Legislative REPORT

2025

OREGON REALTORS®

Est. 1932

The 2025 Regular Session of the Oregon Legislature convened on January 21 and adjourned on June 27. As in recent years, the legislature remained focused on addressing Oregon's housing and homelessness crisis, an issue that continues to affect communities across the state. Lawmakers considered thousands of measures spanning a wide range of topics. Thanks to your advocacy and engagement, Oregon REALTORS® played a key role in shaping several significant policy outcomes this session.

The 2025 legislative session was one for the record books. Legislators introduced 3,446 measures, including 3,185 policy bills, the most introduced in a single legislative session since the early 2000s. Additionally, for the fourth time in the last 25 years, Democrats secured supermajorities in both the House and Senate. A supermajority (when one party holds at least 60% of the seats in either the House or Senate) allows the majority party to pass revenue-raising legislation without securing any votes from the minority party. Fortunately, most bills passed during this session still received bipartisan support.

Among the session's most notable achievements was the passage of House Bill 2698, a landmark measure championed by the Unlocking Homeownership Coalition, a collaborative effort led by Oregon REALTORS®, the Oregon Home Builders Association, and Habitat for Humanity of Oregon. HB 2698 establishes a statewide homeownership goal in statute, which we understand to be a first-in-the-nation policy. The bill passed with bipartisan support and was signed into law by Governor Tina Kotek.

> "2025 was a record-breaking year at the Capitol."

Key Legislative Highlights

- Senate Bill 586 – Aligns Oregon law with federal lending regulations and enhances access to middle housing homeownership opportunities
- House Bill 3136 – Promotes fair representation in local land use decision-making by allowing a more balanced composition of planning commissions
- House Bill 3137 – Updates and modernizes the statutory framework governing the real estate profession in Oregon, improving clarity and alignment with current industry practices

I hope this report provides a helpful overview of the 2025 legislative session. If you have questions regarding the contents of this report, reach out to any member of the Oregon REALTORS® team. Many thanks to our Government Affairs Key Committee, our professional staff and lobbyists, and every member who made this legislative session a success. Your voice matters, and your advocacy continues to move Oregon forward.

Sincerely,

Dr. Tony Kelly, 2025 President
Oregon REALTORS®

“”

The 2025 legislative session was one of the busiest to date for the Government Affairs Key Committee (GAKC).

The 2025 legislative session was one of the busiest to date for the Government Affairs Key Committee (GAKC). GAKC had never tracked more than 475 bills in one session, but by the end of January, just over a week after the session had begun, we had read, categorized, and adopted positions on more than 527 bills. When this year's session ended, the list of tracked bills had grown to more than 760. I am grateful to every member of GAKC for their dedication to the process. Thanks to their hard work and with the help of Oregon REALTORS® staff and lobbyists, we were able to achieve several goals.

- Prevented an attempt to roll back the mortgage interest deduction (House Bill 3900)
- Stopped a bill that would have cut the rent control exemption period for newly constructed units by more than half (Senate Bill 722)
- Defeated a slew of harmful land use bills (Senate Bills 73, 77, 78, and 79; House Bills 3013 and 3062)

We remained proactive on our legislative agenda. Oregon REALTORS® requested the introduction of four policy bills, and we worked with our partners to request two others, along with more than $145 million in housing- and homeownership-focused budget appropriations.

To say we were ambitious would be an understatement. Fortunately, our aspirations paid dividends in several successful outcomes.

- Successful modernization of the chapter of statutes governing the real estate profession (HB 3137)
- Increased opportunities for those in the real estate industry to serve on planning commissions (HB 3136)
- Reformed construction defect liability law to increase condominium development (HB 3746)
- Negotiation of a long-desired Improvement to landlord-tenant policy (SB 586)
- Protection against property owners from being forced to complete expensive frontage improvements as conditions of certain permits (HB 2658)
- First-in-the-nation legislation to establish a statewide homeownership goal in statute (HB 2698)

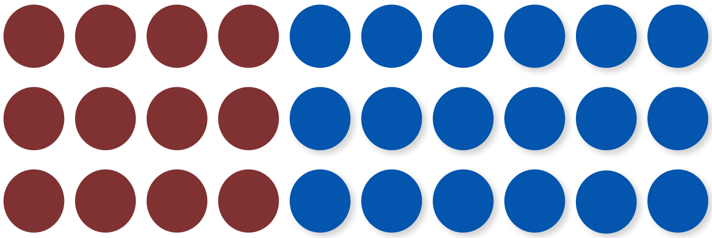
On behalf of the Government Affairs Key Committee, I extend my thanks to the members of Oregon REALTORS® for entrusting us with this important work. We look forward to continuing to represent our industry and your interests in the Capitol during the 2026 legislative session and beyond.

