

AMENDED IN ASSEMBLY APRIL 14, 2021

AMENDED IN ASSEMBLY MARCH 4, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

**ASSEMBLY BILL**

**No. 948**

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**Introduced by Assembly Member Holden**

February 17, 2021

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An act to amend Sections 11340 and 11360 of, and to add Sections 10149.1, 11310.3, and 11424 to, the Business and Professions Code, to add Sections 22348 and 50007 to the Financial Code, and to amend Section 12955 of the Government Code, relating to real estate.

LEGISLATIVE COUNSEL'S DIGEST

AB 948, as amended, Holden. Real estate licensees: Bureau of Real Estate Appraisers: *disclosures*: 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.~~

*This bill, after July 1, 2022, would require that every contract for the sale of real property contain a notice stating that the buyer is entitled to an unbiased appraisal of the property, and that an appraisal is*

*required to be objective and not influenced by improper or illegal considerations. The bill would require the notice to include information regarding reporting biased appraisals to the financial institution or mortgage broker that hired the appraiser or the Bureau of Real Estate Appraisers. The bill would also require the notice to be delivered by the entity making a residential mortgage loan or refinancing a residential mortgage loan either prior to, or with, the good faith estimate or the mortgage loan disclosure statement, and make conforming changes with regard to certain of those entities.*

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, among other things, would require the bureau to place on an existing complaint form, a place for property owners ~~or, with permission, their real estate representative or their authorized 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 on a 4-year cycle.

~~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.~~

*This bill would require, beginning January 1, 2023, an applicant to complete at least one hour of instruction in cultural competency, as defined. The bill, as part of the continuing education requirement in order to renew a license or restore a license to active status, would require at least 2 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 every 4 years.*

*Existing law, the California Fair Employment and Housing Act, prohibits housing discrimination, including discrimination through public or private land use practices, decisions, or authorizations, and based on specified personal characteristics. Existing law makes it unlawful for any person or other organization or entity whose business involves real estate-related transactions to discriminate against any person in making available a transaction, or in the terms and conditions of a transaction, because of specified personal characteristics.*

*This bill would make it unlawful for any person or other entity whose business includes performing appraisals of residential real property to discriminate against any person in making available those services, or in the performance of those services, because of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, source of income, disability, genetic information, veteran or military status, or national origin.*

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.
- 3 SEC. 2. Section 10149.1 is added to the Business and
- 4 Professions Code, to read:
- 5 ~~10149.1. (a) Upon first interaction with a property buyer, a~~
- 6 ~~licensed real estate broker, broker-salesperson, or salesperson shall~~
- 7 ~~provide to the property buyer a document, prescribed by the~~
- 8 ~~department, informing the property buyer of the opportunity to~~
- 9 ~~report, through the Department of Consumer Affairs' internet~~

1 ~~website or telephone number, any suspicion of a discriminatory~~  
2 ~~appraisal by the holder of a real estate appraiser license.~~

3 10149.1. (a) After July 1, 2022, every contract for the sale of  
4 real property shall contain, in no less than 8-point type, the  
5 following notice:

6 “The buyer is entitled to an unbiased appraisal of the property.  
7 An appraisal is required to be objective and not influenced by  
8 improper or illegal considerations, including, but not limited to,  
9 any of the following: race, color, religion (including religious  
10 dress, grooming practices, or both), gender (including, but not  
11 limited to, pregnancy, childbirth, breastfeeding, and related  
12 conditions, and gender identity and gender expression), sexual  
13 orientation, marital status, medical condition, military or veteran  
14 status, national origin (including language use and possession of  
15 a driver’s license issued to persons unable to provide their  
16 presence in the United States is authorized under federal law),  
17 ancestry, disability (mental and physical, including, but not limited  
18 to, HIV/AIDS status, cancer diagnosis, and genetic characteristics),  
19 genetic information, or age. If a buyer or seller believes that the  
20 appraisal has been influenced by any of the above factors, the  
21 seller or buyer can report this information to the lender or  
22 mortgage broker that retained the appraiser and may also file a  
23 complaint with the Bureau of Real Estate Appraisers at  
24 <https://www.dca.ca.gov/consumers/complaints/rea.shtml> or call  
25 (916) 552-9020 for further information on how to file a complaint.”

