

## TITLE 10. CALIFORNIA DEPARTMENT OF REAL ESTATE

### REGULATIONS RELATED TO SB 263

#### NOTICE IS HEREBY GIVEN

The Real Estate Commissioner and the Department of Real Estate (collectively, "the DRE"), proposes amending Section 3007.2 of the Regulations of the Real Estate Commissioner, California Code of Regulations, Title 10, Chapter 6 ("the Regulations"), and adding new Sections 3013.1, 3015 and 3017, to the Regulations, after considering all comments, objections and recommendations regarding this proposed action. Publication of this notice commences a 45-day public comment period.

#### PUBLIC HEARING

A public hearing is not scheduled. A public hearing will be held if any interested person, or that person's duly authorized representative, submits a written request for a public hearing to the DRE, at the contact listed below, no later than 15 days prior to the close of the written comment period.

#### WRITTEN COMMENT PERIOD

Any interested person, or that person's authorized representative, may submit written comments relevant to this proposed regulatory action to the DRE addressed as follows:

##### Regular Mail

Department of Real Estate  
Attn: Jeanine Clasen, Sacramento Legal Office  
P.O. Box 137007  
Sacramento, CA 95813-7007

##### Electronic Mail

DRE.RegComments@dre.ca.gov

##### Facsimile

(916) 263-8767

**Comments may be submitted until, Tuesday, September 6, 2022.**

#### AUTHORITY AND REFERENCE

Sections 10080 and 10170.4 of the Business and Professions Code ("the Code") authorize the DRE to adopt regulations that are reasonably necessary for the enforcement of the provisions of the Real Estate Law (Code Sections 10000 et. seq.), and to prescribe the continuing education requirements for the renewal of licenses issued pursuant to that law ("real estate licenses"). The

proposed amended Section 3007.2 and new Sections 3013.1, 3015 and 3017 of the Regulations implement, interpret and/or make specific Section 10170.5 of the Code ("Section 10170.5") as amended by new law known as SB 263 (Rubio, Chapter 361, Section 6, Statutes of 2021) ("SB 263").

## INFORMATIVE DIGEST/PLAIN ENGLISH OVERVIEW – SUMMARY OF PROPOSED REGULATION

In this proposal, the DRE amends Section 3007.2 and adds new Sections 3013.1, 3015 and 3017 to the Regulations to implement new requirements imposed by SB 263 concerning the continuing education that must be completed to renew a real estate license. This proposal:

- Amends Section 3007.2 to require the DRE's prior approval of all material changes to approved continuing education courses that are made for the purpose of complying with SB 263's legislative change to Section 10170.5. The proposal also amends Section 3007.2 to remove outdated, obsolete text referring to old legislation.
- Adds Section 3013.1 to the Regulations, which interprets and makes specific when and how the new continuing education requirements added to Section 10170.5 by SB 263 will be applied to licensees, given the January 1, 2023 "operative" date in subdivision (d) of that statute.
- Adds Section 3015 to the Regulations, which interprets and makes specific the new "interactive participatory" component of the fair housing course in Section 10170.5 subdivision (a)(4), required by SB 263.
- Adds Section 3017 to the Regulations, which makes specific major anti-discrimination laws relevant to the real estate field that must be covered in the fair housing course required by Section 10170.5 subdivision (a)(4), as amended by SB 263.

### *Anticipated Benefits of the Proposed Regulation*

Amended Section 3007.2 in this proposal will benefit the DRE by allowing its effective implementation of the SB 263 legislative changes to the statutory continuing education requirements for licensees set forth in Section 10170.5. This approval requirement will allow the DRE to ensure that providers ("providers") of such continuing education courses ("courses") required by Section 10170.5 properly update their courses to comply with new law, including SB 263, and to generally ensure the sufficient uniformity and quality of such courses provided to licensees. This will also benefit providers, who will receive, in the approval process, crucial one-on-one guidance from the DRE on how to make their courses comply with the new law, at no cost to the provider unless their re-

submission occurs after the SB 263 effective date. The proposal will generally benefit licensees by ensuring their receipt of sufficient quality courses on matters relevant to their licensed activities. Better courses and education for licensees generally benefits the consumers who deal with the licensees.

The other regulations in this proposal (Sections 3013.1, 3015 and 3017) will benefit providers by specifically defining or interpreting ambiguous terms in Section 10170.5, as amended by SB 263, which is necessary for them to understand and comply with the law. This proposal will benefit the DRE by allowing its efficient and effective dissemination of such crucial guidance in regulatory form. Such guidance will also help the DRE ensure the proper content and quality of courses provided to licensees pursuant to Section 10170.5. Ensuring the sufficient quality of licensees' education will generally benefit licensees and the consumers who deal with them, as explained in the preceding paragraph.