Sincerely,

Drew Johnson
2025 Chair, Government Affairs Key Committee

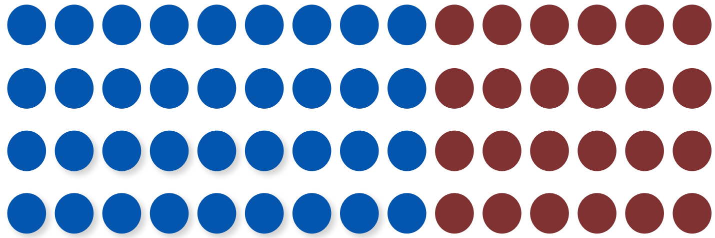
2025 Oregon Legislature

Senate



Democrats – 18
Republicans – 12

House



Democrats – 36
Republicans – 24

2025 Governor and Legislative Leadership

Governor
Tina Kotek

Senate President
Rob Wagner

House Speaker
Julie Fahey

Senate Majority Leader
Kayse Jama

House Majority Leader
Ben Bowman

Senate Minority Leader
Daniel Bonham

House Minority Leader
Christine Drazan

HB 3137

Modernizes Statutes Governing the Real Estate Industry

HB 3137 modernizes Oregon's real estate licensing statute (ORS 696) by adding a new defined term, "managing principal broker," to distinguish between the duties and responsibilities of the person managing the firm and all other principal brokers. It updates requirements for intracompany supervision agreements, which are used to delegate supervisory responsibilities among multiple principal brokers. The bill defines "real estate teams" and requires teams to disclose to clients team member names, roles, license status, and supervisory roles. The bill increases requirements for the first renewal of a real estate license, requiring the licensee to pass an assessment of proficiency, in a manner approved by the Oregon Real Estate Agency (OREA). HB 3137 also updates license renewal requirements for all licensees by requiring 2 hours in a course on recent changes to law and rule, and two hours on federal, state, and local fair housing, instead of a 3-hour course combining both topics. This aligns state law and NAR renewal requirements to make it easier to comply with both. HB 3137 allows real estate licensees to share a portion of their compensation on a real estate transaction with a 501(c)(3) nonprofit organization. Finally, the bill encourages OREA to provide training materials and model compliance materials on the rules OREA creates and enforces, and to reassign staff accordingly. Oregon REALTORS® will be conducting extensive training to get members ready for compliance with these new laws before they take effect January 1, 2026.

Support | Passed

HB 3136

Removes Provision Limiting Real Estate Representation in Planning Commissions

Planning commissions are advisory bodies and are meant to provide a crucible for robust discussion of land use proposals. HB 3136 increases fairness in the laws governing planning commissions by eliminating an outdated provision that prohibits more than two individuals who are principally engaged in the buying, selling, or developing of real estate from concurrently serving as voting members of a city or county planning commission. Notably, HB 3136 retains a more general provision that ensures occupational diversity by limiting to two the number of individuals from the same occupation who may serve concurrently as voting members of a planning commission. This bill will ensure occupational diversity on planning commissions without singularly targeting real estate professionals as a class, allowing these crucial governmental bodies to fully utilize the expertise of their community to help navigate land use decisions.

Support | Passed

SB 586

Reduces Termination Notices in Certain Circumstances and Enables Buyers to Purchase a Tenant-Occupied Unit in Plexes With a Primary-Residence Loan

SB 586 maintains the current 90-day notice when a tenancy is terminated after the first year of occupancy due to an accepted offer from a buyer, but it also adds a 60-day termination option if the landlord provides one month of rental relocation assistance to the tenant, in addition to any rental relocation assistance that otherwise would have been required under state law with a 90-day notice. SB 586 also removes the requirement that a dwelling unit be sold "separately from any other dwelling unit" to invoke this type of termination, allowing the 90-day (or 60-day + one additional month's rent) termination to be given by the seller to one of the tenants in a fully occupied 2-, 3-, or 4-plex, if the buyer will be occupying that unit as a primary residence.

Support | Passed

HB 2658

Prevents Cost-Shifting of Frontage Improvements to Some Permit Applicants

HB 2658 protects small business owners and homeowners who are doing modest renovations to their property from being saddled with disproportionate costs, and ensures coordination between local jurisdictions, state agencies, and permit applicants to avoid duplication, inefficiency, and unnecessary costs. The bill prevents local governments from requiring "frontage" (sidewalk, street corner, etc.) improvements as a condition of a building permit in certain circumstances and requires local jurisdiction coordination with permit applicants and ODOT if a frontage improvement is required along a state highway.

