

Date of Hearing: July 8, 2025

**ASSEMBLY COMMITTEE ON BUSINESS AND PROFESSIONS**

Marc Berman, Chair

SB 641 (Ashby) – As Amended April 9, 2025

**SENATE VOTE:** 39-0

**SUBJECT:** Department of Consumer Affairs and Department of Real Estate: states of emergency: waivers and exemptions

**SUMMARY:** Authorizes licensing boards under the Department of Consumer Affairs (DCA) and the Department of Real Estate (DRE) to waive the application of specified laws for licensees and applicants who are impacted by a declared federal, state, or local emergency or whose home or business is located in a disaster area; requires licensees and applicants to provide an email address to their licensing agency; requires the DRE to make determinations regarding any unlawful, unfair, or fraudulent practices by individuals in the wake of a declared emergency or disaster area, including unsolicited offers for real property for an amount less than fair market value; and establishes requirements for debris removal.

**EXISTING LAW:**

- 1) Establishes the DCA within the Business, Consumer Services, and Housing Agency. (Business and Professions Code (BPC) § 100)
- 2) Enumerates various boards, bureaus, committees, commissions, and programs within the DCA's jurisdiction. (BPC § 101)
- 3) Defines "board" as also inclusive of "bureau," "commission," "committee," "department," "division," "examining committee," "program," and "agency." (BPC § 22)
- 4) Provides that each board within the DCA exists as a separate unit, and has the functions of setting standards, holding meetings, conducting examinations, reviewing applications, conducting investigations of violations of laws under its jurisdiction, issuing citations and holding hearings for the revocation of licenses, and the imposing of penalties following those hearings, insofar as those powers are given by statute to each respective board. (BPC § 108)
- 5) Requires that the Director of Consumer Affairs be formally notified of and be provided a full opportunity to review all notices of proposed, modified, and final rulemaking actions, and provides the director with the authority to disapprove a proposed rule or regulation within 30 days on the ground that it is injurious to the public health, safety, or welfare. (BPC § 313.1)
- 6) Enacts the Pharmacy Law to provide for the regulation of the pharmacy profession. (BPC §§ 4000 *et seq.*)
- 7) Establishes the California State Board of Pharmacy (BOP) within the DCA to administer and enforce the Pharmacy Law. (BPC § 4001)
- 8) Authorizes the BOP to waive application of any provisions of the Pharmacy Law or its own application during a declared federal, state, or local emergency and for up to 90 days following the termination of that declared emergency. (BPC § 4062)

- 9) Enacts the Contractors State License Law to provide for the regulation of 45 contractor license classifications that constitute the construction industry. (BPC §§ 7000 *et seq.*)
- 10) Establishes the Contractors State License Board (CSLB) within the DCA to administer and enforce the Contractors State License Law. (BPC § 7000.5)
- 11) Enacts the Real Estate Law to provide for the regulation of real estate salespersons, real estate brokers, transactions associated with the purchase or lease new homes or subdivided interests, and the sales of timeshare interests to consumers. (BPC §§ 10000 *et seq.*)
- 12) Establishes the DRE within the Business, Consumer Services, and Housing Agency to administer and enforce the Real Estate Law. (BPC § 10004)
- 13) Establishes the California Emergency Services Act (EMS Act) to confer upon the Governor and upon the chief executives and governing bodies of political subdivisions of the state certain emergency powers. (Government Code (GOV) §§ 8550 *et seq.*)
- 14) Authorizes the Governor to make, amend, and rescind regulations necessary to carry out the provisions of the EMS Act, which have the force and effect of law. (GOV § 8567)
- 15) Requires the Department of Resources Recycling and Recovery or another state agency tasked to manage contracts for wildfire debris cleanup and removal by the Governor's Office of Emergency Services to prequalify contractors to enter into contracts in communities impacted by wildfires. (Public Resources Code § 40520)

