

IMPLEMENTATION OF SB 143 (2023) PORTABILITY OF MILITARY SERVICEMEMBER
AND SPOUSE PROFESSIONAL LICENSES

DRAFT REGULATION TEXT

ARTICLE 7.7. MILITARY SERVICEMEMBERS AND THEIR SPOUSES

§ 2759.1. Definitions for this Article.

For purposes of this Article, these definitions apply:

(a) "Applicant" means the servicemember or the spouse of a servicemember who holds an out-of-state real estate license and seeks to register with the Department of Real Estate for purposes of conducting real estate activities in California under their out-of-state real estate license.

(b) "Registrant" means a servicemember or spouse of a servicemember who has been approved by the Department for registration.

(c) "Out-of-state real estate license" or "out-of-state license" means an active real estate license issued by another state, district, or territory of the United States.

(d) "Military order" means a Permanent Change of Station order or any such equivalent permanent location change order that is issued by a branch of the United States armed forces.

(e) "Spouse of a servicemember" means an individual who is married to, or who is in a domestic partnership or other legal union with, a military servicemember.

(f) "State of origin" means the state, district, or territory of the United States that issued the applicant's or registrant's out-of-state real estate license.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Section 115.10, Business and Professions Code.

§ 2759.2. Standard for Similar Licenses Qualified for Registration.

When considering whether an out-of-state license is a "similar license" to one issued by the Department of Real Estate for purposes of Section 115.10, the Department will assess whether that out-of-state license corresponds to the scope of Chapter 3 of the Real Estate Law, commencing with Business and Professions Code section 10130.

The Department issues mortgage loan originator license endorsements to a real estate license, but this license endorsement is not a stand-alone license. Persons with both an out-of-state real estate license and out-of-state mortgage loan originator license who seek registration with the Department must submit information regarding both licenses at the same time. Persons with a stand-alone, out-of-state mortgage loan originator license who do not also have a corresponding real estate license are not eligible to register with the Department of Real Estate under Section 2759.3.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Sections 115.10, 10130, 10131, and 10166.02(b), Business and Professions Code.

§ 2759.3. Registration of Portable Licenses of Military Servicemembers and their Spouses.

An applicant who intends to conduct real estate activities in California under their out-of-state real estate license shall register with the Department by submitting electronically a Registration Application to the Department through the Department's internet website. The Registration Application includes the information required in subdivision (a), the documentation required in subdivision (b), and the self-certifications described in subdivision (c).

(a) Information required to register includes:

(1) The applicant's legal name.

(2) A physical address of record where the applicant may be contacted in California or receive service of legal process by the Department, other real estate licensees, or members of the public. This address must include the street address, unit number if applicable, city, county, and zip code.

(3) The applicant's Social Security Number or Tax Identity Number.

(4) Current electronic mail address.

(5) Current telephone number.

(6) For applicants who are not an active duty servicemember, identification of the marital, domestic partnership, or legal union status with an active duty servicemember that qualifies the applicant for registration.

(7) The state, district, or territory of the United States where the applicant holds a real estate license in good standing, or both a real estate license and mortgage

loan originator license in good standing, the license number(s), the license type(s), and the license expiration date(s).

(8) When the applicant seeks registration as a real estate salesperson in California, the applicant shall provide the name and license number of the broker who will be the responsible broker supervising the applicant's licensed activity in California. This section does not change, alter or amend the responsible broker's obligation pursuant to Section 2752 to notify the department of the identity and license number of affiliated salespersons and/or broker-associates.

(b) Documentation required to register includes:

(1) A digital image of the applicable military order to a California duty station.

(2) A digital image of written verification from, or documentation copied from an online licensing system for, the state, district, or territory licensing body that shows that the applicant's out-of-state license currently is in good standing in that jurisdiction.

(3) Where the applicant is a spouse of a servicemember, evidence that the applicant currently is married to, in a domestic partnership with, or in a legal union with a servicemember who is subject to the military order provided in response to subdivision (b)(1).

(c) Self-certification required to register includes the applicant's attestation made under penalty of perjury that:

(1) Applicant's out-of-state real estate license is in good standing under the laws of the state, district, or territory that issued the license.

(2) Applicant actively used their out-of-state real estate license during the two-year period immediately preceding the applicant's relocation to California.

(3) Applicant agrees to abide by, be subject to, and accepts the Department's authority over the applicant's practice of real estate activities in California.

(4) Applicant meets all of the requirements for registration and the information submitted as part of the applicant's Registration Application is accurate to the best of the applicant's knowledge.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Sections 30(e), 115.10, and 494.5(b)(3), Business and Professions Code.

§ 2759.4. Departmental Registration Process.

