



Legislative Update 2011

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2011 Legislative Update

October 9, 2011 marked the end of the first year of the 2011/2012 legislative session.

- 889 bills made it to the Governor
- 760 bills were signed
- 128 bills were vetoed
- 1 bill became law without the Governor's signature



Significant Legislation

DRE tracked over 50 bills

Today we will review 3 of the most significant pieces of legislation:

- ❖ SB 53 (Calderon)
- ❖ SB 510 (Correa)
- ❖ SB 706 (Price)



Senate Bill 53

Contains 8 Significant Provisions:

- ❖ Authorizes the DRE to issue Citations and Fines.
 - ✓ Maximum fine is \$2,500 per citation.
 - ✓ Will be issued to licensees only for minor violations.
 - ✓ Can issue citations and fines for unlicensed activity.
 - ✓ Citations, although a public record, will not be part of the website public license record.
- ❖ Authorizes the DRE to apply to the Superior Court for an order to enforce an administrative subpoena.



Senate Bill 53 (Continued)

- ❖ Allows the Commissioner to confirm the existence of an investigation.
 - ✓ Limited to the most egregious cases
 - ✓ Cases involving grave harm to the public
- ❖ Requires Real Estate Brokers to notify DRE of escrow activity:
 - ✓ 5 or more escrows in a calendar year
 - ✓ OR escrow activities that equal or exceed \$1 million
 - ✓ Notice requirement is effective July 1, 2012
- ❖ Allows the DRE to delay the renewal of a license for licensees who have violated specified provisions of the Real Estate Law.



Senate Bill 53 (Continued)

- ❖ Requires licensees engaged in arranging multi-lender loans to notify the investor under what provisions of law the investment was made.
- ❖ Reinstates the DRE's authority to receive pictures from the DMV.



Senate Bill 510

Current practice allows a real estate broker to delegate supervisory authority to branch managers. However, current law does not allow the DRE to discipline a branch manager who fails to supervise.

SB 510:

- ❖ Requires designated or employing brokers to notify DRE when a branch manager is appointed, terminated or changed.
- ❖ Allows the DRE to discipline a branch manager for lack of supervision.



Senate Bill 510 (Continued)

- ❖ States branch managers:
 - ✓ Cannot have a restricted license.
 - ✓ Must have at least 2 years full-time real estate experience.
 - ✓ Cannot have ever been the subject of a debarment order.
- ❖ Effective date is July 1, 2012.



Senate Bill 706

Senate Bill 706 resulted from an oversight hearing conducted by the Senate B&P Committee.

Senate Bill 706 enhances DRE enforcement authority and increases protections to consumers.

Specifically, Senate Bill 706:

- ✓ Mandates that public protection is the highest priority for the DRE in exercising its licensing, regulatory and disciplinary functions.



Senate Bill 706 (Continued)

- ✓ Mandates website disclosure of the status of every license issued, including information on accusations, suspensions and revocations.
 - ❖ Citations are excluded.
 - ❖ Accusations and Decisions will be in PDF.
- ✓ Allows the DRE to request a licensee found in violation of the law to pay the costs associated with an enforcement action.
- ✓ Allows the DRE to recover the cost of processing a petition to remove restrictions or reinstate a license.



Senate Bill 706 (Continued)

- ✓ Allows the DRE to recover the cost of monitoring the activities of a restricted licensee.
- ✓ Allows the DRE to suspend the license of a licensee who has been incarcerated after a felony conviction.
- ✓ Requires a licensee to report when he or she has been:
 - ❖ indicted
 - ❖ charged with a felony
 - ❖ convicted of a crime
 - ❖ had another license disciplined



CONCLUSION

For copies of any legislative bill, visit:

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