This proposal will benefit the DRE by resolving the meaning of ambiguous terms in Section 10170.5, as amended by SB 263, without violating Government Code section 11340.5.

#### *Evaluation of Inconsistency/Incompatibility with Existing State Regulations*

The DRE has determined that these proposed regulations are not inconsistent or incompatible with existing regulations. After conducting a review for any regulations that would relate to the sections affected by this proposal, the DRE has concluded that these are the only State of California regulations relating to these subjects.

#### DISCLOSURES REGARDING THE PROPOSED ACTION

*The DRE has made the following determinations:*

Mandate on local agencies and school districts: None.

Cost or savings to any state agency: None.

Cost to any local agency or school district that must be reimbursed in accordance with Government Code sections 17500 through 17630: None.

Other nondiscretionary cost or savings imposed on local agencies: None.

Cost or savings in federal funding to the state: None.

Cost impacts on a representative private person or business: approximately 49 course providers may face a one-time course review fee of up to \$500.

Significant, statewide adverse economic impact directly affecting businesses, including the ability of California businesses to compete with businesses in other states: None.

Significant effect on housing costs: None.

## RESULTS OF THE ECONOMIC IMPACT ANALYSIS/ASSESSMENT

The DRE concludes that it is: (1) unlikely that this regulation proposal ("proposal") will eliminate any jobs for real estate licensees or associated professions; (2) unlikely that this proposal will create jobs; (3) unlikely that this proposal will create new businesses of any sort; (4) unlikely that this proposal will eliminate any existing businesses; (5) unlikely that this proposal will result in the expansion of businesses currently doing business in the state; (6) unlikely that this proposal will impact worker safety in the state; (7) unlikely that this proposal will impact the state's environment. However, to the degree that this regulation proposal reinforces the existing fair housing, civil rights, and anti-discrimination laws in the federal and California codes, this regulation will benefit those aspects of the health and welfare of California residents within the protected classes.

## SMALL BUSINESS DETERMINATION

The DRE has determined that there will be a minor fiscal impact on small businesses resulting from this regulation proposal incidental to its implementation of the existing statutory standard. This proposal does not change that standard.

## CONSIDERATION OF ALTERNATIVES

In accordance with Government Code section 11346.5, subdivision (a)(13), the DRE must determine that no reasonable alternative considered, or that has otherwise been identified and brought to its attention, would be more effective in carrying out the purpose for which this regulatory action is proposed, would be as effective and less burdensome to affected private persons than the proposed action, or would be more cost-effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

DRE invites interested persons to present statements or arguments with respect to alternatives to the proposed regulation at during the written comment period.

### CONTACT PERSON

Inquiries concerning this action may be directed to Jeanine Clasen at (916) 576-3783, or via email at [DRE.RegComments@dre.ca.gov](mailto:DRE.RegComments@dre.ca.gov). The backup contact person is Stephen Lerner at (916) 576-8100.

### AVAILABILITY OF STATEMENT OF REASONS, TEXT OF PROPOSED REGULATIONS, AND RULEMAKING FILE

DRE will have the entire rulemaking file available for inspection and copying throughout the rulemaking process at its headquarters office: 1651 Exposition Boulevard, Sacramento, California. As of the date this notice is published in the Notice Register, the rulemaking file consists of this notice, the proposed text of the regulations, the initial statement of reasons, and the Form 400 under which the package was submitted to the Office of Administrative Law for publication. Copies may be obtained by contacting Jeanine Clasen at the mailing address and email address listed on the first page of this notice.

### AVAILABILITY OF CHANGED OR MODIFIED TEXT

After considering all timely and relevant comments received, the DRE may adopt the proposed regulations substantially as described in this notice. If the DRE makes modifications that are sufficiently related to the originally proposed text, DRE will make the modified text (with the changes clearly indicated) available to the public for at least 15 days before the DRE adopts the regulation as revised. A request for a copy of any modified regulation(s) should be addressed to the contact person designated above. The DRE will accept written comments on the modified regulation for 15 days after the date on which they are made available.

### AVAILABILITY OF THE FINAL STATEMENT OF REASONS

Upon its completion, the Final Statement of Reasons will be available and copies may be requested from the contact person named in this notice or may be accessed on the website listed below.

### AVAILABILITY OF DOCUMENTS ON THE INTERNET

Copies of the notice, the initial statement of reasons, and the text of the regulations in underline and strikeout can be accessed through DRE's website at [www.dre.ca.gov](http://www.dre.ca.gov).