Support | Passed

HB 2698

Establishes a 20-Year Statewide Homeownership Rate Goal in Statute

HB 2698 establishes a homeownership rate goal in statute. The homeownership rate goal increases by 1.65 percentage points every 5 years (in alignment with the first Oregon Housing Needs Analysis cycle) until 2045, when the rate would reach 70%. By measuring our progress and keeping our eye on the prize, we have a chance to achieve these goals. To the best of our knowledge, Oregon became the first state in the nation to adopt such a goal in statute when the legislature passed and the Governor signed HB 2698.

Support | Passed

HB 3090

Homeownership Development Incubator Program (HDIP) Reforms and Funding

HB 3090 directs Oregon Housing and Community Services (OHCS) to amend its rules governing the Homeownership Development Incubator Program (HDIP) to ensure program funds can be used to support housing production that provides homeownership opportunities for households earning up to 120% of the area median income. OHCS voluntarily committed to amending the rules accordingly without needing to pass the bill.

HB 3090 would have also appropriated $50 million to OHCS to fund the HDIP. This was amended to $16.9 million to more closely align with the Governor's Recommended Budget.

The final results were a mixed bag. Our desired policy change occurred, but the bill ultimately died and no funding was appropriated.

Support | Policy Change Achieved

HB 3746

Reforms Construction Defect Liability for Condominiums to Spur Production

HB 3746 reduces Oregon's statute of ultimate repose for construction defect claims from 10 years to 7 years, bringing us closer to alignment with many of our western peers. It also provides builders with the chance to resolve any identified construction defects before going into litigation (though litigation would remain an option for unit owners if this "off-ramp" fails) and requires building envelope inspections to reduce the likelihood of latent defects. HB 3746 also addresses two of the six condominium-focused recommendations included in the Housing Production Advisory Council's 2024 Recommendations Report, including allowing earnest money to be released before construction and removing the requirement that individual Limited Common Elements be measured as part of condo plats.

Support | Passed

SB 465

Replaces the Annual Matching Funds Cap for Individual Development Accounts With a Total Matching Funds Cap

Individual Development Accounts (IDA) allow low-income Oregonians to save for major life goals, including purchasing a home. Under the existing law, if an IDA saver were to deposit $2,000 into their IDA, they could receive up to $10,000 in state matching funds. However, the saver could only receive $6,000 initially and would need to wait a full year before receiving the remaining $4,000. SB 465 replaces the twelve-month limitation on the amount of state matching funds that an IDA saver may accrue with an overall matching funds limitation of $20,000.

Support | Passed

SB 48

Makes Improvements to Governor Kotek's 2024 Housing Production Bill [SB 1537]

Clarifies and makes improvements to several aspects of SB 1537 (2024). Expands eligibility for cities desiring to utilize the optional, one-time UGB expansion allowance. Adds definitions of previously undefined terms related to the Housing Project Revolving Loan Program and increases program flexibility.

Support Passed

SB 974

Streamlines Permit and Plan Approvals; Limits Design Review for Housing

SB 974 establishes a deadline of 120 days for local governments to approve final engineering plans for housing. Allows for applicant-requested extensions of 30 days, subject to an overall deadline of 245 days. Prohibits, with some exceptions, design review for housing developments of more than 20 units unless the development is of multifamily housing.

Support Passed

SB 1129

Directs Update of Land Use Planning Rules Related to Urban Reserves

Directs the Land Conservation and Development Commission (LCDC) to update its rules related to urban reserves to allow local governments to provide certain lands with a lower priority for inclusion in an urban reserve. The reduced priority status would apply to (1) lands containing subdivisions or planned communities and (2) lands that are not reasonable or cost-effective to serve with infrastructure due to physical constraints.

Support Passed

HB 2316

Enables Affordable Housing Development on Underutilized Public Lands

Allows the Department of Administrative Services (DAS) to sell, transfer, or lease real property designated by DAS as home start lands for the development of affordable housing. Allows local governments to nominate lands to be designated as home start lands by DAS.

Support Passed

HB 2138 / 2258

Governor Kotek's Middle Housing and Land Use Approval Bills

HB 2138 modifies definitions of middle housing types, streamlines requirements, simplifies the process for expedited land divisions, limits notices and appeals, and allows greater single-room occupancy development where multifamily housing is allowed. The bill also retroactively invalidates provisions of CC&Rs which prohibit the development of ADUs and middle housing types. HB 2258 allows the Land Conservation and Development Commission to adopt rules that require local governments to issue land use decision approval for certain types of residential developments on qualifying lots. Oregon REALTORS® supported most of the concepts in these bills, but we opposed the provision retroactively invalidating CC&Rs. Despite our opposition, this provision remained in the bill at passage.