**THIS BILL:**

- 1) Declares that it is the intent of the Legislature to provide boards, bureaus, commissions, and regulatory entities within the jurisdiction of the DCA and the DRE with authority to address licensing and enforcement concerns in real time after an emergency is declared, and that the Legislature does not intend for any provision of the bill to require regulations to implement.
- 2) Defines "disaster area" as an area for which a federal, state, or local emergency or disaster has been declared.
- 3) Authorizes the DRE or any board under the DCA to waive the application of any provision of law that the board or department is charged with enforcing for licensees and applicants impacted by a declared federal, state, or local emergency or whose home or business is located in a disaster area, that is related to any of the following:
  - a) Examination eligibility and timing requirements.
  - b) Licensure renewal deadlines.
  - c) Continuing education completion deadlines.
  - d) License display requirements.
  - e) Fee submission timing requirements.
  - f) Delinquency fees.

- 4) Limits the above waiver authority to the duration of a declared federal, state, or local emergency or disaster and up to either one year after the end of the declared emergency or disaster or a longer period of time as determined by the board or the DRE.
- 5) Exempts licensees impacted by a declared emergency or disaster, or whose home or business is located in an area for which an emergency or disaster has been declared, from paying a fee for a duplicate copy of their license or certificate.
- 6) Exempts a licensee whose home or business mailing address is located in an area for which a federal, state, or local emergency or disaster area is declared from the penalty for failing to notify their licensing agency within 30 days of a change in their mailing address.
- 7) Requires every applicant for licensure and every licensee of the DRE or a board under the DCA to provide their licensing agency with an email address.
- 8) Specifies the licenses or classifications that a contractor must have to engage in debris removal, but allows for the CSLB registrar to authorize additional classifications to perform debris removal, including muck out services, during a declared federal, state, or local emergency or for a declared disaster area, provided the contractor has passed an approved hazardous substance certification examination and complies with hazardous waste operations and emergency response requirements.
- 9) Requires the Commissioner of DRE to do both of the following immediately upon the declaration of a federal, state, or local emergency or disaster area:
  - a) Expeditiously, and until one year following the end of the emergency, determine the nature and scope of any unlawful, unfair, or fraudulent practices employed by any individual or entity seeking to take advantage of property owners in the wake of the emergency.
  - b) Provide notice to the public of the nature of these practices, their rights under the law, relevant resources that may be available, and contact information for authorities to whom violations may be reported.
- 10) Authorizes the Commissioner of DRE to suspend or revoke the real estate license of a person who makes an unsolicited offer to an owner of real property, on their own behalf or on behalf of a client, to purchase or otherwise acquire any interest in the real property for an amount less than the fair market value of the property or interest in the property when that property is located in an area included in a declared federal, state, or local emergency or disaster area, for the duration of the declared emergency and for one year thereafter.
- 11) Additionally provides that any person who engages in the above activity, including as an officer, director, agent, or employee of a corporation, is guilty of a misdemeanor punishable by a fine of up to \$10,000, by imprisonment for up to six months, or both.
- 12) Declares that in order to support licensed professionals impacted by the disasters caused by the Palisades and Eaton wildfires, it is necessary that the bill take effect immediately as an urgency measure.

**FISCAL EFFECT:** According to the Senate Committee on Appropriations, mostly minor and absorbable workload to boards within the DCA, though potentially significant and unabsorbable workload in the event of a state of emergency impacting a large licensing population; indeterminable fiscal impact to the DCA's Office of Information Services; unknown, potentially significant costs to the DRE dependent on the frequency and scope of future disasters; unknown, potentially significant costs to counties in the hundreds of thousands of dollars to low millions of dollars to counties for increased incarceration costs; and unknown, potentially significant cost pressure to the state funded trial court system to adjudicate the crime created by this bill.

