

House Bill 2373

Sponsored by Representatives BOSHART DAVIS, GOMBERG; Representative RUIZ, Senators MEEK, STARR (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates a license for timeshare sales agents. (Flesch Readability Score: 75.5).

Prohibits selling or offering for sale a timeshare without a license. Establishes a timeshare real estate license. Directs the Real Estate Agency and Real Estate Commissioner to regulate and issue timeshare sales agent licenses. Becomes operative January 1, 2026.

Declares an emergency, effective July 1, 2025.

A BILL FOR AN ACT

1
2 Relating to timeshare sales agents; creating new provisions; amending ORS 94.803; and declaring an
3 emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1.** ORS 94.803 is amended to read:

6 94.803. As used in this section and ORS 94.807 to 94.945:

7 (1) "Agency" means the Real Estate Agency.

8 (2) "Accommodation" means an apartment, condominium unit, cabin, house, lodge, hotel or motel
9 room or other private or commercial structure situated on real property and designed for residential
10 occupancy.

11 (3) "Assessment" means the pro rata share assessed from time to time against each owner of a
12 timeshare by the managing entity to pay for common expenses.

13 (4) "Blanket encumbrance" means a trust deed or mortgage or any other lien or encumbrance,
14 mechanic's lien or otherwise, securing or evidencing the payment of money and affecting more than
15 one timeshare, or an agreement affecting more than one timeshare by which the developer holds the
16 timeshare property under an option, leasehold, contract to sell or trust agreement.

17 (5) "Commissioner" means the Real Estate Commissioner.

18 (6) "Common expenses" means:

19 (a) Expenses of administration, maintenance, repair or replacement of the accommodations and
20 facilities of the timeshare plan;

21 (b) Expenses agreed upon as common by all the timeshare owners in the timeshare plan; and

22 (c) Expenses declared common by the timeshare instrument or bylaws of the timeshare plan.

23 (7) "Developer" means a person that:

24 (a) Creates a timeshare plan;

25 (b) Succeeds to the interest of a person that creates a timeshare plan; or

26 (c) Purchases a timeshare from a person described in paragraph (a) or (b) of this subsection for
27 the primary purpose of resale.

28 (8) "Exchange program" means any opportunity for a purchaser to exchange timeshare periods

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 among purchasers in the same or other timeshare plans.

2 (9) "Facility" means a structure, service, improvement or real property available for the owner's
3 use.

4 (10) "Fractional interest" means any undivided fractional ownership of real property which gives
5 each and every fractional owner full rights to unlimited use and possession of the real property
6 subject only to such limitation as the fractional owners may agree to among themselves.

7 (11) "Managing entity" means the person designated in the timeshare instrument or selected by
8 the owners' association board or by the owners to manage all or a portion of the timeshare plan.

9 (12) "Negotiate" means any activity preliminary to the execution of a binding agreement for the
10 sale of a timeshare, including but not limited to advertising, solicitation and promotion of the sale
11 of the timeshare.

12 (13) "Offering" means any advertisement, inducement, solicitation or attempt to encourage a
13 person to acquire a timeshare, other than as a security for an obligation. An advertisement in a
14 newspaper or other periodical of general circulation, or in any broadcast medium to the general
15 public, of a timeshare in property located outside this state is not an offering if the advertisement
16 states that the offering is valid only if made in compliance with the law of the jurisdiction in which
17 the offer is disseminated.

18 (14) "Owner" means a person, other than the developer, to whom a timeshare has been conveyed
19 other than as security for an obligation.

20 (15) "Project" means real property subject to a timeshare instrument. A project may include
21 accommodations that are not timeshare accommodations.

22 (16) "Purchaser" means any person, other than a developer, who by voluntary transfer acquires
23 an interest in a timeshare other than as security for an obligation.

24 (17) "Sale" means a transaction that conveys a timeshare other than as security for an obli-
25 gation, including, but not limited to a lease or assignment.

26 (18) "Timeshare" means a timeshare estate or a timeshare license.

27 (19) "Timeshare agreement" means an agreement conferring the rights and obligations of the
28 timeshare plan on a purchaser including but not limited to a deed, lease and vacation license.

29 (20) "Timeshare estate" means a right to occupy an accommodation during five or more sepa-
30 rated timeshare periods over a period of at least five years, including renewal options, coupled with
31 a freehold estate or an estate for years in the timeshare property.

32 (21) "Timeshare instrument" means a document creating or regulating timeshares.

33 (22) "Timeshare license" means a right to occupy an accommodation during five or more sepa-
34 rated timeshare periods over a period of more than three years, including renewal options, not
35 coupled with a freehold estate or an estate for years.

36 (23) "Timeshare period" means the period of time when an owner is entitled to possess and oc-
37 cupy accommodations or facilities of a timeshare plan.

38 (24) "Timeshare plan" means an arrangement, whether by membership, agreement, tenancy in
39 common, sale, lease, deed, rental agreement, license, right to use agreement or otherwise, in which
40 an owner receives a timeshare estate or a timeshare license and the right to use accommodations
41 and facilities that are part of the timeshare property. A timeshare plan does not include an exchange
42 program.

43 (25) "Timeshare property" means one or more accommodations subject to the same timeshare
44 instrument and any other real estate or rights appurtenant to those accommodations.

45 **(26) "Timeshare sales agent" means an individual licensed under section 3 of this 2025**

1 Act to offer to sell or sell timeshares.

2 **SECTION 2.** Sections 3, 4 and 5 of this 2025 Act are added to and made a part of ORS
3 94.803 to 94.945.

4 **SECTION 3.** (1) A person may not sell or offer to sell a timeshare without a license issued
5 under this section.

