

AMENDED IN ASSEMBLY MARCH 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 345**

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**Introduced by Assembly Member Frazier**

February 13, 2015

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

LEGISLATIVE COUNSEL'S DIGEST

AB 345, as amended, 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, broker,~~ as part of the ~~licensee's broker'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:~~ *specified.*

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:~~

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

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

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

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

37    ~~(e) A salesperson who qualifies for a license pursuant to this~~  
38    ~~section shall not be required for the first license renewal thereafter~~

1 to complete the continuing education pursuant to Article 2.5  
2 (commencing with Section 10170), except for the courses specified  
3 in paragraphs (1) to (4), inclusive, of subdivision (a) of Section  
4 10170.5 or, on and after July 1, 2007, except for the courses  
5 specified in paragraphs (1) to (6), inclusive, of subdivision (a) of  
6 Section 10170.5.

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

15 (g) The original license issued to a salesperson shall clearly set  
16 forth the conditions of the license and shall be accompanied by a  
17 notice of the provisions of this section and of any regulations  
18 adopted by the commissioner to implement this section.

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

24 ~~SEC. 2.~~

25 *SECTION 1.* Section 10170.5 of the Business and Professions  
26 Code is amended to read:

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

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

37 (2) A three-hour course in agency relationships and duties in a  
38 real estate brokerage practice, including instruction in the  
39 disclosures to be made and the confidences to be kept in the various

1 agency relationships between licensees and the parties to real estate  
2 transactions.

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

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

5 (5) A three-hour course in risk management that shall include,  
6 but need not be limited to, principles, practices, and procedures  
7 calculated to avoid errors and omissions in the practice of real  
8 estate licensed activities.

9 (6) ~~In addition to paragraphs (1) to (5), inclusive, a broker  
10 shall complete a three-hour course in the management of real estate  
11 offices and supervision of real estate licensed activities that shall  
12 include, but need not be limited to, the requirements described in  
13 subdivision (a) of Section 10159.7 and Section 10164 and the  
14 duties of a broker or salesperson acting under the reasonable  
15 supervision of a responsible broker or branch manager. 10164.~~

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

36 (8) Other courses and programs that will enable a licensee to  
37 achieve a high level of competence in serving the objectives of  
38 consumers who may engage the services of licensees to secure the  
39 transfer, financing, or similar objectives with respect to real  
40 property, including organizational and management techniques

1 *techniques, including relevant information to assist a salesperson*  
2 *or broker in understanding how to be effectively supervised by a*  
3 *responsible broker or branch manager, that will significantly*  
4 *contribute to this goal.*

5 (b) Except as otherwise provided in Section 10170.8, no real  
6 estate license shall be renewed for a licensee who already has  
7 renewed under subdivision (a), unless the commissioner finds that  
8 the applicant for license renewal has, during the four-year period  
9 preceding the renewal application, successfully completed the  
10 ~~45-clock~~ *45 clock* hours of education provided for in Section  
11 10170.4, including an eight-hour update survey course that covers  
12 the subject areas specified in paragraphs (1) to (6), inclusive, of  
13 subdivision (a).

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

16 (d) For purposes of this section, “successful completion” of a  
17 course described in paragraphs (1) to (6), inclusive, of subdivision  
18 (a) means the passing of a final examination.