**COMMENTS:**

**Purpose.** This bill is sponsored by the author. According to the author:

Licensing practice laws establish requirements for individuals to meet in order to maintain their livelihood, most especially as they rebuild their lives and climb back up after facing tragedy like so many experienced early this year. When disaster strikes, the last thing someone should have to worry about is submitting the proper fee for a replacement license. It should be automatic that applicants and licensed professionals are provided extended timeframes to meet the many, often onerous, requirements they have to meet just to do their job. By granting the authority for licensing programs to waive certain requirements for individuals in a disaster area and during a state of emergency, SB 641 will provide a small measure of relief as they begin to move forward and successfully back into their profession. SB 641 also builds on lessons learned in other disasters to protect property owners from predatory land grabs. Neighborhoods in the wake of fires have already experienced enough and we should ensure swift action is taken to prohibit this behavior and enforce against those who engage in it. It's also critical that we have baseline measures of quality built into the standards for the companies engaging in private debris removal and cleanup – requiring proper hazardous waste removal training will ensure continued safety in these impacted areas.

**Background.**

*Department of Consumer Affairs.* The DCA consists of 36 distinct regulatory entities, including 26 boards, seven bureaus, one committee, one commission, and one program. In total, the DCA oversees more than 3.4 million licensees across 280 license types falling within the respective jurisdiction of each board, bureau, or other licensing entity, ranging from physicians licensed by the Medical Board of California to hairstylists licensed by the California Board of Barbering and Cosmetology. The DCA also administers the Arbitration Certification Program, which certifies and monitors third-party arbitration programs to ensure compliance with vehicle warranty laws.

The DCA primarily exists to provide administrative support services to the various individual boards, bureaus, and other entities that fund the department through a pro rata assessment against revenue received from licensing and regulatory fees. Support services provided by the DCA include human resources, information technology, investigations, communications, professional examinations, training, strategic planning, and fiscal operations. In addition to providing support services to individual licensing entities, statute requires the DCA to receive complaints from consumers and to transmit any valid complaints to the local, state, or federal agency that is appropriate to assist the complainant. The DCA's Consumer Information Center (CIC) includes a Call Center and a Correspondence Unit, which receives and responds to correspondence directly from consumers. DCA also produces guidance to both consumers and licensees.

*Department of Real Estate.* The DRE is responsible for enforcing the Real Estate Law, the Subdivided Lands Act, and the Vacation Ownership and Timeshare Act of 2004. First enacted in 1917, the Real Estate Law provides for real estate licensing in California. The Real Estate Law requires licensure of persons who represent sellers and buyers of real property or business opportunities; represent tenants and landlords in the rental or leasing of real property or business opportunities; assist persons involved in land transactions with the federal or state government; solicit for, negotiate, or service mortgage loans; or represent buyers and sellers in exchanges of real property sales contracts and provides services to those who are contract holders.

The Subdivided Lands Act protects consumers who purchase or lease new homes or subdivided interests in California. The law requires the developer of subdivided interests to seek and obtain a Subdivision Public Report from the DRE. This report is designed by law to protect the public from fraud and misrepresentation by documenting the developer's commitments to consumers. Correspondingly, the Vacation Ownership and Timeshare Act of 2004 provides parallel consumer protections relating to the sales of timeshare interests to consumers in California.

The DRE has five program-focused divisions in place to satisfy its statutory obligations: Enforcement, Audits, Legal, Licensing, and Subdivisions. Additionally, the DRE participates in the Association of Real Estate License Law Officials, which is an international organization comprised of government agencies and other organizations charged with regulating licensing real estate practice and enforcing real estate law, and the American Association of Residential Mortgage Regulators, which promotes the exchange of information and education concerning the licensing, supervision, and regulation of the residential mortgage industry. The DRE's Enforcement Division staff regularly participates in task force meetings with district attorney offices, local real estate associations, and law enforcement agencies to discuss real estate fraud, mortgage fraud, and financial/economic crimes, including wire fraud.

*Waiver of Laws During an Emergency or Disaster.* Pursuant to the EMS Act, the Governor is authorized to make, amend, and rescind orders and regulations necessary to carry out the provisions of the Act, which have the force and effect of law. The EMS Act is invoked during a state of emergency, which is defined as follows:

[The] duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, electromagnetic pulse attack, plant or animal infestation or disease, the Governor's warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy or conditions causing a "state of war emergency," which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the Public Utilities Commission.

