

AMENDED IN ASSEMBLY APRIL 17, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1644**

**Introduced by Assembly Member Granlund**

February 24, 1995

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An act to amend Sections ~~10249.92~~ 10249.3, 10249.9, 10249.91, 10249.92, 10261, and 11000 of, to add Section ~~10249.8 to, to~~ repeal Sections ~~10249.11, 10249.2, and 10249.6~~ Sections 10238.45, and 10249.8 to, to add Article 8.5 (commencing with Section 10250) to Chapter 3 of Part 1 of Division 4 of, to repeal Sections 10249.11, 10249.2, 10249.4, 10249.6, and 10249.7 of, and to repeal and add Section 10249 of, the Business and Professions Code, relating to real estate.

LEGISLATIVE COUNSEL'S DIGEST

AB 1644, as amended, Granlund. Land sales: subdivisions.

(1) Under existing law, a person acting as a principal or agent in this state may not sell or lease or offer for sale or lease lots or parcels in a subdivision situated outside of this state but within the United States, except as specified. This limitation does not apply to a time-share project, as defined.

This bill would repeal this provision and would instead provide that a person acting as a principal or agent who intends, in this state, to sell or lease or offer for sale or lease lots or parcels, or interests in a subdivision, as defined, located outside of this state but within the United States is required, prior to any sales, leasing, or offering, to file with the Department register the subdivision with the Commissioner

of Real Estate, ~~a registration of the offering together with a fee, and evidence of compliance with other state requirements.~~ *This bill would provide that the application for registration is required to be made on a form acceptable to the commissioner, as prescribed, and is required to contain specified information. The bill would establish the fees which accompany various applications in connection with that registration. The bill would make conforming changes.*

(2) Existing law defines the terms “improved out-of-state residential subdivision” and “improved out-of-state time-share project.”

This bill would repeal these definitions.

(3) Under existing law, the sale or lease or the offering for sale or lease of lots or parcels in a subdivision situated outside of the state are governed by provisions of law relative to real property securities dealers and subdivided land, as specified.

This bill would repeal that provision.

(4) *Under existing law, when an inspection is to be made of subdivided lands situated outside of the State of California which are to be offered for sale or lease in this state, the applicant is required to provide a questionnaire and a filing fee, together with a amount, estimated by the commissioner, for travel from the office of the Department of Real Estate where the filing is made to the location of the project, and an amount estimated to be necessary to cover the actual and necessary subsistence expenses incurred in the inspection.*

*This bill would repeal this provision.*

(5) Under existing law, the Commissioner of Real Estate may issue a preliminary or a conditional permit, as specified, for an improved out-of-state residential subdivision upon receipt of a substantially complete application for the subdivision.

This bill would repeal this provision.

(6) This bill would provide that it is unlawful for a person to sell or lease or offer for sale or lease specified lots, parcels, or interest in a subdivision located *entirely* outside of this state but within the United States, unless any printed material, literature, advertising, or invitation in this state relating to that sale, lease, or offer clearly and conspicuously contains a disclaimer, in 10-point type, as specified. *The bill would*



*provide for a separate disclaimer for agreements or contracts to lease or purchase that property where the offer is made to a California resident in California.*

*(7) This bill would also enact provisions that regulate the sale, lease, and offer for sale or lease of multistate time-share interests in this state, as specified.*

*(8) Under existing law, the terms “subdivided lands” and “subdivision” refer to improved or unimproved land or lands, wherever situated in the United States.*

*This bill would instead provide that these terms refer to improved or improved land or lands wherever situated within the state California.*

*Under existing law, the limitation of specified provisions relative to subdivided land to subdivisions within the United States do not apply to a time-share project, as defined, which consists of, or will consist of, 2 or more distinct geographic locations.*

*This bill would ~~repeal this provision~~ instead exempt subdivisions located entirely outside California from the operation of the subdivided land provisions.*

