

**OREGON STATE BAR**  
**Legislative Proposal**  
**Part I – Legislative Summary**

**RE:** LC 591 Clarify parties who may act without a real estate license in selling their property.

**Submitted by:** Real Estate and Land Use Section

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**1. Does this amend current law or program? Yes.**

This bill would amend ORS 696.030 (1)(g) and add ORS 696.030 (1)(aa).

**2. PROBLEM PRESENTED** (including level of severity):

ORS 696.030 (1)(g) lists the parties to whom the real estate licensing law does not apply. The list is lengthy. It includes employees of corporations, partnerships and associations, but omits to list employees of limited liability partnerships, limited liability companies or trustees of a trust. The statute also does not include new forms of entities which are becoming more common, and forces an LLC to hire a licensed realtor rather than market and negotiate a sale of their own property as partnerships and corporations are allowed to do.

This is seen as modernizing the statute by incorporating some of the more common entities that now own property in Oregon, allowing non-licensees without a special relationship to the owner to be exempt.

**3. SOLUTION:**

Amend ORS 696.030 (1)(g) to include limited liability partnerships, limited liability companies and trustees of trusts in the exemption. Add Section (aa) to exempt limited liability company members and officers. This gives LLCs and LLPs the same rights as their counterpart partnerships and corporations have.

**4. PUBLIC POLICY IMPLICATION** of this proposed legislative change:

The law would treat all ownership entities equally and not single out certain entities to be exempt and others non-exempt. The second section of the proposed change copies the language in 696.030 (r ), for limited partnerships.

**5. Could the problem be addressed through a NON-LEGISLATIVE SOLUTION, such as administrative rule or education?**

No.

**6. COULD ANOTHER SECTION OR GROUP MORE APPROPRIATELY INTRODUCE THE BILL?** If so, have you suggested it to the section or group?

No. This clarification and correction of the law effects real estate owners and licensees only.

**7. IDENTIFY THE GROUP OR CONSTITUENCIES THAT WOULD BE MOST IMPACTED** or interested in this change. Who would support it and who would oppose it?

The group most impacted would be owners of real property who were LLCs or LLPs or trusts. Also impacted would be real estate licensees. It is not anticipated that it would be objected to. It is only fair to treat owners in the same manner in this regard, and not single out a few for exclusion from the exemption.

**8. Has this been introduced in a prior session?** No.