

**OREGON ASSOCIATION  
OF  
REALTORS®**

**2006/2007  
LEGISLATIVE POLICIES**

**October 12, 2006**

**OREGON ASSOCIATION OF REALTORS<sup>7</sup>**  
**2006/2007 LEGISLATIVE POLICY STATEMENTS**

**GENERAL**

The Oregon Association of REALTORS<sup>7</sup> is dedicated to the right of individuals to own real property as guaranteed by the Constitutions of the United States of America and the State of Oregon. Consistent with that dedication, we, the members of the Oregon Association of REALTORS<sup>7</sup>, offer the benefit of our knowledge of real estate, our experience, and our technical resources to the public and to the government which serves them. The following statement of principles is provided so that others may better understand our legislative policies:

We believe in a free enterprise system that best allocates resources to the mutual benefit of all Oregonians when free from undue intervention by government. We believe that excessive taxation and government regulation, arbitrary rules and complex procedures unnecessarily burden property owners and the business community, increase consumer costs and are counterproductive.

We believe property ownership serves as the cornerstone of democracy and should be accorded the value it thus deserves. We believe property ownership contributes to community responsibility, civic, economic, business and employment stability, family security and personal well being. We believe every individual should have the opportunity to live in safe, decent and affordable housing and therefore support healthy residential and commercial real estate markets served by an ample supply of affordable and accessible financing. We firmly believe that no person should ever be denied the right to rent or own the real property of their choice because of race, color, religion, sex, handicap, familial status or national origin.

We believe that political stability and the economic prosperity of the citizens of this State are dependent upon the right to own real property and to exercise and enjoy the benefits of that ownership. We support individual property rights, balanced economic growth, an improving standard of living and the need to protect the environment. We believe agricultural needs, social and economic factors and future growth must be considered in development of land use and water policies. We will resist any actions taken or designed to diminish or deny Oregonians the right to own and use real property in a manner consistent with the rights of others.

We support the healthy growth of the Oregon economy. We believe investment in commercial and residential buildings, equipment and property, coupled with the skill of the people, is necessary to increase the standard of living, create jobs and raise household income. We therefore support changes in tax policy which encourage savings, investment and home ownership.

## **OREGON REAL ESTATE AGENCY/LICENSING LAWS**

### **EXISTING POLICIES**

1. Support a regulated, safe industry of independent, well-educated and continuously trained professionals appropriately licensed by the State through an adequately funded and staffed real estate agency.
2. Support license laws that are consistent with current real estate practices including the ability to give opinions of value, obtain reciprocal licenses and be free from prejudicial publication of licensing information without due process of law.
3. Oppose statutory real estate forms where such forms are inconsistent with effective real estate practices.
4. Oppose legislation allowing shared commissions with unlicensed individuals.

### **NEW POLICIES**

1. Initiate legislation that clarifies that real estate licensees may sell tenancies in common (fractionalized ownership interests in real estate) without needing to obtain any additional licenses.
2. Initiate legislation that modifies ORS 696.582 (Brokers' Demand to Escrow for Commission) as follows:
  - a. changes the name of the document provided to the escrow from "Notice of Demand" to "Notice of Compensation;"
  - b. changes the word "commission" to "compensation" throughout the statute to ensure that non-traditional agreements, such as fixed-fee agreements, can be included in the Notice;
  - c. removes the requirement that brokers actually notify the principal of the filing of a Notice unless it is filed more than 10 days before the scheduled closing date; and
  - d. specifically allows for the Notice to be provided in the escrow instructions.
3. Support legislation that restructures the Oregon Real Estate Agency to create a "true commission" with the Real Estate Board/Commissioners (appointed by the Governor) empowered to set policy, budgets and administrative rules, and with oversight over an agency head/administrator who would manage operations and facilitate the policy and

budgetary role of the Commission.

4. Support legislation that prevents convicted sex offenders from obtaining real estate licenses.
5. Oppose legislation that expands the authority of the Oregon Real Estate Agency, Real Estate Board or Real Estate Commissioner to impose civil fines on real estate licensees.

## **REAL ESTATE FINANCE**

### **EXISTING POLICIES**

1. Support appraisal, lien law, and forfeiture legislation that promotes and protects the ability of lenders and lien holders to provide consumer-oriented real estate financing without undue restraint, and which provides equitable consumer protection.
2. Support loan programs and policies which benefit consumers by working for, among others; (a) increased ODVA loan maximums; (b) the preservation of the Mortgage Certificate, Oregon Single Family Purchase and Down Payment Assistance programs; and (c) incentives for lenders to provide construction and take-out loans for low and moderate income borrowers and non-conforming housing.

## **ENVIRONMENT AND NATURAL RESOURCES**

### **EXISTING POLICIES**

1. Support legislation, including but not limited to asbestos, lead paint, wood stoves, underground storage tanks and seismic zoning that: (a) promotes clear and reasonable standards; (b) is no more restrictive than necessary; (c) requires appropriate licensing and certification of inspectors and abatement contractors; (d) protects the rights of existing property owners; and (e) emphasizes education, notification, and voluntary clean-up and decommissioning programs over mandatory inspection and removal.
2. Support legislation initiating financing or other incentives for clean-up of environmental hazards including decommissioning of underground storage tanks and the continuation of existing programs with other financing sources, or other incentives, if necessary.
3. Support the removal of subdivision CC&R's which require wood shake roofs.