*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 10238.45 is added to the Business  
2 and Professions Code, to read:*

3 *10238.45. If the commissioner finds that the proposed  
4 offering of a subdivision as defined in Section 10250.1  
5 meets the applicable requirements of this article, the  
6 commissioner shall issue to the applicant a permit  
7 authorizing him or her to sell the offering upon those  
8 terms and conditions as the commissioner may provide in  
9 the permit. Otherwise, the commissioner shall deny the  
10 application and refuse the permit, and notify the  
11 applicant in writing of his or her decision.*

12 *SEC. 2. Section 10249 of the Business and Professions  
13 Code is repealed.*

14 ~~*SEC. 2. Section 10249 is added to the Business and  
15 Professions Code, to read:*~~



1 ~~10249. A person acting as a principal or agent who~~  
 2 ~~intends, in this state, to sell or lease or offer for sale or lease~~  
 3 ~~lots or parcels in a subdivision, as defined in Sections 11000~~  
 4 ~~or 11004.5, situated outside of this state but within the~~  
 5 ~~United States, shall, prior to any sales, leasing, or offering,~~  
 6 ~~file with the department, on a form acceptable to the~~  
 7 ~~commissioner, a registration of the offering, together~~  
 8 ~~with a fee and evidence that the subdivision is in~~  
 9 ~~compliance with all applicable requirements of the state~~  
 10 ~~wherein the project is located.~~

11 ~~The department, within 10 days of filing of the~~  
 12 ~~registration, shall provide the applicant with notice of the~~  
 13 ~~acceptability of the registration or a notice of deficiency.~~  
 14 ~~If the department does not provide a notice within 10~~  
 15 ~~days, the registration shall be deemed accepted.~~

16 ~~SEC. 3.~~

17 *SEC. 3. Section 10249 is added to the Business and*  
 18 *Professions Code, to read:*

19 *10249. (a) A person acting as a principal or agent who*  
 20 *intends to sell or lease or offer for sale or lease lots, parcels,*  
 21 *or interests in a subdivision, as defined in Section 10249.1,*  
 22 *situated outside of this state within the United States,*  
 23 *shall, prior to a sale, lease, or offer, register the subdivision*  
 24 *with the commissioner. An application for registration*  
 25 *shall be made on a form acceptable to the commissioner*  
 26 *and include, together with a fee, a description of the*  
 27 *offering, certification by the applicant that the*  
 28 *subdivision is in compliance with all applicable*  
 29 *requirements of the state or states wherein the project is*  
 30 *located, evidence of this compliance, if applicable, and a*  
 31 *consent to service as described in Section 10249.92.*

32 *(b) The commissioner, within 10 days of receipt of an*  
 33 *application of registration, shall provide the applicant*  
 34 *with notice of the completion of the registration or a*  
 35 *notice of deficiency. If the department does not provide*  
 36 *a notice within 10 days, the registration shall be deemed*  
 37 *complete.*

38 *(c) The provisions of this section do not apply to*  
 39 *subdivisions that include interests located both within*  
 40 *California and outside California.*



1 ~~SEC. 4.~~ Section 10249.11 of the Business and  
2 Professions Code is repealed.

3 ~~SEC. 4.~~

4 ~~SEC. 5.~~ Section 10249.2 of the Business and  
5 Professions Code is repealed.

6 ~~SEC. 5.~~

7 ~~SEC. 6.~~ *Section 10249.3 of the Business and*  
8 *Professions Code is amended to read:*

9 10249.3. (a) The ~~Real Estate Commissioner~~  
10 *commissioner* may by regulation prescribe filing fees in  
11 connection with ~~applications to~~ *registrations with* the  
12 ~~Department of Real Estate~~ *department* pursuant to the  
13 provisions of this article ~~which~~ *that* are lower than the  
14 maximum fees specified in subdivision (b) if the  
15 commissioner determines that the lower fees are  
16 sufficient to offset the costs and expenses incurred in the  
17 administration of this article. The commissioner shall hold  
18 at least one hearing each calendar year to determine if  
19 lower fees than those specified in subdivision (b) should  
20 be prescribed.

