

AMENDED IN SENATE MARCH 23, 2015

**SENATE BILL**

**No. 146**

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**Introduced by Senator Galgiani**

January 28, 2015

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An act to amend Sections 10159.5, 10159.6, and 10159.7 of the Business and Professions Code, relating to real estate licensees, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 146, as amended, Galgiani. Real estate licensees: fictitious business names: team names.

Existing law provides for the licensure and regulation of real estate brokers and real estate salespersons by the Bureau of Real Estate headed by the Real Estate Commissioner. Existing law requires an applicant who desires to have his or her license issued under a fictitious business name to file with his or her application a certified copy of his or her fictitious business name statement. Existing law authorizes a responsible broker, as defined, by contract, to permit a salesperson to apply for a fictitious business name with the appropriate county, and to maintain ownership of a fictitious business name. Existing law defines a team name and provides, for purposes of the provisions described above, that a team name is not a fictitious business name if specified criteria apply.

This bill would provide that a team name is also not a fictitious business name for purposes of any other law *or for purposes of filing a fictitious business name statement with an application as described above* when the criteria apply. This bill would make technical and clarifying changes to the provisions described above.

*Existing law requires advertising and solicitation materials using a fictitious business name or that contain a team name to display the*

responsible broker’s identity, as provided. Existing law defines “responsible broker’s identity” to mean the name under which the responsible broker operates or conducts business.

This bill would revise the definition of “responsible broker’s identity” to mean a name under which the responsible broker operates or conducts business in general for the real estate firm as a whole and that does not include a fictitious business name or a team name owned or used solely by a salesperson or group of salespersons, and would provide that a responsible broker’s identity may include divisions of the real estate firm registered with the Bureau of Real Estate under the broker, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote:  $\frac{2}{3}$ . Appropriation: no. Fiscal committee: no.  
 State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 10159.5 of the Business and Professions
- 2 Code is amended to read:
- 3 10159.5. (a) (1) Every person applying for a license under
- 4 this chapter who desires to have the license issued under a fictitious
- 5 business name shall file with his or her application a certified copy
- 6 of his or her fictitious business name statement filed with the
- 7 county clerk pursuant to Chapter 5 (commencing with Section
- 8 17900) of Part 3 of Division 7.
- 9 (1)
- 10 (2) A responsible broker may, by contract, permit the
- 11 salesperson to do all of the following:
- 12 (A) File an application on behalf of a responsible broker with
- 13 a county clerk to obtain a fictitious business name.
- 14 (B) Deliver to the bureau an application, signed by the
- 15 responsible broker, requesting the bureau’s approval to use a county
- 16 approved fictitious business name that shall be identified with the
- 17 responsible broker’s license number.
- 18 (C) Pay for any fees associated with filing an application with
- 19 a county or the bureau to obtain or use a fictitious business name.
- 20 (D) Maintain ownership of a fictitious business name, as defined
- 21 in paragraph (2) of subdivision (a) of Section 10159.7, that may
- 22 be used subject to the control of the responsible broker.

1 (b) (1) A salesperson using a fictitious business name authorized  
2 by subdivision (a), shall use that name only as permitted by his or  
3 her responsible broker.

4 (2) This section does not change a real estate broker's duties  
5 under this division to supervise a salesperson.

6 (c) A person applying to a county for a fictitious business name  
7 pursuant to subdivision (a) may file his or her application in the  
8 county or counties where the fictitious business name will be used.

9 (d) Advertising and solicitation materials, including business  
10 cards, print or electronic media and "for sale" signage, using a  
11 fictitious business name obtained in accordance with subdivision  
12 (a) shall include the responsible broker's ~~identity~~ *identity, as*  
13 *defined in paragraph (1) of subdivision (a) of Section 10159.7*, in  
14 a manner equally as prominent as the fictitious business name.

15 (e) Notwithstanding subdivision (b) of Section 10140.6,  
16 ~~advertising~~, *advertising and solicitation materials*, including print  
17 or electronic media and "for sale" signage, containing a fictitious  
18 business name obtained in accordance with subdivision (a) shall  
19 include the name and license number of the salesperson who is  
20 using the fictitious business name.

21 (f) Notwithstanding Section 10185, a violation of this section  
22 is not a misdemeanor.

