

AMENDED IN ASSEMBLY MARCH 4, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 948

Introduced by Assembly Member Holden

February 17, 2021

An act to amend ~~Section~~ *Sections 11340 and 11360* of, and to add ~~Section 11310.3~~ *Sections 10149.1, 11310.3, and 11424* to, the Business and Professions Code, relating to ~~professions and vocations~~: *real estate*.

LEGISLATIVE COUNSEL'S DIGEST

AB 948, as amended, Holden. *Real estate licensees*: Bureau of Real Estate Appraisers: demographic information: reporting: continuing education.

Existing law, the Real Estate Law, creates the Department of Real Estate, within the Business, Consumer Services, and Housing Agency. Existing law regulates the practice of real estate by real estate brokers and real estate salespersons.

This bill would require a licensed real estate broker, broker-salesperson, or salesperson, upon first interaction with a property buyer, to provide a document informing the property buyer of the opportunity to report, through the Department of Consumer Affairs' internet website or telephone number, any suspicion of a discriminatory appraisal by the holder of a real estate appraiser license.

Existing law, the Real Estate Appraisers' Licensing and Certification Law, creates a Bureau of Real Estate Appraisers within the Department of Consumer Affairs to administer and enforce that law. Existing law requires the protection of the public to be the highest priority for the bureau in exercising its licensing, regulatory, and disciplinary functions.

This ~~bill~~ bill, among other things, would require the bureau to ~~collect and place on an existing complaint form, a place for property owners or, with permission, their real estate representative to voluntarily provide demographic information.~~ The bill would require the bureau to compile specified demographic information regarding sellers in real estate transactions and homeowners that file complaints based on low appraisals and report that information to the Legislature on or before July 1, 2024.

This bill would prohibit a licensee from basing their appraisal of the market value of a property on the basis of race, color, religion, gender, gender expression, age, national origin, disability, marital status, sexual orientation, familial status, employment status, or military status of either the present or prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property, or on any other basis prohibited by the federal Fair Housing Act.

Existing law requires the Chief of the Bureau of Real Estate Appraisers to adopt regulations governing the process and procedures for applying for a license, including education and experience equivalency, and for renewal of a license, including, but not limited to, continuing education requirements: requirements on a 4-year cycle.

~~This bill would require that those continuing education requirements include 5 hours of elimination of bias training.~~

This bill would require that an applicant additionally complete 30 hours of prelicensing education, and beginning on January 1, 2023, would require those 30 hours to include at least one hour of cultural competency instruction, as defined. The bill, in order to renew a license or restore a license to active status, would require 15 hours of approved continuing education courses to be completed every year, including 5 hours of elimination of bias training. Beginning January 1, 2023, a licensee would be required to complete at least one hour of instruction in cultural competency, as defined, every 3 years.

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. This act shall be known, and may be cited, as the
- 2 Fair Appraisal Act.

1 SEC. 2. Section 10149.1 is added to the Business and
2 Professions Code, to read:

3 10149.1. (a) Upon first interaction with a property buyer, a
4 licensed real estate broker, broker-salesperson, or salesperson
5 shall provide to the property buyer a document, prescribed by the
6 department, informing the property buyer of the opportunity to
7 report, through the Department of Consumer Affairs' internet
8 website or telephone number, any suspicion of a discriminatory
9 appraisal by the holder of a real estate appraiser license.

10 (b) The provisions of Section 10185 do not apply to this section.

11 SECTION 4.

12 SEC. 3. Section 11310.3 is added to the Business and
13 Professions Code, to read:

14 11310.3. (a) It is the intent of the Legislature, in enacting this
15 section, to ensure that no one is discriminated against during the
16 appraisal process of a real estate transaction.

17 (b) The ~~bureau~~ bureau, on its existing complaint form, shall
18 create a place to collect demographic information regarding sellers
19 in real estate transactions, including, but not limited to, their age,
20 gender, race, and ethnicity. This information shall be provided on
21 a voluntary basis by the seller or by their real estate representative
22 with the permission of the seller.

23 (c) The bureau shall compile data on the race or other protected
24 class of the homeowners that file complaints based on low
25 appraisals.

26 (d) (1) On or before July 1, 2024, the bureau shall report to the
27 Legislature in the aggregate the information collected and compiled
28 pursuant to subdivisions (b) and (c).

29 (2) A report submitted pursuant to this subdivision shall be
30 submitted in compliance with Section 9795 of the Government
31 Code.

32 SEC. 4. Section 11340 of the Business and Professions Code
33 is amended to read:

34 11340. The director shall adopt regulations governing the
35 process and the procedure of applying for a license ~~which~~ that
36 shall include, but not be limited to, necessary experience or
37 education, equivalency, and minimum requirements of the
38 Appraisal Foundation, if any.

