



**California Department of Real Estate
Industry Advisory**

1651 Exposition Boulevard
Sacramento, CA 95815
(877) 373-4542
www.dre.ca.gov

Summary of New Real Estate Laws

Sacramento – Below are summaries of new state laws that affect real estate licensees and applicants. Unless otherwise noted, the laws take effect January 1, 2022.

- [Assembly Bill \(AB\) 107](#) requires that the Department of Real Estate collect information about military, veteran, and spouse license applications, including the number of expedited license applications, the number of expedited licenses issued and denied per calendar year, and the average length of time between application and expedited license issuance. DRE will submit an annual report to the Legislature.
- [AB 502](#) allows homeowners associations (HOAs), regardless of size, to elect by acclamation candidates for the board of directors, if the number of candidates is no greater than the number of vacancies. To do so, the HOA will have to meet increased noticing provisions, have had a regular election in the past three years, confirmed receipt of a candidate nomination, and provided a disqualified nominee the opportunity to appeal. The HOA board must also consider the vote by acclamation at a meeting where the agenda includes the name of each candidate to be elected in that manner.
- [AB 830](#) allows real estate licensees who change their legal surname from the name under which the license was originally issued to continue to use their former surname for business purposes. The bill also provides that the former last name does not constitute a fictitious name prohibited under real estate law. The licensee must file both the new and previous name with DRE.
- Beginning July 1, 2022, [AB 838](#) requires that a city or county inspect a property if it receives a complaint about lead hazards or substandard living conditions. Upon inspection, it will have to advise the property owner of violations and required remedies, and then re-inspect the property. Among other provisions, AB 838 provides that an inspection not be conditioned on a tenant being current on rent or other factors. Inspection fees cannot be charged, unless substandard conditions or lead hazards are found.
- [AB 948](#) creates the Fair Appraisal Act. Among its provisions, every sales contract for real property made after July 1, 2022, must include a notice stating that the property appraisal of the property must be unbiased, objective, and not influenced by specific factors, including: race, color, religion, gender, sexual orientation, marital status, medical condition, military or veteran status, national origin, source of income, ancestry, disability, genetic information, or age. The notice will also include information on actions a buyer or seller can take if they believe an appraisal has been affected.

Department of Real Estate licensees, among other professions, will be required to deliver this same notice when involved in the refinancing of a residential real estate property of up to four units.

- [AB 1101](#) modifies current financial practices and insurance requirements for homeowners associations (HOAs) in common interest developments. The bill prevents managing agents from investing HOA funds in stocks or high-risk investments, and removes the ability to co-mingle funds, among other provisions. The bill also requires HOAs and their managing agents to maintain crime insurance, employee dishonesty insurance, and fidelity bond coverage, or their equivalents.
- [AB 1466](#) changes the Restrictive Covenant Modification process. Among these changes are increasing the types of people and entities that can request a modification, expanding current notices to include information on how to request a modification, and requiring that professionals involved in property sales inform buyers and sellers about an existing restrictive covenant and increasing their duty to assist in filing a modification. In addition, the bill creates a new \$2 fee on real estate instruments subject to the [SB 2](#) (Atkins, Chapter 364, Statutes of 2017) recording fee to fund redaction work.
- Beginning January 1, 2023, [Senate Bill \(SB\) 263](#) modifies the content of two courses required to take either the real estate salesperson or broker licensing exam. The real estate practice course will include a component on implicit bias and the legal aspects of real estate course will include a component on federal and state fair housing.

Also beginning January 1, 2023, the required continuing education course for salespersons and brokers on fair housing will include an interactive participatory component and a new two-hour implicit bias continuing education course will be required.

- [SB 800](#) extends the sunset date for both the Department of Real Estate and the Bureau of Real Estate Appraisers to January 1, 2026. The measure also allows the Department of Real Estate to use debarment notices issued by sister agencies as grounds for action, codifies the current policy of expediting license applications for veterans and partners of members of the Armed Forces, and clarifies the definition of a real estate license in good standing.

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