

ASSEMBLY BILL

No. 1807

Introduced by Assembly Member Bonta

February 8, 2016

An act to amend Section 10176.1 of the Business and Professions Code, relating to escrow agents.

LEGISLATIVE COUNSEL'S DIGEST

AB 1807, as introduced, Bonta. Escrow agents.

Existing law subjects the escrow industry to various laws and regulations under the oversight of the Real Estate Commissioner, the Commissioner of Business Oversight, or the Insurance Commissioner. Existing law requires the commissioners to notify each other when taking enforcement or disciplinary action related to certain escrow services. Existing law requires the Bureau of Real Estate to maintain an Internet Web site that displays a database of individuals who have been subject to disciplinary action related to the escrow industry.

This bill would limit the time period for which the Bureau of Real Estate's Internet Web site is required to display disciplinary actions taken against a licensee to 10 years or a lesser as the Real Estate Commissioner deems to be in the best interest of the public.

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 10176.1 of the Business and Professions
- 2 Code is amended to read:

1 10176.1. (a) (1) Whenever the commissioner takes any
 2 enforcement or disciplinary action against a licensee, and the
 3 enforcement or disciplinary action is related to escrow services
 4 provided pursuant to paragraph (4) of subdivision (a) of Section
 5 17006 of the Financial Code, upon the action becoming final the
 6 commissioner shall notify the Insurance Commissioner and the
 7 Commissioner of Business Oversight of the action or actions taken.
 8 The purpose of this notification is to alert the departments that
 9 enforcement or disciplinary action has been taken, if the licensee
 10 seeks or obtains employment with entities regulated by the
 11 departments.

12 (2) The commissioner shall provide the Insurance Commissioner
 13 and the Commissioner of Business Oversight, in addition to the
 14 notification of the action taken, with a copy of the written
 15 accusation, statement of issues, or order issued or filed in the matter
 16 and, at the request of the Insurance Commissioner or the
 17 Commissioner of Business Oversight, with any underlying factual
 18 material relevant to the enforcement or disciplinary action. Any
 19 confidential information provided by the commissioner to the
 20 Insurance Commissioner or the Commissioner of Business
 21 Oversight shall not be made public pursuant to this section.
 22 Notwithstanding any other provision of law, the disclosure of any
 23 underlying factual material to the Insurance Commissioner or the
 24 Commissioner of Business Oversight shall not operate as a waiver
 25 of confidentiality or any privilege that the commissioner may
 26 assert.

27 (b) The commissioner shall establish and maintain, on the
 28 *Internet* Web site maintained by the Bureau of Real Estate, a
 29 database of its licensees, including those who have been subject
 30 to any enforcement or disciplinary action that triggers the
 31 notification requirements of this ~~section~~. *section for a period of*
 32 *10 years or a lesser time as the commissioner deems to be in the*
 33 *best interest of the public.* The database shall also contain a direct
 34 link to the databases, described in Section 17423.1 of the Financial
 35 Code and Section 12414.31 of the Insurance Code and required
 36 to be maintained on the *Internet* Web sites of the Department of
 37 Business Oversight and the Department of Insurance, respectively,
 38 of persons who have been subject to enforcement or disciplinary
 39 action for malfeasance or misconduct related to the escrow industry

1 by the Insurance Commissioner and the Commissioner of Business
2 Oversight.

3 (c) There shall be no liability on the part of, and no cause of
4 action of any nature shall arise against, the State of California, the
5 Bureau of Real Estate, the Real Estate Commissioner, any other
6 state agency, or any officer, agent, employee, consultant, or
7 contractor of the state, for the release of any false or unauthorized
8 information pursuant to this section, unless the release of that
9 information was done with knowledge and malice, or for the failure
10 to release any information pursuant to this section.

O