

ASSEMBLY BILL

No. 2167

Introduced by Assembly Member Koretz

February 20, 2002

An act to amend, repeal, and add Sections 10153.4 and 10170.5 of the Business and Professions Code, relating to real estate.

LEGISLATIVE COUNSEL'S DIGEST

AB 2167, as introduced, Koretz. Real estate licenses.

The Real Estate Law requires the licensure of a person by the Real Estate Commissioner to engage in the business of, act in the capacity of, or advertise or assume to act as, a real estate broker or a real estate salesman within this state. Existing law requires an applicant for an original real estate salesperson license to successfully complete 2 courses from a list of designated courses. Existing law also requires an applicant for renewal of a real estate license to successfully complete 45 hours of educational courses including 3 designated courses.

This bill would require, on and after July 1, 2003, an applicant for an original real estate salesperson license to successfully complete a course in real estate principles and one course from the list of designated courses. The bill would also provide, on and after July 1, 2003, that successful completion of the 3 designated courses for renewal of a real estate license requires an applicant to demonstrate that he or she has passed a final examination.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 10153.4 of the Business and Professions
2 Code is amended to read:

3 10153.4. (a) Every person who is required to comply with
4 Section 10153.3 to obtain an original real estate salesperson
5 license shall, prior to the issuance of the license, or within 18
6 months after issuance, submit evidence, satisfactory to the
7 commissioner, of successful completion, at an accredited
8 institution, of two of the courses listed in Section 10153.2, other
9 than real estate principles, advanced legal aspects of real estate,
10 advanced real estate finance, or advanced real estate appraisal.

11 (b) A salesperson who qualifies for a license pursuant to this
12 section shall not be required for the first license renewal thereafter
13 to complete the continuing education pursuant to Article 2.5
14 (commencing with Section 10170), except for the courses
15 specified in paragraphs (1) to (4), inclusive, of subdivision (a) of
16 Section 10170.5.

17 (c) The salesperson license issued to an applicant who has
18 satisfied only the requirements of Section 10153.3 at the time of
19 issuance shall be automatically suspended effective 18 months
20 after issuance if the licensee has failed to satisfy subdivision (a).
21 The suspension shall not be lifted until the suspended licensee has
22 submitted the required evidence of course completion and the
23 commissioner has given written notice to the licensee of the lifting
24 of the suspension.

25 (d) The original license issued to a salesperson shall clearly set
26 forth the conditions of the license and shall be accompanied by a
27 notice of the provisions of this section and of any regulations
28 adopted by the commissioner to implement this section.

29 (e) The commissioner shall waive the requirements of this
30 section for any person who presents evidence of admission to the
31 State Bar of California, and the commissioner shall waive the
32 requirement for any course for which an applicant has completed
33 an equivalent course of study as determined under Section
34 10153.5.

35 ~~This section shall become operative January 1, 1996.~~

36 (f) *This section shall remain in effect only until July 1, 2003,*
37 *and as of January 1, 2004, is repealed, unless a later enacted*



1 *statute that is enacted before July 1, 2003, deletes or extends the*
2 *dates on which it becomes inoperative and is repealed.*

3 SEC. 2. Section 10153.4 is added to the Business and
4 Professions Code, to read:

5 10153.4. (a) Every person who is required to comply with
6 Section 10153.3 to obtain an original real estate salesperson
7 license shall, prior to the issuance of the license, or within 18
8 months after issuance, submit evidence, satisfactory to the
9 commissioner, of successful completion, at an accredited
10 institution, of a course in real estate practices and one of the
11 courses listed in Section 10153.2, other than real estate principles,
12 advanced legal aspects of real estate, advanced real estate finance,
13 or advanced real estate appraisal.

14 (b) A salesperson who qualifies for a license pursuant to this
15 section shall not be required for the first license renewal thereafter
16 to complete the continuing education pursuant to Article 2.5
17 (commencing with Section 10170), except for the courses
18 specified in paragraphs (1) to (4), inclusive, of subdivision (a) of
19 Section 10170.5.

20 (c) The salesperson license issued to an applicant who has
21 satisfied only the requirements of Section 10153.3 at the time of
22 issuance shall be automatically suspended effective 18 months
23 after issuance if the licensee has failed to satisfy subdivision (a).
24 The suspension shall not be lifted until the suspended licensee has
25 submitted the required evidence of course completion and the
26 commissioner has given written notice to the licensee of the lifting
27 of the suspension.

28 (d) The original license issued to a salesperson shall clearly set
29 forth the conditions of the license and shall be accompanied by a
30 notice of the provisions of this section and of any regulations
31 adopted by the commissioner to implement this section.

32 (e) The commissioner shall waive the requirements of this
33 section for any person who presents evidence of admission to the
34 State Bar of California, and the commissioner shall waive the
35 requirement for any course for which an applicant has completed
36 an equivalent course of study as determined under Section
37 10153.5.

38 (f) This section shall become operative July 1, 2003.

39 SEC. 3. Section 10170.5 of the Business and Professions
40 Code is amended to read:

1 10170.5. (a) Except as otherwise provided in Sections
2 10153.4 and 10170.8, no real estate license shall be renewed unless
3 the commissioner finds that the applicant for license renewal has,
4 during the four-year period preceding the renewal application,
5 successfully completed the 45 clock hours of education provided
6 for in Section 10170.4, including all of the following:

7 (1) A three-hour course in ethics, professional conduct, and
8 legal aspects of real estate, which shall include, but not be limited
9 to, relevant legislation, regulations, articles, reports, studies, court
10 decisions, treatises, and information of current interest.

