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AB-345 Real estate licensees: continuing education requirements. (2015-2016)

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Assembly Bill No. 345

CHAPTER 68

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

[Approved by Governor July 13, 2015. Filed with Secretary of State July 13, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

AB 345, 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 broker, as part of the 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.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

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

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

- (1) A three-hour course in ethics, professional conduct, and legal aspects of real estate, which shall include, but not be limited to, relevant legislation, regulations, articles, reports, studies, court decisions, treatises, and information of current interest.
- (2) A three-hour course in agency relationships and duties in a real estate brokerage practice, including instruction in the disclosures to be made and the confidences to be kept in the various agency relationships between licensees and the parties to real estate transactions.
- (3) A three-hour course in trust fund accounting and handling.
- (4) A three-hour course in fair housing.

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

(6) In addition to paragraphs (1) to (5), inclusive, a broker shall complete a three-hour course in the management of real estate offices and supervision of real estate licensed activities that shall include, but need not be limited to, the requirements described in subdivision (a) of Section 10159.7 and Section 10164.

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

(8) Other courses and programs that will enable a licensee to achieve a high level of competence in serving the objectives of consumers who may engage the services of licensees to secure the transfer, financing, or similar objectives with respect to real property, including organizational and management techniques, including relevant information to assist a salesperson or broker in understanding how to be effectively supervised by a responsible broker or branch manager, that will significantly contribute to this goal.

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

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

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