26 (b) The notice described in subdivision (a) shall also be  
27 delivered by the entity, or a person acting under the authority of  
28 the entity’s license, making a residential mortgage loan or  
29 refinancing a residential mortgage loan, including, but not limited  
30 to, a mortgage broker, a financial institution loan officer, a  
31 mortgage loan originator, a lender licensed under the California  
32 Finance Law (Division 9 (commencing with Section 22000) of the  
33 Financial Code), and a licensee licensed under the California  
34 Residential Mortgage Lending Act (Division 20 (commencing with  
35 Section 50000) of the Financial Code), either prior to, or with,  
36 the good faith estimate as required by the federal Truth in Lending  
37 Act, as amended (15 U.S.C. Sec. 1601 et seq.), or the mortgage  
38 loan disclosure statement as required pursuant to Section 10240.

39 ~~(b)~~

40 (c) The provisions of Section 10185 do not apply to this section.

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

3 11310.3. (a) It is the intent of the Legislature, in enacting this  
4 section, to ensure that no one is discriminated against during the  
5 appraisal process of a real estate transaction.

6 (b) The bureau, on its existing complaint form, shall create a  
7 place to collect demographic information regarding sellers in real  
8 estate transactions, including, but not limited to, their age, gender,  
9 race, and ethnicity. This information shall be provided on a  
10 voluntary basis by the seller or by ~~their real estate representative~~  
11 ~~with the permission of a representative authorized by the seller.~~

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

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

18 (2) A report submitted pursuant to this subdivision shall be  
19 submitted in compliance with Section 9795 of the Government  
20 Code.

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

23 11340. The director shall adopt regulations governing the  
24 process and the procedure of applying for a license that shall  
25 include, but not be limited to, necessary experience or education,  
26 equivalency, and minimum requirements of the Appraisal  
27 Foundation, if any.

28 (a) For purposes of the educational background requirements  
29 established under this section, the director shall do both of the  
30 following:

31 (1) Grant credits for any courses taken on real estate appraisal  
32 ethics or practices pursuant to Section 10153.2, or that are deemed  
33 by the director to meet standards established pursuant to this part  
34 and federal law.

35 (2) Require the completion of a course on state and federal laws  
36 regulating the appraisal profession, as approved by the bureau  
37 every two years. The course shall include an examination that  
38 requires an applicant to demonstrate the applicant's knowledge of  
39 those laws.

1 (b) For the purpose of implementing and applying this section,  
 2 the director shall prescribe by regulation “equivalent courses” and  
 3 “equivalent experience.” The experience of employees of an  
 4 assessor’s office or of the State Board of Equalization in setting  
 5 forth opinions of value of real property for tax purposes shall be  
 6 deemed equivalent to experience in federally related real estate  
 7 appraisal activity. Notwithstanding any other law, a holder of a  
 8 valid real estate broker license shall be deemed to have completed  
 9 appraisal license application experience requirements upon proof  
 10 that the applicant has accumulated 1,000 hours of experience in  
 11 the valuation of real property.

12 (c) The director shall adopt regulations for licensure that shall  
 13 meet, at a minimum, the requirements and standards established  
 14 by the Appraisal Foundation and the federal financial institutions  
 15 regulatory agencies acting pursuant to Section 1112 of the Financial  
 16 Institutions Reform Recovery and Enforcement Act of 1989  
 17 (FIRREA) (Public Law 101-73). The director shall, by regulation,  
 18 require the application for a real estate appraiser license to include  
 19 the applicant’s social security number or individual taxpayer  
 20 identification number.

