

AMENDED IN SENATE MAY 4, 2011

**SENATE BILL**

**No. 510**

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**Introduced by Senator Correa**

February 17, 2011

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An act to *amend Section 10165 of, and 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 amended, Correa. Real estate ~~brokers~~; *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 *designated broker* 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 and that the employing broker or corporate designated broker officer send a notice~~ to the department ~~with a notice~~ identifying the appointed manager and branch office or division, as specified. *The bill would also require the employing broker or corporate designated broker officer to notify the commissioner, immediately and in writing, whenever*

*a branch manager is terminated or changed.* 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 *within 5 years preceding the appointment.* *The bill provisions described above would become operative on July 1, 2012.* 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~~ *designated broker officer* may appoint a  
5 licensee as a manager of a branch office or division of the  
6 employing broker's *or employing corporate designated broker*  
7 *officer's* real estate business and delegate to the appointed manager  
8 the responsibility to oversee day-to-day operations, supervise the  
9 licensed activities of licensees, and supervise clerical staff  
10 employed in the branch office or division.

11 (b) *Notwithstanding subdivision (a), nothing in this section shall*  
12 *be construed to limit the responsibilities of an employing broker*  
13 *or a corporate designated broker officer pursuant to subdivision*  
14 *(h) of Section 10177.* A licensee accepting appointment as a  
15 manager shall be subject to disciplinary action pursuant to Section  
16 10165 for failure to properly supervise licensed activity pursuant  
17 to subdivision (a).

18 (c) Appointment of a manager shall only be made by means of  
19 a written contract in which the manager accepts the delegated  
20 responsibility. The appointing employing broker or corporate

1 *designated broker officer shall send a copy of the contract to the*  
2 *department, along with a notice, retain a copy of the contract and*  
3 *send a notice to the department, in a form approved by the*  
4 *commissioner, identifying the appointed manager and the branch*  
5 *office or division the manager is appointed to supervise.*

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

8 (1) The licensee holds a restricted license.

9 (2) The licensee is *or has been* subject to an order of debarment.

10 (3) The licensee is a salesperson with less than two years of  
11 full-time real estate experience ~~when appointed~~ *within five years*  
12 *preceding the appointment.*

13 (e) *Whenever an appointment of a branch manager is terminated*  
14 *or changed, the employing broker or corporate designated broker*  
15 *officer shall immediately notify the commissioner thereof in writing.*

16 (f) *This section shall become operative on July 1, 2012.*

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

19 10165. For a violation of any of the provisions of Section  
20 10160, 10161.8, 10162, 10163, or subdivision (b) of Section 10164,  
21 the commissioner may temporarily suspend or permanently revoke  
22 the license of the real estate licensee in accordance with the  
23 provisions of this part relating to hearings.

24 SEC. 3. No reimbursement is required by this act pursuant to  
25 Section 6 of Article XIII B of the California Constitution because  
26 the only costs that may be incurred by a local agency or school  
27 district will be incurred because this act creates a new crime or  
28 infraction, eliminates a crime or infraction, or changes the penalty  
29 for a crime or infraction, within the meaning of Section 17556 of  
30 the Government Code, or changes the definition of a crime within  
31 the meaning of Section 6 of Article XIII B of the California  
32 Constitution.