6 (2) The Real Estate Agency may issue a license to act as a timeshare sales agent to an
7 applicant who:

8 (a) Is at least 18 years of age;

9 (b) Submits an application;

10 (c) Pays a licensure fee;

11 (d) Submits sufficient proof, as determined by the agency, of:

12 (A) Completing at least 14 hours of instruction in:

13 (i) Ethics;

14 (ii) The applicable laws and rules relating to timeshares; and

15 (iii) Principles and practices of selling timeshares; and

16 (B) Having a reputation for honesty, trustworthiness and competence;

17 (e) Passes an examination approved by the agency; and

18 (f) Meets other qualifications specified by the agency.

19 (3) An application must include the following information:

20 (a) A statement whether or not the applicant has been convicted of any misdemeanor or
21 felony involving theft, fraud or dishonesty and whether or not the applicant has been en-
22 joined from, had any civil penalty assessed for, or been found to have engaged in any vio-
23 lation of any Act designed to protect consumers; and

24 (b) A statement describing the applicant's employment history for the past five years and
25 whether or not any termination of employment during the last five years was occasioned by
26 any theft, fraud or act of dishonesty.

27 (4) For the purpose of requesting a state or nationwide criminal records check under
28 ORS 181A.195, the agency may require the fingerprints of a person who is:

29 (a) Applying for a timeshare sales agent's license;

30 (b) Applying for renewal of a timeshare sales agent's license; or

31 (c) Under investigation by the agency.

32 (5) The agency may renew a license if the licensee:

33 (a) Pays the renewal fee;

34 (b) Submits an application for renewal before the license expires at the time determined
35 by the agency;

36 (c) Has not engaged in conduct that would subject the licensee to discipline under section
37 5 of this 2025 Act; and

38 (d) Satisfies any other requirement the agency establishes for renewing a license.

39 (6) A license expires on its expiration date unless it is renewed on or before its expiration
40 date.

41 (7) Unless the agency designates another date, a license expires on the last day of the
42 month in which the second anniversary of the initial issuance date of the license occurs, and
43 on the second anniversary following each renewal.

44 (8) If a timeshare sales agent fails to renew their license before it expires, the license
45 may be reinstated if the person submits the statements required under this section to the

1 agency and pays the renewal fee and the penalty specified by the agency within one year af-
2 ter the date the license expires.

3 (9) The agency shall adopt rules to carry out the provisions of this section, including but
4 not limited to establishing an application process and fees for obtaining and renewing a
5 timeshare sales agent license.

6 **SECTION 4.** (1) As used in this section and section 5 of this 2025 Act:

7 (a) "Associated with" means to be employed, engaged or otherwise supervised by, with
8 respect to the relationship between a timeshare sales agent and a principal real estate bro-
9 ker.

10 (b) "Principal real estate broker" has the meaning given that term in ORS 696.010.

11 (c) "Real estate broker" has the meaning given that term in ORS 696.010.

12 (2) A timeshare sales agent may work under the supervision of no more than one
13 supervising principal real estate broker at any one time at the location designated in the
14 agent's license.

15 (3) If the timeshare sales agent's employment is terminated, the supervising principal
16 real estate broker shall surrender the timeshare sales agent's license to the agency.

17 (4) A principal real estate broker shall give written notice to the agency of a change of
18 employment for any timeshare sales agent associated with the broker within 10 days after
19 the change.

20 (5) A timeshare sales agent shall apply for a corrected license if any of the following oc-
21 curs:

22 (a) The association with any principal real estate broker changes; or

23 (b) The location designated in the agent's license changes.

24 (6) The application for reissuance of the license shall include payment of a fee established
25 by the agency by rule. The agency shall issue a corrected license when the agency receives
26 the application and the fee. The corrected license is valid for the unexpired portion of the
27 original license term.

28 **SECTION 5.** The Real Estate Agency may suspend or revoke the license of any timeshare
29 sales agent, reprimand any timeshare sales agent or deny the issuance or renewal of a
30 timeshare sales agent license if a person has:

31 (1) Created a reasonable probability of damage or injury to another person by making one
32 or more material misrepresentations or false promises in a matter related to timeshare
33 sales;

34 (2) Represented, attempted to represent or accepted compensation from a principal real
35 estate broker other than the agent's supervising principal real estate broker with whom the
36 timeshare sales agent is associated;

37 (3) Knowingly or recklessly published materially misleading or untruthful advertising;

38 (4) Been convicted of a felony or misdemeanor substantially related to the timeshare
39 sales agent's trustworthiness or competence to engage in selling timeshares;

40 (5) Demonstrated incompetence or untrustworthiness in performing any act for which
41 the timeshare sales agent is required to hold a license;

42 (6) Violated a term, condition, restriction or limitation contained in an order issued by
43 the agency; or

44 (7) Committed an act of fraud or engaged in dishonest conduct substantially related to
45 the fitness of the applicant or timeshare sales agent to conduct professional real estate ac-

1 tivity, without regard to whether the act or conduct occurred in the course of selling
2 timeshares.

3 **SECTION 6.** (1) The amendments to ORS 94.803 by section 1 of this 2025 Act and sections
4 2 to 5 of this 2025 Act become operative on January 1, 2026.

5 (2) The Real Estate Agency may adopt rules and take any other action before the oper-
6 ative date specified in subsection (1) of this section that is necessary to enable the agency
7 to exercise, on and after the operative date specified in subsection (1) of this section, all the
8 duties, functions and powers conferred on the agency by the amendments to ORS 94.803 by
9 section 1 of this 2025 Act and sections 2 to 5 of this 2025 Act.

10 **SECTION 7.** This 2025 Act being necessary for the immediate preservation of the public
11 peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect
12 July 1, 2025.

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