21 (d) In evaluating the experience of any applicant for a license,  
 22 regardless of the number of hours required of that applicant, the  
 23 director shall apply the same standards to the experience of all  
 24 applicants.

25 ~~(e) (1) In addition to the requirements set forth in this section,~~  
 26 ~~an applicant for licensure shall complete 30 hours of prelicensing~~  
 27 ~~education courses provided by an educational program approved~~  
 28 ~~by the director.~~

29 ~~(2)~~

30 ~~(e) (1) Beginning January 1, 2023, the prelicensing education~~  
 31 ~~courses shall include in addition to the requirements set forth in~~  
 32 ~~this section, an applicant for licensure shall complete at least one~~  
 33 ~~hour of instruction in cultural competency.~~

34 ~~(3)~~

35 (2) For purposes of this section, “cultural competency” means  
 36 understanding and applying cultural and ethnic data to the process  
 37 of care that includes, but is not limited to, information on the  
 38 appropriate treatment of, and provision of care to, the lesbian, gay,  
 39 bisexual, transgender, and intersex communities, ethnic  
 40 communities, and religious communities.

1 (f) No license shall be issued to an applicant who is less than  
2 18 years of age.

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

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

7 11360. (a) The director shall adopt regulations governing the  
8 process and procedures for renewal of a license or restoration of  
9 a license to active status that shall include, but not be limited to,  
10 ~~15 hours of approved continuing education requirements, which~~  
11 ~~shall be reported on the basis of a one-year continuing education~~  
12 ~~cycle and include five hours of elimination of bias training.~~  
13 *continuing education requirements, which shall be reported on*  
14 *the basis of a four-year continuing education cycle, and include*  
15 *at least two hours of elimination of bias training, either individually*  
16 *or as part of a broader course.*

17 (b) An applicant for renewal of a license shall be required to  
18 demonstrate the applicant’s continuing fitness to hold a license  
19 prior to its renewal. Applicants shall also fulfill continuing  
20 education requirements established pursuant to this section and  
21 shall be required to take a minimum of four hours of federal and  
22 California appraisal related statutory and regulatory law every four  
23 years.

24 (c) Beginning January 1, 2023, as part of the continuing  
25 education required by this section, a licensee shall complete at  
26 least one hour of instruction in cultural competency every ~~three~~  
27 *four* years.

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

30 (e) For purposes of this section, “cultural competency” means  
31 understanding and applying cultural and ethnic data to the process  
32 of care that includes, but is not limited to, information on the  
33 appropriate treatment of, and provision of care to, the lesbian, gay,  
34 bisexual, transgender, and intersex communities, ethnic  
35 communities, and religious communities.

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

38 11424. (a) Licensees shall not base, either partially or  
39 completely, their analysis or opinion of market value on the basis  
40 of race, color, religion (creed), gender, gender expression, age,

1 national origin (ancestry), disability, marital status, sexual  
 2 orientation, familial status, employment status, or military status  
 3 of either the present or prospective owners or occupants of the  
 4 subject property, or of the present owners or occupants of the  
 5 properties in the vicinity of the subject property, or on any other  
 6 basis prohibited by the federal Fair Housing Act.

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

8 *SEC. 7. Section 22348 is added to the Financial Code, to read:*  
 9 *22348. (a) Each licensed finance lender shall deliver, or cause*  
 10 *to be delivered, to the borrower the notice described in subdivision*  
 11 *(a) of Section 10419.1 of the Business and Professions Code either*  
 12 *prior to, or with, the good faith estimate as required by the federal*  
 13 *Truth in Lending Act, as amended (15 U.S.C. Sec. 1601 et seq.).*

14 (b) The provisions of Section 22753 do not apply to this section.