21 (b) The filing fee for an application for a ~~permit to be~~  
22 ~~issued under authority~~ *registration with the department*  
23 *pursuant to the provisions* of this article shall not exceed  
24 the following for each subdivision or phase of the  
25 subdivision in which interests are to be offered for sale or  
26 lease:

27 (1) An application for an original ~~permit: One~~  
28 ~~thousand seven hundred dollars (\$1,700) plus ten dollars~~  
29 ~~(\$10) for each subdivision interest to be offered~~  
30 *registration: One hundred dollars (\$100).*

31 (2) An application for a renewal ~~permit: Six hundred~~  
32 ~~dollars (\$600) plus ten dollars (\$10) for each subdivision~~  
33 ~~interest to be offered which was not permitted to be~~  
34 ~~offered under the permit to be renewed~~ *registration: One*  
35 *hundred dollars (\$100).*

36 (3) An application for an amended ~~permit: Five~~  
37 ~~hundred dollars (\$500) plus ten dollars (\$10) for each~~  
38 ~~subdivision interest to be offered under the amended~~  
39 ~~permit for which a fee has not previously been paid.~~



1 ~~(4) An application for a preliminary permit: Five~~  
2 ~~hundred dollars (\$500) registration: One hundred dollars~~  
3 ~~(\$100).~~

4 (c) All fees collected by the Department of Real Estate  
5 under authority of this article shall be deposited into the  
6 Real Estate Fund under Chapter 6 (commencing with  
7 Section 10450) of Part 1. All fees received by the  
8 department pursuant to the provisions of this article shall  
9 be deemed earned upon receipt. No part of any fee is  
10 refundable unless the commissioner determines that it  
11 was paid as a result of mistake or inadvertence.

12 *SEC. 7. Section 10249.4 of the Business and*  
13 *Professions Code is repealed.*

14 ~~10249.4. When an inspection is to be made of~~  
15 ~~subdivided lands situated outside of the State of California~~  
16 ~~which are to be offered for sale or lease in this state, the~~  
17 ~~questionnaire shall be accompanied by the filing fee,~~  
18 ~~together with an amount equivalent to the maximum~~  
19 ~~reimbursement rate authorized for an employee of the~~  
20 ~~state using a privately owned automobile on official state~~  
21 ~~business, for each mile going and returning, or where~~  
22 ~~public transportation is available the actual round trip~~  
23 ~~fare pertaining thereto, estimated by the commissioner to~~  
24 ~~be traveled from the office of the Department of Real~~  
25 ~~Estate where the filing is made to the location of the~~  
26 ~~project, and an amount estimated to be necessary to~~  
27 ~~cover the actual and necessary subsistence expenses~~  
28 ~~incurred in the inspection.~~

29 *SEC. 8. Section 10249.6 of the Business and*  
30 *Professions Code is repealed.*

31 ~~SEC. 6.~~

32 *SEC. 9. Section 10249.7 of the Business and*  
33 *Professions Code is repealed.*

34 ~~10249.7. The provisions of Section 11010.2 shall apply~~  
35 ~~to an application for issuance of a permit for any~~  
36 ~~subdivision subject to this article or Article 9~~  
37 ~~(commencing with Section 10260), except as to the~~  
38 ~~following:~~

39 (a) ~~All references to a public report in Section 11010.2~~  
40 ~~shall be read as referring to a permit under this article.~~



1 ~~(b) The commissioner shall notify the applicant in~~  
2 ~~writing of the determination that the notice and~~  
3 ~~application is, or is not, substantially complete with~~  
4 ~~respect to quantitative requirements within 15 days of~~  
5 ~~receipt of the notice and application.~~