Amend Passed

SB 77, 78, 79

Limits New Homes, Replacement Dwellings, and Home Occupations on Rural Properties

This trio of bills would have significantly limited property rights on rural properties. SB 77 would have severely curtailed home occupations, SB 78 would have limited the size of a replacement dwelling on farm or forestland to 2500 sq. ft, and SB 79 would have limited the construction of most new homes on land zoned for farm and forest use. Thanks to vigorous advocacy, including by those who participated in REALTOR® Day at the Capitol, these bills all died in committee.

Opposed Died

HB 2134

Allows 30-Day Termination by Tenant if 90-Day Notice is Delivered by Landlord

Allows a tenant to issue a 30-day termination notice when a landlord has already given a 90-day termination notice under ORS 90.427(5). In these situations, it may be beneficial to the tenant to be able to move into a new housing unit if one becomes available before the date designated in the landlord's termination notice, and it may also be beneficial to the landlord for the tenant to move out sooner.

Support | Passed

HB 3054

Limits Rent Increases for Tenants of Larger Mobile Home Parks and Marinas

Limits rent increases to 6% for spaces in mobile home parks and floating home marinas for such facilities containing more than 30 units. Allows for a maximum rent increase of 12% if authorized by the majority of tenants for the purpose of making infrastructure upgrades. Also prohibits park owners from requiring interior inspections of units and aesthetic improvements at the point of sale.

Oppose | Passed

HB 3521

Sets Penalties for Untimely Return of Hold Deposits in Certain Circumstances

Directs the refund of a holding deposit within five business days if the rental agreement is not executed because a landlord fails to comply with the agreement to execute or if a tenant rejects the agreement based on concerns related to unit habitability. Increases penalties if the hold deposit is not refunded within five business days.

Oppose | Passed

SB 54

Requires Cooling Systems or Spaces for Multifamily Buildings With 10+ Units

Would have required landlords of multifamily structures of 10 or more units to provide cooling devices or cooling spaces on days when the temperature exceeds 80 degrees. Would have required all newly constructed rental units to include cooling systems or devices.

Oppose | Died

SB 722

Decreases New Housing Unit Rent Cap Exemption From 15 to 7 Years

Would have reduced the number of years that newly constructed units are exempt from rent control from 15 years to just 7 years. SB 722 also would have prohibited housing providers from using software as an aid when establishing rents and managing occupancy. SB 722 had its first hearing on REALTOR® Day at the Capitol, and your opposition advocacy that day helped us prevent the bill from continuing in the legislative process!

Oppose | Died

SB 83

Repeals the Statewide Wildfire Hazard Map

Following years of advocacy and pushback from concerned Oregonians across the state, SB 83 repeals the statewide wildfire risk map established by SB 762 in 2021. SB 83 advanced quickly through the Senate without any opposition.

The path forward in the House was not as smooth. SB 83 was referred to the House Committee on Rules — a deadline-exempt committee — to try to force a vote to redirect $1 billion from the kicker to support wildfire programs. Five motions failed to withdraw the bill from Rules. Fortunately, the sixth motion to withdraw the bill from Rules, made by Rep. Emerson Levy (D, Bend), was successful. The bill passed the House the following day.

Support | Passed

SB 1154

Modifies Agency Duties for Areas With Certain Groundwater Restrictions

Modifies processes related to the management of ground water quality concern areas (GWQCAs) and ground water quality management areas (GWQMAs). Requires state and local coordination when addressing groundwater contamination in a GWQCA or GWQMA. Through advocacy by the Oregon Home Builders Association, Oregon REALTORS®, and the Oregon Property Owner's Association, the bill was amended to remove a provision that would have allowed counties to prohibit any new residential dwelling or ADU within a GWQCA.

Amend | Passed

SB 85

Directs Community-Based Wildfire Risk Reduction Recommendations

Directs the Department of Consumer and Business Services, the Department of the State Fire Marshal, the State Forestry Department, and representatives of insurers to recommend community-based wildfire risk mitigation actions and strategies to reduce wildfire risk and improve insurance availability and affordability.

Support | Passed

HB 3940

Omnibus Wildfire Programs Funding Package

To fund wildfire programs, HB 3940 imposes a new tax on "oral nicotine products," increases the Forest Products Harvest Tax by 60%, and redirects 20% of the interest earned on the Rainy Day Fund to the Landscape Resiliency Fund and the Community Risk Reduction Fund.