15 *SEC. 8. Section 50007 is added to the Financial Code, to read:*  
 16 *50007. (a) Each licensee shall deliver, or cause to be delivered,*  
 17 *to the borrower the notice described in subdivision (a) of Section*  
 18 *10419.1 of the Business and Professions Code prior to, or with,*  
 19 *the good faith estimate as required by the federal Truth in Lending*  
 20 *Act, as amended (15 U.S.C. Sec. 1601 et seq.).*

21 (b) The provisions of Section 50500 do not apply to this section.

22 *SEC. 9. Section 12955 of the Government Code is amended to*  
 23 *read:*

24 12955. It shall be unlawful:

25 (a) For the owner of any housing accommodation to discriminate  
 26 against or harass any person because of the race, color, religion,  
 27 sex, gender, gender identity, gender expression, sexual orientation,  
 28 marital status, national origin, ancestry, familial status, source of  
 29 income, disability, veteran or military status, or genetic information  
 30 of that person.

31 (b) For the owner of any housing accommodation to make or  
 32 to cause to be made any written or oral inquiry concerning the  
 33 race, color, religion, sex, gender, gender identity, gender  
 34 expression, sexual orientation, marital status, national origin,  
 35 ancestry, familial status, disability, veteran or military status, or  
 36 genetic information of any person seeking to purchase, rent, or  
 37 lease any housing accommodation.

38 (c) For any person to make, print, or publish, or cause to be  
 39 made, printed, or published any notice, statement, or advertisement,  
 40 with respect to the sale or rental of a housing accommodation that

1 indicates any preference, limitation, or discrimination based on  
2 race, color, religion, sex, gender, gender identity, gender  
3 expression, sexual orientation, marital status, national origin,  
4 ancestry, familial status, source of income, disability, veteran or  
5 military status, or genetic information or an intention to make that  
6 preference, limitation, or discrimination.

7 (d) For any person subject to the provisions of Section 51 of  
8 the Civil Code, as that section applies to housing accommodations,  
9 to discriminate against any person on the basis of sex, gender,  
10 gender identity, gender expression, sexual orientation, color, race,  
11 religion, ancestry, national origin, familial status, marital status,  
12 disability, genetic information, source of income, veteran or  
13 military status, or on any other basis prohibited by that section.  
14 Selection preferences based on age, imposed in connection with  
15 a federally approved housing program, do not constitute age  
16 discrimination in housing.

17 (e) For any person, bank, mortgage company, or other financial  
18 institution that provides financial assistance for the purchase,  
19 *refinance*, organization, or construction of any housing  
20 accommodation to discriminate against any person or group of  
21 persons because of the race, color, religion, sex, gender, gender  
22 identity, gender expression, sexual orientation, marital status,  
23 national origin, ancestry, familial status, source of income,  
24 disability, veteran or military status, or genetic information in the  
25 terms, conditions, or privileges relating to the obtaining or use of  
26 that financial assistance.

27 (f) For any owner of housing accommodations to harass, evict,  
28 or otherwise discriminate against any person in the sale or rental  
29 of housing accommodations when the owner's dominant purpose  
30 is retaliation against a person who has opposed practices unlawful  
31 under this section, informed law enforcement agencies of practices  
32 believed unlawful under this section, has testified or assisted in  
33 any proceeding under this part, or has aided or encouraged a person  
34 to exercise or enjoy the rights secured by this part. Nothing herein  
35 is intended to cause or permit the delay of an unlawful detainer  
36 action.

37 (g) For any person to aid, abet, incite, compel, or coerce the  
38 doing of any of the acts or practices declared unlawful in this  
39 section, or to attempt to do so.

1 (h) For any person, for profit, to induce any person to sell or  
2 rent any dwelling by representations regarding the entry or  
3 prospective entry into the neighborhood of a person or persons of  
4 a particular race, color, religion, sex, gender, gender identity,  
5 gender expression, sexual orientation, marital status, ancestry,  
6 disability, genetic information, source of income, familial status,  
7 veteran or military status, or national origin.