6 ~~(c) After making the determination that the notice~~  
7 ~~and application are substantially complete as described in~~  
8 ~~subdivision (b), the commissioner shall provide the~~  
9 ~~applicant with a list of all deficiencies and substantive~~  
10 ~~inadequacies necessary for the notice and application to~~  
11 ~~be qualitatively complete within 75 days of that~~  
12 ~~determination in the case of subdivisions described in~~  
13 ~~Section 11004.5, and within 30 days of that determination~~  
14 ~~in the case of other subdivisions.~~

15 ~~(d) The provisions of subdivision (c) shall not be~~  
16 ~~applicable to those deficiencies and substantive~~  
17 ~~inadequacies, if any, based on an inspection of the~~  
18 ~~subdivision. A list of any of those deficiencies or~~  
19 ~~inadequacies shall be provided to the applicant within 20~~  
20 ~~days after discovery by the person performing the~~  
21 ~~inspection.~~

22 ~~(e) The commissioner shall issue a permit within 30~~  
23 ~~days, in the case of a subdivision specified in Section~~  
24 ~~11004.5, or 20 days, in the case of other subdivisions, after~~  
25 ~~the notice and application are determined to be~~  
26 ~~qualitatively and substantially complete and submittal of~~  
27 ~~recorded or filed instruments and evidence of financial~~  
28 ~~arrangements required by the commissioner.~~

29 *SEC. 10.* Section 10249.8 is added to the Business and  
30 Professions Code, to read:

31 10249.8. (a) Notwithstanding any provision to the  
32 contrary in Section 10249, or 11000, it is unlawful for a  
33 person to sell or lease or offer for sale or lease lots, parcels,  
34 or interests in a subdivision, *entirely* located outside of  
35 this state but within the United States, unless any printed  
36 material, literature, advertising, or invitation in this state  
37 relating to that sale, lease, or offer clearly and  
38 conspicuously contains the following disclaimer in at least  
39 10-point type:  
40



1 ~~WARNING: THE CALIFORNIA DEPARTMENT OF~~  
 2 ~~REAL ESTATE HAS NOT INSPECTED OR~~  
 3 ~~EXAMINED THIS OFFERING, INCLUDING, BUT~~  
 4 ~~NOT LIMITED TO, THE CONDITION OF TITLE,~~  
 5 ~~THE STATUS OF BLANKET LIENS ON THE~~  
 6 ~~PROJECT (IF ANY), ARRANGEMENTS TO ASSURE~~  
 7 ~~PROJECT COMPLETION, ESCROW PRACTICES,~~  
 8 ~~CONTROL OVER PROJECT MANAGEMENT,~~  
 9 ~~RACIALLY DISCRIMINATORY PRACTICES (IF~~  
 10 ~~ANY), TERMS, CONDITIONS, AND PRICE OF THE~~  
 11 ~~OFFER, CONTROL OVER ANNUAL ASSESSMENTS~~  
 12 ~~(IF ANY), OR THE AVAILABILITY OF WATER,~~  
 13 ~~SERVICES, UTILITIES, OR IMPROVEMENTS. IT MAY~~  
 14 ~~BE ADVISABLE FOR YOU TO CONSULT AN~~  
 15 ~~ATTORNEY OR OTHER KNOWLEDGEABLE~~  
 16 ~~PROFESSIONAL WHO IS FAMILIAR WITH REAL~~  
 17 ~~ESTATE AND DEVELOPMENT LAW IN THE STATE~~  
 18 ~~WHERE THIS SUBDIVISION IS SITUATED.~~

19  
 20

21 *WARNING: THE CALIFORNIA DEPARTMENT OF*  
 22 *REAL ESTATE HAS NOT INSPECTED, EXAMINED,*  
 23 *OR QUALIFIED THIS OFFERING.*

24

25 (b) If an offer on property described in subdivision (a)  
 26 is not initially made in writing, the ~~foregoing disclaimer~~  
 27 *disclaimer set forth in subdivision (c)* shall be received by  
 28 the offeree in writing prior to a visit to a location, sales  
 29 presentation, or contact with a person representing the  
 30 offeror, when the visit or contact was scheduled or  
 31 arranged by the offeror or its representative. The deposit  
 32 of the disclaimer in the United States mail, addressed to  
 33 the offeree and with first-class postage prepaid, at least  
 34 five days prior to the scheduled or arranged visit or  
 35 contact, shall be deemed to constitute delivery for  
 36 purposes of this section.

