick is a broker representing the seller in a transaction. Sonia, who works for the same real estate business as Derick, is a broker representing the buyer. Gilberto is the principal broker who supervises both Derick and Sonia. How should the Final Agency Acknowledgment be marked?

Answer: On the Final Agency Acknowledgment, Derick is the agent of the seller exclusively, and Sonia is the agent of the buyer exclusively.

Gilberto is the disclosed limited agent. He must ensure that Derick and Sonia do not have access to confidential information concerning the other’s client.

SCENARIO #3

Avinash is a broker representing the seller in a transaction. Patsy, a broker representing the buyer, is in the same team as Avinash. Tameka is the principal broker who supervises the licensees in Avinash and Patsy’s team. How should the Final Agency Acknowledgment be marked?

Answer: Although Avinash and Patsy are in the same team, they are still representing their clients exclusively. On the Final Agency Acknowledgment, Avinash is the agent of the *Please see Agency Acknowledgement on page 7*

Please contact the Agency at orea.regs@oregon.gov with any questions regarding agency relationships.

Administrative Actions

The Oregon Real Estate Agency is required by law to publish disciplinary actions. The final order for each action can be viewed by clicking on the individual names listed below.

Please note that there are individuals with real estate licenses that may have the same or similar names as those listed below, even in the same market area. If you are in doubt if an individual listed here is someone you know or you are working with, please contact the Agency for verification.

Stipulated settlements do not necessarily reflect all the factual violations initially alleged by the Agency. Sanctions may have been adjusted as part of the negotiation process. Such settlements may not, therefore, directly compare in severity or sanction with other cases.

REVOCATIONS

[Lebsock, Pamela Dawn](#) (Pendleton) Property Manager 200901138. Final Order by Default dated July 9, 2019.

SUSPENSIONS

[Draper, Jody L.](#) (Albany) Broker 95100114 Stipulated Final Order dated July 9, 2019, issuing a 30-day suspension.



Agency Acknowledgement

Continued from page 6

seller exclusively, and Patsy is the agent of the buyer exclusively.

Only Tameka has a disclosed limited agency relationship with both the buyer and seller. She must make sure systems are in place so that Avinash and Patsy do not have access to confidential information regarding the other's client.

SCENARIO #4

Petra is a broker representing both the buyer and the seller in a transaction. How should the Final Agency Acknowledgment be marked?

CIVIL PENALTIES

Expired - Late Renewal

Civil penalties for late renewals are computed using each 30-day period as a single offense. The civil penalty for the first 30-day period can range from \$100-\$500, with each subsequent 30-day period ranging from \$500-\$1,000.

[Hemstreet, Jon Dover](#) (Sheridan) Principal Broker 200411160. Stipulated Final Order dated May 24, 2019, issuing a \$1,100.00 civil penalty.

[Finucane, Christine M.](#) (Molalla) Property Manager 870500060. Stipulated Final Order dated July 18, 2019, issuing a \$1,300.00 civil penalty. ■

Answer: On the Final Agency Acknowledgment, Petra is an agent of both the buyer and the seller. She is a disclosed limited agent. She must not disclose to the buyer or seller, except with express written permission from the other person:

- That the seller will take a lower price or less favorable terms than the listing price or terms,
- That the buyer will pay a price greater or terms more favorable than the offering price or terms, or
- Specific confidential information as defined in ORS 863.800(3). ■

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Mesheal Heyman, Editor

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