8 (i) (1) For any person or other organization or entity whose  
9 business involves real estate-related transactions to discriminate  
10 against any person in making available a transaction, or in the  
11 terms and conditions of a transaction, because of race, color,  
12 religion, sex, gender, gender identity, gender expression, sexual  
13 orientation, marital status, national origin, ancestry, source of  
14 income, familial status, disability, veteran or military status, or  
15 genetic information.

16 (2) *For any person or other entity whose business includes*  
17 *performing appraisals, as defined in subdivision (b) of Section*  
18 *11302 of the Business and Professions Code, of residential real*  
19 *property to discriminate against any person in making available*  
20 *those services, or in the performance of those services, because*  
21 *of race, color, religion, sex, gender, gender identity, gender*  
22 *expression, sexual orientation, familial status, source of income,*  
23 *disability, genetic information, veteran or military status, or*  
24 *national origin.*

25 (j) To deny a person access to, or membership or participation  
26 in, a multiple listing service, real estate brokerage organization,  
27 or other service because of race, color, religion, sex, gender, gender  
28 identity, gender expression, sexual orientation, marital status,  
29 ancestry, disability, genetic information, familial status, source of  
30 income, veteran or military status, or national origin.

31 (k) To otherwise make unavailable or deny a dwelling based  
32 on discrimination because of race, color, religion, sex, gender,  
33 gender identity, gender expression, sexual orientation, familial  
34 status, source of income, disability, genetic information, veteran  
35 or military status, or national origin.

36 (l) To discriminate through public or private land use practices,  
37 decisions, and authorizations because of race, color, religion, sex,  
38 gender, gender identity, gender expression, sexual orientation,  
39 familial status, marital status, disability, genetic information,  
40 national origin, source of income, veteran or military status, or

1 ancestry. Discrimination includes, but is not limited to, restrictive  
2 covenants, zoning laws, denials of use permits, and other actions  
3 authorized under the Planning and Zoning Law (Title 7  
4 (commencing with Section 65000)), that make housing  
5 opportunities unavailable.

6 Discrimination under this subdivision also includes the existence  
7 of a restrictive covenant, regardless of whether accompanied by a  
8 statement that the restrictive covenant is repealed or void.

9 (m) As used in this section, “race, color, religion, sex, gender,  
10 gender identity, gender expression, sexual orientation, marital  
11 status, national origin, ancestry, familial status, source of income,  
12 disability, veteran or military status, or genetic information,”  
13 includes a perception that the person has any of those  
14 characteristics or that the person is associated with a person who  
15 has, or is perceived to have, any of those characteristics.

16 (n) To use a financial or income standard in the rental of housing  
17 that fails to account for the aggregate income of persons residing  
18 together or proposing to reside together on the same basis as the  
19 aggregate income of married persons residing together or proposing  
20 to reside together.

21 (o) In instances where there is a government rent subsidy, to  
22 use a financial or income standard in assessing eligibility for the  
23 rental of housing that is not based on the portion of the rent to be  
24 paid by the tenant.

25 (p) (1) For the purposes of this section, “source of income”  
26 means lawful, verifiable income paid directly to a tenant, or to a  
27 representative of a tenant, or paid to a housing owner or landlord  
28 on behalf of a tenant, including federal, state, or local public  
29 assistance, and federal, state, or local housing subsidies, including,  
30 but not limited to, federal housing assistance vouchers issued under  
31 Section 8 of the United States Housing Act of 1937 (42 U.S.C.  
32 Sec. 1437f). “Source of income” includes a federal Department of  
33 Housing and Urban Development Veterans Affairs Supportive  
34 Housing voucher. For the purposes of this section, a housing owner  
35 or landlord is not considered a representative of a tenant unless  
36 the source of income is a federal Department of Housing and Urban  
37 Development Veterans Affairs Supportive Housing voucher.

- 1 (2) For the purposes of this section, it shall not constitute
- 2 discrimination based on source of income to make a written or
- 3 oral inquiry concerning the level or source of income.

O