

Introduced by Senator CorreaFebruary 17, 2011

An act to add Section 10164 to, and to amend Section 10165 of, the Business and Professions Code, relating to real estate licensees.

LEGISLATIVE COUNSEL'S DIGEST

SB 510, as introduced, Correa. Real estate brokers; corporate officers: designating branch managers.

The Real Estate Law, the willful violation of which is a crime, provides for the regulation and licensure of real estate brokers and real estate salespersons by the Real Estate Commissioner in the Department of Real Estate. Existing law also requires a real estate broker to procure an additional license for each branch office maintained by the broker. Existing law authorizes the commissioner to suspend or revoke a licensee's license for violations of specified requirements.

This bill would authorize an employing broker or corporate officer appointed by an employing broker to appoint a manager of a branch office or division of the employing broker's real estate business and delegate to that manager responsibility to oversee and supervise operations and activities, as specified. The bill would also require that the appointment be made by means of a written contract sent to the department with a notice identifying the appointed manager and branch office or division, as specified. The bill also specifies that an appointee shall not hold a restricted license, be subject to debarment, or have less than 2 years of full-time real estate experience. The bill would authorize the commissioner to suspend or revoke the license of an appointed licensee for failure to properly oversee and supervise operations, as specified.

By adding provisions to the Real Estate Law, the willful violation of which would be a new crime, this bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. Section 10164 is added to the Business and
2 Professions Code, to read:

3 10164. (a) An employing broker or corporate officer appointed
4 by an employing broker may appoint a licensee as a manager of a
5 branch office or division of the employing broker’s real estate
6 business and delegate to the appointed manager the responsibility
7 to oversee day-to-day operations, supervise the licensed activities
8 of licensees, and supervise clerical staff employed in the branch
9 office or division.

10 (b) A licensee accepting appointment as a manager shall be
11 subject to disciplinary action pursuant to Section 10165 for failure
12 to properly supervise licensed activity pursuant to subdivision (a).

13 (c) Appointment of a manager shall only be made by means of
14 a written contract in which the manager accepts the delegated
15 responsibility. The appointing employing broker or corporate
16 officer shall send a copy of the contract to the department, along
17 with a notice, in a form approved by the commissioner, identifying
18 the appointed manager and the branch office or division the
19 manager is appointed to supervise.

20 (d) A licensee shall not be appointed as a manager if any of the
21 following apply:

- 22 (1) The licensee holds a restricted license.
- 23 (2) The licensee is subject to an order of debarment.
- 24 (3) The licensee is a salesperson with less than two years of
25 full-time real estate experience when appointed.

26 SEC. 2. Section 10165 of the Business and Professions Code
27 is amended to read:

1 10165. For a violation of any of the provisions of Section
2 10160, 10161.8, 10162, ~~or~~ 10163, *or subdivision (b) of Section*
3 *10164*, the commissioner may temporarily suspend or permanently
4 revoke the license of the real estate licensee in accordance with
5 the provisions of this part relating to hearings.

6 SEC. 3. No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 the only costs that may be incurred by a local agency or school
9 district will be incurred because this act creates a new crime or
10 infraction, eliminates a crime or infraction, or changes the penalty
11 for a crime or infraction, within the meaning of Section 17556 of
12 the Government Code, or changes the definition of a crime within
13 the meaning of Section 6 of Article XIII B of the California
14 Constitution.