Where the Department determines that the applicant holds a similar license and meets the other requirements to register, the Department will register the applicant. The registration will indicate whether the applicant's similar license qualifies the applicant to act as a licensed broker or salesperson, depending on the nature of the similar license. The registration will include a registration number that must be used in place of a license number where statutes or regulations require use of a license number.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Sections 115.10, 10130, 10131, and 10166.02(b), Business and Professions Code.

§ 2759.5. Registration Information on the Department's Website.

The Department will publish on its internet website the registrant's name, a Department-issued registration number, the registrant's address of record, any discipline against the registrant's California registration, and any discipline against the registrant's out-of-state license while registered in California. The registrant's published information will include the name and license number of the registrant's responsible broker when the registrant is qualified to act as a salesperson, or where the registrant is qualified to act as a broker and chooses to affiliate as a broker-associate of another responsible broker.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Section 115.10, Business and Professions Code.

§ 2759.6. Registrant Notifications to the Department.

Registrants must notify the Department via the Department's internet website within 30 days of any of the following events, specifying the effective date of these events:

(a) Issuance of new military orders to a duty station outside of California, or separation from service by the servicemember, that will cause expiration of the registration pursuant to Section 115.10 of the Business and Professions Code.

(b) Renewal of the out-of-state license(s) through which the registrant qualifies for registration, including information on the new expiration date of that license.

(c) A change in the marital, domestic partnership, or legal union status of the registrant that will impact their qualification for registration.

(d) The bringing of a criminal complaint, information, or indictment charging a felony against the registrant.

(e) The conviction of the registrant, including any verdict of guilty, or plea of guilty or no contest, of any felony or misdemeanor.

(f) Any disciplinary action taken by another licensing entity or authority of this state or of another state or an agency of the federal government.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Sections 115.10 and 10186.2, Business and Professions Code.

§ 2759.7. Registration Period and Continuing Education for Registrants.

(a) Pursuant to Business and Professions Code section 115.10(e), a person registered with the Department pursuant to that section is deemed to be a licensee of the Department for purposes of the laws administered by the Department. This provision includes California's four year term of licensure and continuing education standards for real estate licensees. For the purposes of those laws, a registrant's registration date will commence the four-year period of registration and timeframe to complete continuing education. A registrant may renew their registration for subsequent four-year terms upon notification to the Department that they retain good standing for registration, and have completed the required continuing education.

(b) Pursuant to Section 115.10, a registrant must maintain their out-of-state license in good standing throughout the four-year period described in subdivision (a) except in the following circumstances:

(1) The registrant chooses to end their California registration early.

(2) The registration expires as set forth in Section 115.10.

(3) The registration is terminated via an out-of-state disciplinary action that adversely impacts the good standing of the registrant's out-of-state license, or the Department revokes the registration via disciplinary action.

(c) Where a registrant's maintenance of an out-of-state license involves continuing education requirements, registrants may petition the Department for consideration of continuing education credit equivalency for course instruction

pursuant to Section 3011.1 of these regulations. Where a registrant completes educational courses in preparation for applying for a California real estate license, but has not yet been issued that California license, the registrant may also petition the Department for consideration of continuing education credit equivalency for course instruction pursuant to Section 3011.1 of these regulations.

(d) Prior to the end of each four-year period of registration, the registrant must submit to the Department electronically through the Department's internet website a written list of completed, approved educational courses, identifying each course name, course certificate number as issued by the Department, the date of the registrant's enrollment in the course, the date the registrant completed the course, and the number of course hours. The registrant must sign this list.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Sections 115.10 and 10170.5, Business and Professions Code.

§ 2759.8. Petition for Extension of Registration.

Pursuant to Business and Professions Code section 115.10(e), the registration of a servicemember or spouse of a servicemember shall expire when the servicemember's permanent military orders to a duty station in California expire. A registrant may petition the Department to extend the expiration of the registration for an additional 90 days. The registrant shall present along with their petition evidence of good cause warranting an extension of time. "Good cause" for such a petition includes, but is not limited to:

(a) Petition by a registered spouse of a servicemember when that servicemember dies during the term of the orders to a duty station in California.

(b) Petition by a registered spouse of a servicemember who receives permanent or temporary orders to a duty station outside of California such that the servicemember's state of residence will change from California, where the registered spouse intends to remain a resident in California.

(c) Petition by a registered spouse of a servicemember upon a dissolution of the marriage, domestic partnership or legal union from that servicemember.

(d) Petition by a registered servicemember upon separation from the armed services, except a separation by other than an honorable discharge.

Where the Department finds good cause for granting a petition for 90 days additional registration time, the Department will preserve the registrant's expedited license application status as an active-duty servicemember or spouse of an active-duty servicemember pursuant to Business and Professions Code sections 115.5 and 115.6.

NOTE: Authority cited: Sections 115.10(h) and 10080, Business and Professions Code. Reference: Sections 115.5, 115.6, and 115.10, Business and Professions Code.