No Position | Passed

HB 3188

Creates a Loan Loss Guarantee Fund to Enable 0% Down Payment Mortgages

HB 3188 would have created a loan loss reserve fund within Oregon Housing and Community Services to help offset the risk of losses by financial institutions that extend mortgages with a 0% down payment to qualifying first-time homebuyers.

Support | Died

SB 174

Adds Certain Insurance Practices to the Unlawful Trade Practices Act

SB 174 would have added certain prohibited trade practices related to insurance to Oregon's Unlawful Trade Practices Act (UTPA). While well-intended, the bill would have been counterproductive to Oregon's ongoing efforts to preserve a robust and affordable insurance market in Oregon. We are pleased with other insurance-related actions taken this year, including the passage of SB 85 (see previous page) and the Office of the State Fire Marshall entering into a Memorandum of Understanding with the Insurance Institute for Business & Home Safety to help enhance community resilience — which would, in turn, improve insurance affordability.

Oppose | Died

HB 2087

Extends Deadline to Open a First-Time Home Buyer Savings Account

Extends the sunset (expiration) dates of twelve tax expenditure programs with nearing sunset dates. For example, when first established, the deadline to open a First-Time Home Buyer Savings Account was set at January 1, 2027. HB 2087 extended this deadline to January 1, 2032.

Support | Passed

SB 426

Establishes Liability for Unpaid Wages of Non-Union Construction Workers

SB 426 makes an owner and general contractor jointly and severally liable for the unpaid wages of non-union subcontractor employees, even when the subcontractor has been paid in full. Oregon REALTORS® secured an amendment that exempts owners from liability if the work is done to the owner's primary residence or to real property with five or fewer residential or commercial units on a single tract.

Opposed | Passed

Bills Summary Table

Bill	Topic	Position	Outcome
HB 3137	*Modernizes statutes governing the real estate industry*	Support	Passed
HB 3136	*Removes limit on real estate representation on planning commissions*	Support	Passed
HB 2658	*Prevents cost-shifting of frontage improvements to some permit applicants*	Support	Passed
SB 586	*Reduces termination notices in some circumstances; Enables buyers to purchase a tenant-occupied unit in plexes with a primary-residence loan*	Support	Passed
HB 2698	*Establishes a 20-year statewide homeownership goal*	Support	Passed
HB 3090	*Homeownership Development Incubator Program (HDIP) reforms and funding*	Support	Achieved
HB 3746	*Reforms construction defect liability for condominiums to spur production*	Support	Passed
SB 465	*Replaces IDA's annual matching funds cap with a total matching funds cap*	Support	Passed
SB 48	*Makes improvements to Gov. Kotek's 2024 housing production bill (SB 1537)*	Support	Passed
SB 974	*Streamlines permit and plan approvals; limits design review for housing*	Support	Passed
SB 1129	*Directs update of land use planning rules related to urban reserves*	Support	Passed
HB 2316	*Enables affordable housing development on underutilized public lands*	Support	Passed
HB 2138	*Governor Kotek's middle housing bill*	Amend	Passed
HB 2258	*Governor Kotek's land use approvals bill*	Monitor	Passed
HB 2134	*Allows 30-day termination by tenant if 90-day notice is delivered by landlord*	Support	Passed
HB 3054	*Limits rent increases for tenants of larger mobile home parks and marinas*	Oppose	Passed
HB 3521	*Sets penalties for untimely return of hold deposits in certain circumstances*	Oppose	Passed
SB 54	*Requires cooling systems or spaces for multifamily buildings with 10+ units*	Oppose	Died
SB 722	*Decreases new housing unit rent cap exemption from 15 to 7 years*	Oppose	Died
SB 83	*Repeals the statewide wildfire hazard map*	Support	Passed
SB 85	*Directs community-based wildfire risk reduction recommendations*	Support	Passed
SB 1154	*Modifies agency duties for areas with certain groundwater restrictions*	Amend	Passed
HB 3940	*Omnibus wildfire programs funding package*	N/A	Passed
HB 3188	*Creates a loan loss guarantee fund to enable 0% down payment mortgages*	Support	Died
HB 2087	*Extends deadline to open a first-time home buyer savings account*	Monitor	Passed
SB 174	*Adds certain insurance practices to the Unlawful Trade Practices Act*	Oppose	Died
SB 426	*Establishes liability for unpaid wages of non-union construction workers*	Oppose	Passed
SB 77, 78, 79	*Limitations on home occupations, replacement dwellings and new homes in rural areas*	Oppose	Died