37 (c) If a California resident is presented with an  
 38 agreement or contract to lease or purchase any property  
 39 described in subdivision (a), where an offer to lease or  
 40 purchase that property was made to that resident in



1 California, a copy of the disclaimer set forth in subdivision  
2 ~~(a)~~ *this subdivision* shall be inserted in at least 10-point  
3 type at the top of the first page of that agreement or  
4 contract and shall be initialed by that California resident.

5 *WARNING: THE CALIFORNIA DEPARTMENT OF*  
6 *REAL ESTATE HAS NOT QUALIFIED, INSPECTED,*  
7 *OR EXAMINED THIS OFFERING, INCLUDING, BUT*  
8 *NOT LIMITED TO, THE CONDITION OF TITLE,*  
9 *THE STATUS OF BLANKET LIENS ON THE*  
10 *PROJECT (IF ANY), ARRANGEMENTS TO ASSURE*  
11 *PROJECT COMPLETION, ESCROW PRACTICES,*  
12 *CONTROL OVER PROJECT MANAGEMENT,*  
13 *RACIALLY DISCRIMINATORY PRACTICES (IF*  
14 *ANY), TERMS, CONDITIONS, AND PRICE OF THE*  
15 *OFFER, CONTROL OVER ANNUAL ASSESSMENTS*  
16 *(IF ANY), OR THE AVAILABILITY OF WATER,*  
17 *SERVICES, UTILITIES, OR IMPROVEMENTS. IT MAY*  
18 *BE ADVISABLE FOR YOU TO CONSULT AN*  
19 *ATTORNEY OR OTHER KNOWLEDGEABLE*  
20 *PROFESSIONAL WHO IS FAMILIAR WITH REAL*  
21 *ESTATE AND DEVELOPMENT LAW IN THE STATE*  
22 *WHERE THIS SUBDIVISION IS SITUATED.*

23 ~~SEC. 7.~~

24 *SEC. 11. Section 10249.9 of the Business and*  
25 *Professions Code is amended to read:*

26 10249.9. (a) Notwithstanding any provision to the  
27 contrary in Section 10249 or 11000, it is unlawful for ~~any~~  
28 *a person to sell or lease or offer for sale or lease lots,*  
29 ~~parcels, or interests a lot, parcel, or interest~~ *a lot, parcel, or interest* in a  
30 subdivision, ~~which would be subject to this division~~  
31 ~~except for the limitation to subdivisions within~~ *located*  
32 *outside* the United States, unless ~~any~~ *the* printed material,  
33 literature, advertising, or invitation in this state relating  
34 to that sale, lease, or offer clearly and conspicuously  
35 contains the following disclaimer in at least 10-point  
36 *capital* type:

37 *WARNING: THE CALIFORNIA DEPARTMENT OF*  
38 *REAL ESTATE HAS NOT EXAMINED THIS*  
39 *OFFERING, INCLUDING, BUT NOT LIMITED TO,*  
40 *THE CONDITION OF TITLE, THE STATUS OF*