1 (a) For purposes of the educational background requirements
2 established under this section, the director shall do both of the
3 following:

4 (1) Grant credits for any courses taken on real estate appraisal
5 ethics or practices pursuant to Section 10153.2, or ~~which~~ *that* are
6 deemed by the director to meet standards established pursuant to
7 this part and federal law.

8 (2) Require the completion of a course on state and federal laws
9 regulating the appraisal profession, as approved by the bureau
10 every two years. The course shall include an examination that
11 requires an applicant to demonstrate the applicant’s knowledge of
12 those laws.

13 (b) For the purpose of implementing and applying this section,
14 the director shall prescribe by regulation “equivalent courses” and
15 “equivalent experience.” The experience of employees of an
16 assessor’s office or of the State Board of Equalization in setting
17 forth opinions of value of real property for tax purposes shall be
18 deemed equivalent to experience in federally related real estate
19 appraisal activity. Notwithstanding any other law, a holder of a
20 valid real estate broker license shall be deemed to have completed
21 appraisal license application experience requirements upon proof
22 that ~~he or she~~ *the applicant* has accumulated 1,000 hours of
23 experience in the valuation of real property.

24 (c) The director shall adopt regulations for licensure ~~which~~ *that*
25 shall meet, at a minimum, the requirements and standards
26 established by the Appraisal Foundation and the federal financial
27 institutions regulatory agencies acting pursuant to Section 1112
28 of the Financial Institutions Reform Recovery and Enforcement
29 Act of 1989 (FIRREA) (Public Law 101-73). The director shall,
30 by regulation, require the application for a real estate appraiser
31 license to include the applicant’s social security number or
32 individual taxpayer identification number.

33 (d) In evaluating the experience of any applicant for a license,
34 regardless of the number of hours required of that applicant, the
35 director shall apply the same standards to the experience of all
36 applicants.

37 (e) (1) *In addition to the requirements set forth in this section,*
38 *an applicant for licensure shall complete 30 hours of prelicensing*
39 *education courses provided by an educational program approved*
40 *by the director.*

1 (2) *Beginning January 1, 2023, the prelicensing education*
2 *courses shall include at least one hour of instruction in cultural*
3 *competency.*

4 (3) *For purposes of this section, “cultural competency” means*
5 *understanding and applying cultural and ethnic data to the process*
6 *of care that includes, but is not limited to, information on the*
7 *appropriate treatment of, and provision of care to, the lesbian,*
8 *gay, bisexual, transgender, and intersex communities, ethnic*
9 *communities, and religious communities.*

10 (e)

11 (f) No license shall be issued to an applicant who is less than
12 18 years of age.

13 (g) *The cost of any educational course required by this section*
14 *shall not be borne by any client served by a licensee.*

15 ~~SEC. 2.~~

16 SEC. 5. Section 11360 of the Business and Professions Code
17 is amended to read:

18 11360. (a) ~~(1)~~ The director shall adopt regulations governing
19 the process and procedures for renewal of a license *or restoration*
20 *of a license to active status* that shall include, but not be limited
21 to, *15 hours of approved* continuing education requirements, which
22 shall be reported on the basis of ~~four-year continuing education~~
23 ~~cycles~~; *a one-year continuing education cycle and include five*
24 *hours of elimination of bias training.*

25 ~~(2) The continuing education requirement shall include five~~
26 ~~hours of elimination of bias training.~~

27 (b) An applicant for renewal of a license shall be required to
28 demonstrate the applicant’s continuing fitness to hold a license
29 prior to its renewal. Applicants shall also fulfill continuing
30 education requirements established pursuant to this section and
31 shall be required to take a minimum of four hours of federal and
32 California appraisal related statutory and regulatory law every four
33 years.

34 (c) *Beginning January 1, 2023, as part of the continuing*
35 *education required by this section, a licensee shall complete at*
36 *least one hour of instruction in cultural competency every three*
37 *years.*

38 (d) *The cost of any educational course required by this section*
39 *shall not be borne by any client served by a licensee.*

1 (e) For purposes of this section, “cultural competency” means
2 understanding and applying cultural and ethnic data to the process
3 of care that includes, but is not limited to, information on the
4 appropriate treatment of, and provision of care to, the lesbian,
5 gay, bisexual, transgender, and intersex communities, ethnic
6 communities, and religious communities.

7 SEC. 6. Section 11424 is added to the Business and Professions
8 Code, to read:

9 11424. (a) Licensees shall not base, either partially or
10 completely, their analysis or opinion of market value on the basis
11 of race, color, religion (creed), gender, gender expression, age,
12 national origin (ancestry), disability, marital status, sexual
13 orientation, familial status, employment status, or military status
14 of either the present or prospective owners or occupants of the
15 subject property, or of the present owners or occupants of the
16 properties in the vicinity of the subject property, or on any other
17 basis prohibited by the federal Fair Housing Act.

18 (b) The provisions of Section 10185 do not apply to this section.