

ASSEMBLY BILL

No. 345

Introduced by Assembly Member Frazier

February 13, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 345, as introduced, Frazier. Real estate licensees: continuing education requirements.

The Real Estate Law provides for the licensure and regulation of real estate brokers and salespersons by the Real Estate Commissioner. The law requires a salesperson to be supervised by a responsible broker, as defined, and allows an employing broker or corporate designated broker officer to appoint a licensee as a manager of a branch office or division of a real estate business if specified requirements are met. The law requires a licensee to successfully complete 45 hours of continuing education as a prerequisite to license renewal, as specified.

This bill would require a licensee, as part of the licensee's 45 hours of continuing education, to successfully complete a 3-hour course in the management of offices and supervision of licensed activities, as specified, and would also make related and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
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:

1 10153.4. (a) This section shall apply to an application for the
2 real estate salesperson license examination, the real estate
3 salesperson license, and for both the examination and license
4 received by the commissioner prior to October 1, 2007, if the
5 applicant obtains a passing score on the real estate salesperson
6 license examination and submits a license application prior to
7 October 1, 2007.

8 (b) Application for the real estate salesperson license
9 examination pursuant to this section shall be made in writing to
10 the commissioner. The commissioner may prescribe the format
11 and content of the salesperson examination application. The
12 application for the salesperson examination shall be accompanied
13 by the real estate salesperson license examination fee.

14 (c) An applicant under this section shall comply with the
15 requirements of subdivision (c) of Section 10153.3 in order to take
16 the real estate salesperson license examination.

17 (d) An applicant under this section who obtains a passing score
18 on the real estate salesperson license examination prior to October
19 1, 2007, shall, prior to the issuance of the real estate salesperson
20 license, submit evidence or certification satisfactory to the
21 commissioner of successful completion at an accredited institution
22 of a three-semester unit course, or the quarter unit equivalent
23 thereof, or successful completion of an equivalent course of study
24 as defined in Section 10153.5, in real estate principles as described
25 in subdivision (c) of Section 10153.3. An applicant for an original
26 real estate salesperson license under this section shall also, prior
27 to the issuance of the license, or within 18 months after issuance,
28 submit evidence or certification satisfactory to the commissioner
29 of successful completion at an accredited institution or a private
30 vocational school, as specified in Section 10153.5, of a course in
31 real estate practice and one additional course set forth in Section
32 10153.2, other than real estate principles, real estate practice,
33 advanced legal aspects of real estate, advanced real estate finance,
34 or advanced real estate appraisal.

35 (e) A salesperson who qualifies for a license pursuant to this
36 section shall not be required for the first license renewal thereafter
37 to complete the continuing education pursuant to Article 2.5
38 (commencing with Section 10170), except for the courses specified
39 in paragraphs (1) to (4), inclusive, of subdivision (a) of Section
40 10170.5 or, on and after July 1, 2007, except for the courses

1 specified in paragraphs (1) to ~~(5)~~; (6), inclusive, of subdivision (a)
2 of Section 10170.5.

3 (f) The salesperson license issued to an applicant who has
4 satisfied only the requirements of subdivision (c) at the time of
5 issuance shall be automatically suspended effective 18 months
6 after issuance if the licensee has failed to satisfy the requirements
7 of subdivision (d). The suspension shall not be lifted until the
8 suspended licensee has submitted the required evidence of course
9 completion and the commissioner has given written notice to the
10 licensee of the lifting of the suspension.

11 (g) The original license issued to a salesperson shall clearly set
12 forth the conditions of the license and shall be accompanied by a
13 notice of the provisions of this section and of any regulations
14 adopted by the commissioner to implement this section.

15 (h) The commissioner shall waive the requirements of this
16 section for any person who presents evidence of admission to the
17 State Bar of California, and the commissioner shall waive the
18 requirement for any course for which an applicant has completed
19 an equivalent course of study as determined under Section 10153.5.

20 SEC. 2. Section 10170.5 of the Business and Professions Code
21 is amended to read:

22 10170.5. (a) Except as otherwise provided in Sections 10153.4
23 and 10170.8, no real estate license shall be renewed unless the
24 commissioner finds that the applicant for license renewal has,
25 during the four-year period preceding the renewal application,
26 successfully completed the 45-clock hours of education provided
27 for in Section 10170.4, including all of the following:

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

32 (2) A three-hour course in agency relationships and duties in a
33 real estate brokerage practice, including instruction in the
34 disclosures to be made and the confidences to be kept in the various
35 agency relationships between licensees and the parties to real estate
36 transactions.

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

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

39 (5) A three-hour course in risk management that shall include,
40 but need not be limited to, principles, practices, and procedures

1 calculated to avoid errors and omissions in the practice of real
2 estate licensed activities.

3 (6) *A three-hour course in the management of real estate offices*
4 *and supervision of real estate licensed activities that shall include,*
5 *but need not be limited to, the requirements described in*
6 *subdivision (a) of Section 10159.7 and Section 10164 and the*
7 *duties of a broker or salesperson acting under the reasonable*
8 *supervision of a responsible broker or branch manager.*

9 ~~(6)~~

10 (7) Not less than 18-clock hours of courses or programs related
11 to consumer protection, and designated by the commissioner as
12 satisfying this purpose in his or her approval of the offering of
13 these courses or programs, which shall include, but not be limited
14 to, forms of real estate financing relevant to serving consumers in
15 the marketplace, land use regulation and control, pertinent
16 consumer disclosures, agency relationships, capital formation for
17 real estate development, fair practices in real estate, appraisal and
18 valuation techniques, landlord-tenant relationships, energy
19 conservation, environmental regulation and consideration, taxation
20 as it relates to consumer decisions in real estate transactions,
21 probate and similar disposition of real property, governmental
22 programs such as revenue bond activities, redevelopment, and
23 related programs, business opportunities, mineral, oil, and gas
24 conveyancing, and California law that relates to managing
25 community associations that own, operate, and maintain property
26 within common interest developments, including, but not limited
27 to, management, maintenance, and financial matters addressed in
28 the Davis-Stirling Common Interest Development ~~Act~~. *Act (Part*
29 *5 (commencing with Section 4000) of Division 4 of the Civil Code).*

30 ~~(7)~~

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

37 (b) Except as otherwise provided in Section 10170.8, no real
38 estate license shall be renewed for a licensee who already has
39 renewed under subdivision (a), unless the commissioner finds that
40 the applicant for license renewal has, during the four-year period

1 preceding the renewal application, successfully completed the
2 45-clock hours of education provided for in Section 10170.4,
3 including an eight-hour update survey course that covers the subject
4 areas specified in paragraphs (1) to ~~(5)~~; (6), inclusive, of
5 subdivision (a).

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

8 (d) For purposes of this section, “successful completion” of a
9 course described in paragraphs (1) to ~~(5)~~; (6), inclusive, of
10 subdivision (a) means the passing of a final examination.