1 BLANKET LIENS ON THE PROJECT (IF ANY),  
 2 ARRANGEMENTS TO ASSURE PROJECT  
 3 COMPLETION, ESCROW PRACTICES, CONTROL  
 4 OVER PROJECT MANAGEMENT, RACIALLY  
 5 DISCRIMINATORY PRACTICES (IF ANY), TERMS,  
 6 CONDITIONS, AND PRICE OF THE OFFER,  
 7 CONTROL OVER ANNUAL ASSESSMENTS (IF ANY),  
 8 OR THE AVAILABILITY OF WATER, SERVICES,  
 9 UTILITIES, OR IMPROVEMENTS. IT MAY BE  
 10 ADVISABLE FOR YOU TO CONSULT AN ATTORNEY  
 11 OR OTHER KNOWLEDGEABLE PROFESSIONAL  
 12 WHO IS FAMILIAR WITH REAL ESTATE AND  
 13 DEVELOPMENT LAW IN THE COUNTRY WHERE  
 14 THIS SUBDIVISION IS SITUATED.

15 (b) If an offer on property described in subdivision (a)  
 16 is not initially made in writing, the foregoing disclaimer  
 17 shall be received by the offeree in writing prior to ~~any~~ a  
 18 visit to a location, sales presentation, or contact with ~~any~~  
 19 a person representing the offeror, when the visit or  
 20 contact was scheduled or arranged by the offeror or its  
 21 representative. The deposit of the disclaimer in the  
 22 United States mail, addressed to the offeree and with  
 23 first-class postage prepaid, at least five days prior to the  
 24 scheduled or arranged visit or contact, shall be deemed  
 25 to constitute delivery for purposes of this section.

26 (c) If any California resident is presented with an  
 27 agreement or contract to lease or purchase ~~any~~ a property  
 28 described in subdivision (a), where an offer to lease or  
 29 purchase that property was made to that resident in  
 30 California, a copy of the disclaimer set forth in subdivision  
 31 (a) shall be inserted in at least 10-point type at the top of  
 32 the first page of that agreement or contract and shall be  
 33 initialed by that California resident.

34 *SEC. 12. Section 10249.91 of the Business and*  
 35 *Professions Code is amended to read:*

36 10249.91. The term of ~~any final permit~~ a registration  
 37 issued pursuant to this article shall be one year, unless the  
 38 commissioner by regulation prescribes a longer term. ~~No~~  
 39 ~~permit shall be issued for a term longer than one year~~  
 40 ~~unless the developer or subdivider is required to submit~~



1 to the commissioner annual reports containing  
2 information the commissioner may require by regulation.

3 *SEC. 13.* Section 10249.92 of the Business and  
4 Professions Code is amended to read:

5 10249.92. ~~An out-of-state subdivision registrant~~ *A*  
6 *registration application* pursuant to the provisions of this  
7 article shall, ~~along with the application, file with the~~  
8 ~~commissioner~~ *be accompanied by* an irrevocable consent  
9 stating that if in any action commenced against the  
10 applicant in this state personal service of process upon the  
11 applicant cannot be made after the exercise of due  
12 diligence, a valid service may thereupon be made upon  
13 the applicant by delivering the process to the Secretary  
14 of State.

15 Insofar as possible, the provisions of Section 1018 of the  
16 Code of Civil Procedure relating to service of process on  
17 the Secretary of State are applicable to this section.

18 ~~SEC. 8.~~

19 *SEC. 14. Article 8.5 (commencing with Section*  
20 *10250) is added to Chapter 3 of Part 1 of Division 4 of the*  
21 *Business and Professions Code, to read:*

22

23 *Article 8.5. Multistate Timeshare Promotions*

24

25 10250. *A person acting as a principal or agent may not*  
26 *in this state sell or lease or offer for sale or lease lots or*  
27 *parcels in a subdivision, as defined in Section 10250.1,*  
28 *which includes structural dwelling units located both*  
29 *within and outside of this state except as provided in this*  
30 *article.*

31 10250.1. *“Subdivision,” as used in Section 10250,*  
32 *includes both of the following:*

33 (a) *A time-share project as defined in Sections 11003.5*  
34 *and 11004.5, which includes elements located both within*  
35 *and outside of this state.*

36 (b) *A qualified resort vacation club as defined in*  
37 *Section 10260.*

38 10250.2. (a) *The sale or lease, or the offering for sale*  
39 *or lease, of lots or parcels in a subdivision shall be*  
40 *governed by Article 6 (commencing with Section 10237)*



1 and Chapter 1 (commencing with Section 11000) of Part  
2 2, insofar as applicable, except that Sections 10237.6,  
3 10237.8, and 10238.4 shall not be applicable.