23 SEC. 2. Section 10159.6 of the Business and Professions Code  
24 is amended to read:

25 10159.6. All of the following apply to use of a team name, as  
26 defined in paragraph (5) of subdivision (a) of Section 10159.7:

27 (a) Notwithstanding subdivision (b) of Section 10140.6,  
28 advertising and solicitation materials that contain a team name,  
29 including print or electronic media and "for sale" signage, shall  
30 include the licensee's name and license ~~number in all advertising,~~  
31 *number*; and shall be displayed in a conspicuous manner.

32 (b) The responsible broker's ~~identity~~ *identity, as defined in*  
33 *paragraph (1) of subdivision (a) of Section 10159.7*, shall be  
34 displayed as prominently and conspicuously as the team name in  
35 ~~all advertising.~~ *advertising and solicitation materials.*

36 (c) The advertising and solicitation materials shall not contain  
37 terms that imply the existence of a real estate entity independent  
38 of the responsible broker.

39 (d) Notwithstanding Section 10185, a violation of this section  
40 is not a misdemeanor.

1 SEC. 3. Section 10159.7 of the Business and Professions Code  
2 is amended to read:

3 10159.7. (a) For the purposes of this article, the following  
4 definitions shall apply:

5 (1) “Responsible broker’s identity” means ~~the~~ a name under  
6 which the responsible broker operates or conducts business ~~and~~  
7 ~~may include a sole proprietorship or business entity name. in~~  
8 *general for the real estate firm as a whole and that does not include*  
9 *a fictitious business name pursuant to subdivision (a) of Section*  
10 *10159.5 or a team name pursuant to paragraph (5) of subdivision*  
11 *(a) of Section 10159.7 owned or used solely by a salesperson or*  
12 *group of salespersons. Responsible broker’s identity may include*  
13 *divisions of the real estate firm registered with the bureau under*  
14 *the broker that are used for specialty or areas within the firm that*  
15 *are available to all salespersons within that specialty area.*

16 (2) “Fictitious business name” means a professional identity or  
17 brand name under which activity requiring a real estate license is  
18 conducted and the use of which is subject to approval by the bureau  
19 pursuant to Section 10159.5.

20 (3) “Ownership of a fictitious business name” means the right  
21 to use, renew, and control the use of a fictitious business name  
22 obtained in accordance with Section 10159.5.

23 (4) “Responsible broker” means the broker responsible for the  
24 exercise of control and supervision of salespersons under Section  
25 10159.2, or a licensee subject to discipline under subdivision (h)  
26 of Section 10177 for failure to supervise activity requiring a real  
27 estate license. The supervision of a salesperson required under this  
28 part or any other law is limited to regulatory compliance and  
29 consumer protection.

30 (5) “Team name” means a professional identity or brand name  
31 used by a salesperson, and one or more other real estate licensees,  
32 for the provision of real estate licensed services. Notwithstanding  
33 any other law, the use of a team name does not require that a  
34 separate license be issued for that name pursuant to Section  
35 10159.5. A team name does not constitute a fictitious business  
36 name for purposes of this part or any other law *or for purposes of*  
37 *filing a fictitious business name statement with an application as*  
38 *required by subdivision (a) of Section 10159.5* if all of the  
39 following apply:

1 (A) The name is used by two or more real estate licensees who  
2 work together to provide licensed real estate services, or who  
3 represent themselves to the public as being a part of a team, group,  
4 or association to provide those services.

5 (B) The name includes the surname of at least one of the licensee  
6 members of the team, group, or association in conjunction with  
7 the term “associates,” “group,” or “team.”

8 (C) The name does not include any term or terms, such as “real  
9 estate broker,” “real estate brokerage,” “broker,” or “brokerage”  
10 or any other term that would lead a member of the public to believe  
11 that the team is offering real estate brokerage services, that imply  
12 or suggest the existence of a real estate entity independent of a  
13 responsible broker.

14 (b) Nothing in this section changes a real estate broker’s duties  
15 under this division to supervise a salesperson.

16 SEC. 4. This act is an urgency statute necessary for the  
17 immediate preservation of the public peace, health, or safety within  
18 the meaning of Article IV of the Constitution and shall go into  
19 immediate effect. The facts constituting the necessity are:

20 In order to ensure that the law regarding “team names” is applied  
21 consistently at the state and local level and that a “team name”  
22 does not constitute a fictitious business name for purposes of any  
23 law, it is necessary that this act take effect immediately.