

AMENDED IN ASSEMBLY APRIL 23, 2014

AMENDED IN ASSEMBLY APRIL 7, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2540

Introduced by Assembly Member Dababneh

February 21, 2014

An act to amend Sections 10150, 10151, and 10162 of the Business and Professions Code, relating to real estate.

LEGISLATIVE COUNSEL'S DIGEST

AB 2540, as amended, Dababneh. Real estate licenses.

(1) Under the Real Estate Law, the California Bureau of Real Estate, which is headed by the Real Estate Commissioner, issues licenses to and regulates real estate brokers and real estate salespersons. Existing law authorizes the commissioner to prescribe the format and content of the written applications for the real estate broker examination, broker license, and salesperson examination.

This bill would authorize the commissioner to additionally prescribe the ~~form~~ *format* and content of the application for ~~both~~ the real estate salesperson ~~examination and~~ license, and would require that each of those applications for an examination or license, or both, require the applicant to provide a valid email address *and telephone number* at which the bureau may contact the applicant.

(2) Existing law requires every licensed real estate broker to have and maintain a definite place of business in the state that serves as his or her office for the transaction of business, displays his or her license, and where he or she holds personal consultations with a client. Any person, including officers, directors, agents, or employees of

corporations, who willfully violate or knowingly participate in the violation of these provisions is guilty of a misdemeanor punishable by a fine not exceeding \$10,000, or by imprisonment in the county jail not exceeding 6 months, or by both that fine and imprisonment.

This bill would require every *real estate broker and salesperson* licensee to provide the commissioner with his or her current office or mailing address, current telephone number, and current email address that he or she uses to perform any activity that requires a real estate license, and at which the bureau may contact the licensee, and to update that information no later than 30 days after making a change. Because a violation of these requirements would be a crime, the bill would impose a state-mandated local program.

(3) 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 10150 of the Business and Professions
 2 Code is amended to read:
 3 10150. (a) Application for the real estate broker license
 4 examination shall be made in writing to the commissioner. The
 5 commissioner may prescribe the format and content of the broker
 6 examination application. The application for the broker
 7 examination shall require an applicant to provide a valid email
 8 address *and telephone number* at which the bureau may contact
 9 the applicant and shall be accompanied by the real estate broker
 10 license examination fee.
 11 (b) Persons who have been notified by the commissioner that
 12 they passed the real estate broker license examination may apply
 13 for a real estate broker license. A person applying for the broker
 14 examination may also apply for a real estate broker license.
 15 However, a license shall not be issued until the applicant passes
 16 the real estate broker license examination. If there is any change
 17 to the information contained in a real estate broker license
 18 application after the application has been submitted and before the

1 license has been issued, the commissioner may require the applicant
2 to submit a supplement to the application listing the changed
3 information.

4 (c) Application for the real estate broker license shall be made
5 in writing to the commissioner. The commissioner may prescribe
6 the format and content of the broker license application. The
7 application for the real estate broker license shall require an
8 applicant to provide a valid email address *and telephone number*
9 at which the bureau may contact the applicant and shall be
10 accompanied by the appropriate fee.

11 (d) Application for an endorsement to act as a mortgage loan
12 originator, as defined in Section 10166.01, shall be made either
13 electronically or in writing as directed by the commissioner. The
14 commissioner may prescribe the format and content of the
15 mortgage loan originator endorsement application, which shall
16 meet the minimum requirements for licensing of a mortgage loan
17 originator, pursuant to the Secure and Fair Enforcement for
18 Mortgage Licensing Act of 2008 (Public Law 110-289).

19 SEC. 2. Section 10151 of the Business and Professions Code
20 is amended to read:

21 10151. (a) Application for the real estate salesperson license
22 examination shall be made in writing to the commissioner. The
23 commissioner may prescribe the format and content of the
24 salesperson examination application. The application for the
25 salesperson examination shall require an applicant to provide a
26 valid email address *and telephone number* at which the bureau
27 may contact the applicant and shall be accompanied by the real
28 estate salesperson license examination fee.

29 (b) Persons who have been notified by the commissioner that
30 they passed the real estate salesperson license examination may
31 apply for a real estate salesperson license. A person applying for
32 the salesperson examination may also apply for a real estate
33 salesperson license. However, a license shall not be issued until
34 the applicant passes the real estate salesperson license examination.
35 If there is any change to the information contained in a real estate
36 salesperson license application after the application has been
37 submitted and before the license has been issued, the commissioner
38 may require the applicant to submit a supplement to the application
39 listing the changed information.

1 (c) (1) The commissioner may prescribe the format and content
2 of the application for both the examination and license. *real estate*
3 *salesperson license application*. The application for the *real estate*
4 *salesperson license* shall require the applicant to provide a valid
5 email address and telephone number at which the bureau may
6 contact the applicant.

7 (2) An application for the real estate salesperson license
8 examination or for both the examination and license that is received
9 by the commissioner on or after October 1, 2007, shall include
10 evidence or certification, satisfactory to the commissioner, of
11 successful completion at an accredited institution of a
12 three-semester unit course, or the quarter equivalent thereof, or
13 successful completion of an equivalent course of study as defined
14 in Section 10153.5, in real estate principles as well as the successful
15 completion at an accredited institution of a course in real estate
16 practice and one additional course set forth in Section 10153.2,
17 other than real estate principles, real estate practice, advanced legal
18 aspects of real estate, advanced real estate finance, or advanced
19 real estate appraisal. The applicant shall provide this evidence or
20 certification to the commissioner prior to taking the real estate
21 salesperson license examination.

22 (d) The commissioner shall waive the requirements of this
23 section for the following applicants:

24 (1) An applicant who is a member of the State Bar of California.

25 (2) An applicant who has qualified to take the examination for
26 an original real estate broker license by satisfying the requirements
27 of Section 10153.2.

28 (e) Application for endorsement to act as a mortgage loan
29 originator, as defined in Section 10166.01, shall be made either
30 electronically or in writing as directed by the commissioner. The
31 commissioner may prescribe the format and the content of the
32 mortgage loan originator endorsement application, which shall
33 meet the minimum requirements for licensing of a mortgage loan
34 originator, pursuant to the Secure and Fair Enforcement for
35 Mortgage Licensing Act of 2008 (Public Law 110-289).

36 SEC. 3. Section 10162 of the Business and Professions Code
37 is amended to read:

38 10162. (a) Every licensed real estate broker shall have and
39 maintain a definite place of business in the State of California that
40 serves as his or her office for the transaction of business. This

1 office shall be the place where his or her license is displayed and
2 where personal consultations with clients are held.

3 (b) A real estate license does not authorize the licensee to do
4 business except from the location stipulated in the real estate
5 license as issued or as altered pursuant to Section 10161.8.

6 (c) (1) Every *real estate broker and salesperson* licensee shall
7 provide to the commissioner his or her current office or mailing
8 address, a current telephone number, and a current email address
9 that he or she maintains or uses to perform any activity that requires
10 a real estate license, at which the bureau may contact the licensee.

11 (2) Every *real estate broker and salesperson* licensee shall
12 inform the commissioner of any change to his or her office or
13 mailing address, telephone number, or email address no later than
14 30 days after making the change.

15 SEC. 4. No reimbursement is required by this act pursuant to
16 Section 6 of Article XIII B of the California Constitution because
17 the only costs that may be incurred by a local agency or school
18 district will be incurred because this act creates a new crime or
19 infraction, eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section 17556 of
21 the Government Code, or changes the definition of a crime within
22 the meaning of Section 6 of Article XIII B of the California
23 Constitution.