## **HOUSING AND LANDLORD TENANT**

### **EXISTING POLICIES**

1. Support, consistent with economic considerations, improved private and public funding of, investment in, and equal siting opportunities for, all types of safe, decent and affordable housing.
2. Support simple, clear and equitable landlord/tenant regulations that protect landlords who exercise reasonable care in selection of tenants and supervision of their properties and prevents imposition of rent control in any form at any level of government.
3. Support the relinquishment by any government agency of all rights, including mineral rights, when any such government agency transfers property to private parties.
4. Support legislation that would continue to establish minimum competency standards and continuing education requirements for all types of inspectors who perform fee inspections for the general public.

## **BUSINESS DEVELOPMENT AND TAXATION**

### **EXISTING POLICIES**

1. Support the reduction, stabilization and equalization of all types of taxes on businesses, independent business people and property to promote a reasonable and equitable distribution of the costs of public services.
2. Support efficient government operation. Oppose unnecessary prohibitions and restrictions on solicitation and or the collection of fees for real estate consulting or other licensed professional real estate services.
3. Oppose the entry of financial institutions and other non-traditional entities into the real estate brokerage business without specific legislative safeguards and guidelines which protect the consumer.
4. Support legislation that requires local election of the board of directors for mass transit systems financially supported by payroll, self-employment or property taxes within the district.
5. Oppose real estate transfer taxes at all levels of government.
6. Support legislation requiring licensing of mortgage brokers and loan officers.
7. Support legislation to protect purchasers of real property from undisclosed assessments and encumbrances.
8. Support legislation that improves the availability and predictability of homeowners insurance, reduces REALTOR® liability, and avoids unnecessary cost increases.

### **NEW POLICIES**

1. Initiate legislation that removes construction contractor licensing requirements for homeowners who, with the intent to sell, arrange for licensed contractors to make home improvements.
2. Initiate legislation that prohibits local jurisdictions from charging business license taxes or fees to real estate licensees unless the licensee maintains a main or branch office within the jurisdiction.

## **LAND USE AND PRIVATE PROPERTY RIGHTS**

### **EXISTING POLICIES**

1. Support the protection and enhancement of private property rights and investment-backed expectations by opposing any legislation that would work toward or allow a “taking” under the state or federal constitutions, unless the legislation requires formal condemnation proceedings and just compensation. These “takings” may occur either through excessive regulation, by forcing individual property owners to bear a disproportionate share of the cost of public benefits, or by otherwise creating a public interest in private property.
2. Support the existence, validity and benefits of a rural lifestyle as a choice for all citizens of this State by encouraging specific standards and criteria that: (a) promote reasonable development, including housing and resort development; and (b) reduce or eliminate income tests, acreage limitations, arbitrary farm land designations, siting and division restrictions, and other state-level regulations that increase costs and complexity and diminish or prevent local control over the appropriate and reasonable use of rural lands.
3. Support proper management of Urban Growth Boundaries by: (a) requiring expansion when previously inventoried buildable lands are removed from the inventory; (b) requiring provision of urban services to land within an urban growth boundary if annexation is denied by vote of the general electorate; and (c) requiring the same inventory projections for industrial, commercial, and retail lands as are required for residential lands.
4. Support fair and efficient land use legislation by: (a) balancing private property rights with environmental threats against public safety; (b) restricting state agency rule making authority; (c) requiring prompt government action on all permits using clear and objective standards and goals; (d) limiting participation at all levels to those directly affected; (e) limiting judicial review of uses allowed in local comprehensive plans; (f) preventing the down-zoning of previously acknowledged property or discontinuation of existing allowed uses or Auses of right; (g) preventing resource goals from being elevated over development goals; (h) demanding coordination and cooperation between agencies and at levels of government; (i) requiring owner control of historic designations to the maximum extent possible; (j) requiring consideration of economic impacts at least every three years and during all rule making; and (k) providing citizens with timely and meaningful notification of all land use actions.

## **NEW POLICIES**

1. Support legislation that clarifies that government decisions to modify, remove or not apply land use regulations pursuant to Ballot Measure 37 (2004) are transferable rights that run to new owners.

## **WATER RIGHTS AND POLICY**

### **EXISTING POLICIES**

1. Support the efficient, beneficial use of water in this state by encouraging specific standards and criteria that: (a) recognize the broad spectrum of water uses and issues across the state; (b) balance water issues with private property rights; (c) support multi-use water storage facilities; (d) promote cooperative financing that both protect fish and provide improved delivery systems for individual water users; (e) resolve all water rights applications and transfers in a timely manner; (f) require adequate public and private notice of all actions affecting water issues or individual water rights; and (h) require the State to coordinate water issues across all levels of government, to provide full public review of all resource data, to adopt a coordinated approach to minimum stream flows and in-stream water rights, all without creating additional bureaucracy.
2. Oppose all attempts to control land use by restricting water availability, such as water user fees and minimum well flow requirements for obtaining building permits.
3. Support legislation clarifying state and local regulation and policing of wells and water use and prohibiting entry upon private property by government agencies without reasonable notice.