4 (b) The commissioner shall apply the provisions of  
5 Sections 11018 and 11018.5, after taking into consideration  
6 the differences in the applicable laws of the various states  
7 with respect to subdivisions, to afford substantially the  
8 same level of public protection to purchasers of an  
9 interest in a subdivision offering governed by this article  
10 as is afforded to purchasers of subdivision interests  
11 situated entirely within this state.

12 The commissioner may adopt regulations reasonably  
13 necessary to enforce this article.

14 10250.3. (a) The commissioner may by regulation  
15 prescribe filing fees in connection with applications to the  
16 Department of Real Estate pursuant to the provisions of  
17 this article that are lower than the maximum fees  
18 specified in subdivision (b) if the commissioner  
19 determines that the lower fees are sufficient to offset the  
20 costs and expenses incurred in the administration of this  
21 article. The commissioner shall hold at least one hearing  
22 each calendar year to determine if lower fees than those  
23 specified in subdivision (b) should be prescribed.

24 (b) The filing fee for an application for a permit to be  
25 issued under authority of this article shall not exceed the  
26 following for each subdivision or phase of the subdivision  
27 in which interests are to be offered for sale or lease:

28 (1) One thousand seven hundred dollars (\$1,700) plus  
29 ten dollars (\$10) for each subdivision interest to be  
30 offered for an original permit application.

31 (2) Six hundred dollars (\$600) plus ten dollars (\$10)  
32 for each subdivision interest to be offered that was not  
33 permitted to be offered under the permit to be renewed  
34 for a renewal permit application.

35 (3) Five hundred dollars (\$500) plus ten dollars (\$10)  
36 for each subdivision interest to be offered under the  
37 amended permit for which a fee has not previously been  
38 paid for an amended permit application.

39 (4) Five hundred dollars (\$500) for a preliminary  
40 permit application.



1 (c) Fees collected by the Department of Real Estate  
2 under authority of this article shall be deposited into the  
3 Real Estate Fund under Chapter 6 (commencing with  
4 Section 10450) of Part 1. Fees received by the department  
5 pursuant to the provisions of this article shall be deemed  
6 earned upon receipt. A part of a fee is not refundable  
7 unless the commissioner determines that it was paid as a  
8 result of mistake or inadvertence.

9 10250.4. The commissioner may issue a conditional  
10 permit for an improved multistate residential  
11 subdivision. The conditional permit shall be issued on the  
12 same basis and conditions upon which the commissioner  
13 may issue conditional public reports for subdivisions  
14 located within the state.

15 10250.5. The provisions of Section 11010.2 shall apply  
16 to an application for issuance of a permit for any  
17 subdivision subject to this article or Article 9  
18 (commencing with Section 10260), except as to the  
19 following:

20 (a) A reference to a public report in Section 11010.2  
21 shall be read as referring to a permit under this article.

22 (b) The commissioner shall notify the applicant in  
23 writing of the determination that the notice and  
24 application is, or is not, substantially complete with  
25 respect to quantitative requirements within 15 days of  
26 receipt of the notice and application.

27 (c) After making the determination that the notice  
28 and application are substantially complete as described in  
29 subdivision (b), the commissioner shall provide the  
30 applicant with a list of all deficiencies and substantive  
31 inadequacies necessary for the notice and application to  
32 be qualitatively complete within 75 days of that  
33 determination in the case of subdivisions described in  
34 Section 11004.5, and within 30 days of that determination  
35 in the case of other subdivisions.