11 (2) A three-hour course in agency relationships and duties in a
12 real estate brokerage practice, including instruction in the
13 disclosures to be made and the confidences to be kept in the various
14 agency relationships between licensees and the parties to real
15 estate transactions.

16 (3) A three-hour course in trust fund accounting and handling.

17 (4) A three-hour course in fair housing.

18 (5) Not less than 18 clock hours of courses or programs related
19 to consumer protection, and designated by the commissioner as
20 satisfying this purpose in his or her approval of the offering of
21 these courses or programs, which shall include, but not be limited
22 to, forms of real estate financing relevant to serving consumers in
23 the marketplace; land use regulation and control; pertinent
24 consumer disclosures; agency relationships; capital formation for
25 real estate development; fair practices in real estate; appraisal and
26 valuation techniques; landlord-tenant relationships; energy
27 conservation; environmental regulation and consideration;
28 taxation as it relates to consumer decisions in real estate
29 transactions; probate and similar disposition of real property;
30 governmental programs such as revenue bond activities,
31 redevelopment, and related programs; business opportunities; and
32 mineral, oil, and gas conveyancing.

33 (6) Other courses and programs that will enable a licensee to
34 achieve a high level of competence in serving the objectives of
35 consumers who may engage the services of licensees to secure the
36 transfer, financing, or similar objectives with respect to real
37 property, including organizational and management techniques
38 that will significantly contribute to this goal.

39 (b) Except as otherwise provided in Section 10170.8, no real
40 estate license shall be renewed for a licensee who already has



1 renewed under subdivision (a), unless the commissioner finds that
2 the applicant for license renewal has, during the four-year period
3 preceding the renewal application, successfully completed the 45
4 clock hours of education provided for in Section 10170.4,
5 including a six-hour update survey course that covers the subject
6 areas specified in paragraphs (1) to (4), inclusive, of subdivision
7 (a).

8 (c) Any denial of a license pursuant to this section shall be
9 subject to Section 10100.

10 (d) *This section shall remain in effect only until July 1, 2003,*
11 *and as of January 1, 2004, is repealed, unless a later enacted*
12 *statute that is enacted before July 1, 2003, deletes or extends the*
13 *dates on which it becomes inoperative or is repealed.*

14 SEC. 4. Section 10170.5 is added to the Business and
15 Professions Code, to read:

16 10170.5. (a) Except as otherwise provided in Sections
17 10153.4 and 10170.8, no real estate license shall be renewed unless
18 the commissioner finds that the applicant for license renewal has,
19 during the four-year period preceding the renewal application,
20 successfully completed the 45 clock hours of education provided
21 for in Section 10170.4, including all of the following:

22 (1) A three-hour course in ethics, professional conduct, and
23 legal aspects of real estate, which shall include, but not be limited
24 to, relevant legislation, regulations, articles, reports, studies, court
25 decisions, treatises, and information of current interest.

26 (2) A three-hour course in agency relationships and duties in a
27 real estate brokerage practice, including instruction in the
28 disclosures to be made and the confidences to be kept in the various
29 agency relationships between licensees and the parties to real
30 estate transactions.

31 (3) A three-hour course in trust fund accounting and handling.

32 (4) A three-hour course in fair housing.

33 (5) Not less than 18 clock hours of courses or programs related
34 to consumer protection, and designated by the commissioner as
35 satisfying this purpose in his or her approval of the offering of
36 these courses or programs, which shall include, but not be limited
37 to, forms of real estate financing relevant to serving consumers in
38 the marketplace; land use regulation and control; pertinent
39 consumer disclosures; agency relationships; capital formation for
40 real estate development; fair practices in real estate; appraisal and



1 valuation techniques; landlord-tenant relationships; energy
2 conservation; environmental regulation and consideration;
3 taxation as it relates to consumer decisions in real estate
4 transactions; probate and similar disposition of real property;
5 governmental programs such as revenue bond activities,
6 redevelopment, and related programs; business opportunities; and
7 mineral, oil, and gas conveyancing.

8 (6) Other courses and programs that will enable a licensee to
9 achieve a high level of competence in serving the objectives of
10 consumers who may engage the services of licensees to secure the
11 transfer, financing, or similar objectives with respect to real
12 property, including organizational and management techniques
13 that will significantly contribute to this goal.

14 (b) Except as otherwise provided in Section 10170.8, no real
15 estate license shall be renewed for a licensee who already has
16 renewed under subdivision (a), unless the commissioner finds that
17 the applicant for license renewal has, during the four-year period
18 preceding the renewal application, successfully completed the 45
19 clock hours of education provided for in Section 10170.4,
20 including a six-hour update survey course that covers the subject
21 areas specified in paragraphs (1) to (4), inclusive, of subdivision
22 (a).

23 (c) Any denial of a license pursuant to this section shall be
24 subject to section 10100.

25 (d) For purposes of this section, “successful completion” of a
26 course described in paragraphs (1) to (4), inclusive, of subdivision
27 (a) means the passing of a final examination.

28 (e) This section shall become operative on July 1, 2003.