36 (d) The commissioner shall issue a permit within 30  
37 days, in the case of a subdivision specified in Section  
38 11004.5, or 20 days, in the case of other subdivisions, after  
39 the notice and application are determined to be  
40 qualitatively and substantially complete and submittal of



1 recorded or filed instruments and evidence of financial  
2 arrangements required by the commissioner.

3 10250.6. The term of a final permit issued pursuant to  
4 this article shall be one year, unless the commissioner by  
5 regulation prescribes a longer term. A permit may not be  
6 issued for a term longer than one year unless the  
7 developer or subdivider is required to submit to the  
8 commissioner annual reports containing information the  
9 commissioner may require by regulation.

10 10250.7. A nonresident applicant for a permit  
11 pursuant to the provisions of this article shall, along with  
12 the application, file with the commissioner an irrevocable  
13 consent stating that if in an action commenced against the  
14 applicant in this state personal service of process upon the  
15 applicant cannot be made after the exercise of due  
16 diligence, a valid service may thereupon be made upon  
17 the applicant by delivering the process to the Secretary  
18 of State.

19 Insofar as possible, the provisions of Section 1018 of the  
20 Code of Civil Procedure relating to service of process on  
21 the Secretary of State are applicable to this section.

22 SEC. 15. Section 10261 of the Business and Professions  
23 Code is amended to read:

24 10261. ~~No~~ A person acting as a principal or agent shall  
25 may not in this state sell or lease, or offer for sale or lease,  
26 interests in a qualified resort vacation club, except as  
27 provided in this article, in Article 6 (commencing with  
28 Section 10237), ~~Article 8 (commencing with Section~~  
29 ~~10249)~~ Article 8.5 (commencing with Section 10250), and  
30 Chapter 1 (commencing with Section 11000) of Part 2,  
31 insofar as is applicable.

32 SEC. 16. Section 11000 of the Business and Professions  
33 Code is amended to read:

34 11000. (a) “Subdivided lands” and “subdivision”  
35 refer to improved or unimproved land or lands, wherever  
36 situated within ~~the state~~ California, divided or proposed  
37 to be divided for the purpose of sale or lease or financing,  
38 whether immediate or future, into five or more lots or  
39 parcels. However, land or lands sold by lots or parcels of  
40 not less than 160 acres which are designated by ~~such~~ lot



1 or parcel description by government surveys and appear  
2 as such on the current assessment roll of the county in  
3 which ~~such~~ *the* land or lands are situated shall not be  
4 deemed to be “subdivided lands” or “a subdivision”  
5 within the meaning of this section, unless ~~such~~ *the* land  
6 or lands are divided or proposed to be divided for the  
7 purpose of sale for oil and gas purposes, in which case ~~such~~  
8 *the* land or lands shall be deemed to be “subdivided  
9 lands” or “a subdivision” within the meaning of this  
10 section. This chapter also does not apply to the leasing of  
11 apartments, offices, stores, or similar space within an  
12 apartment building, industrial building, commercial  
13 building, or mobilehome park, as defined under Section  
14 18214 of the Health and Safety Code, except that the  
15 offering of leases for a term in excess of five years to  
16 tenants within a mobilehome park as a mandatory  
17 requirement and prerequisite to tenancy within the  
18 mobilehome park shall be subject to the provisions of this  
19 chapter. The leasing of apartments in a community  
20 apartment project, as defined in Section 11004, and the  
21 creation of a time-share project as specified in Section  
22 11004.5, in an apartment or similar space within a  
23 commercial building or complex, shall be subject to the  
24 provisions of this chapter.

25 (b) Nothing in this section shall in any way modify or  
26 affect any of the provisions of Section 66424 of the  
27 Government Code.

28 (c) *Subdivisions located entirely outside California*  
29 *shall be exempt from the provisions of this part.*