Emergencies can be declared at the federal, state, or local level depending on their scope and nature. For example, when COVID-19 was first formally recognized as a serious pandemic, the State of California declared a state emergency on March 4, 2020, followed by a federal declaration of a national emergency on March 13, 2020. Numerous cities and counties additionally declared local emergencies.

On March 30, 2020, Governor Gavin Newsom issued Executive Order N-39-20, which created a new process for the waiver of certain requirements for licensure as authorized under the EMS Act. The order authorized the Director of DCA, “to the extent necessary and only for the duration of the declared emergency,” to waive professional licensing requirements and amend scopes of practice, including “the examination, education, experience, and training requirements necessary to obtain and maintain licensure, and requirements governing the practice and permissible activities for licensees.” These waivers were initially limited to licensed health care professionals. Either members of the public or the boards themselves were able to submit requests for waivers to the Director of Consumer Affairs.

Through the Governor’s waiver process, the Director of Consumer Affairs waived statutes limiting the number of continuing education hours that may be completed through computer-assisted instruction and limiting such instruction to those that allow participants to concurrently interact with instructors or presenters while they observe the courses. The Director additionally waived statutes requiring individuals to complete education or examination requirements as a condition of license renewal. Additionally, the Director issued waivers expanding the scopes of practice for various health professions to administer the COVID-19 vaccine. Overall, approximately 200 waivers related to professional licensing and related regulatory requirements during the COVID-19 state of emergency, many of which were amended or extended.

In addition to the authority granted to the Governor under the EMS Act, statute provides other mechanisms for waiving laws during an emergency. For example, the BOP has its own statutory authority to “waive application of any provisions of [the Pharmacy Law] or the regulations adopted pursuant to it if, in the Board’s opinion, the waiver will aid in the protection of public health or the provision of patient care.” Following the Governor’s emergency declaration, the BOP established its own waiver request process through which licensees and members of the public could request a waiver of law. Between March 2020 and November 2020, the BOP granted approximately 300 site-specific waivers along with 21 broad waivers, which typically included conditions for use and recordkeeping requirements to demonstrate compliance with the conditions.

In addition to the BOP’s actions during the COVID-19 pandemic, the BOP frequently uses its authority to waive provisions of law during natural disasters. For example, during devastating wildfires such as the Tubbs Fire in 2017, the Camp Fire in 2018, and the Dixie Fire in 2021, the BOP issued waivers allowing pharmacists to provide emergency refills, temporary relocation of pharmacies, and mobile pharmacy operations. Similar waivers have been granted during large earthquakes, severe storms and floods, and prolonged power outages. The Pharmacy Law only allows waivers to be granted during a declared emergency; however, the BOP is given discretion to maintain a waiver following the termination of the emergency for up to 90 days “if, in the Board’s opinion, the continued waiver will aid in the protection of the public health or in the provision of patient care.”

This bill would allow every board under the DCA, as well as the DRE, to institute its own waiver process similar to what was established pursuant to the Governor’s executive order during the COVID-19 pandemic and similar to the authority granted to the BOP. The bill would allow licensing agencies to “waive the application of any provision of law that the board or department is charged with enforcing for licensees and applicants impacted by a declared federal, state, or local emergency or whose home or business is located in a disaster area.” Waivers authorized under the bill would be limited to laws related to the following topics:

- 1) Examination eligibility and timing requirements.
- 2) Licensure renewal deadlines.
- 3) Continuing education completion deadlines.
- 4) License display requirements.
- 5) Fee submission timing requirements.
- 6) Delinquency fees.

Waivers granted under this bill would extend through the duration of the declared emergency or disaster until either one year after the end of the declared emergency or disaster or a longer period of time as determined by the board or the Department of Real Estate. Additionally, this bill would specifically exempt licensees impacted by a declared emergency or disaster from laws requiring the payment of a fee to replace a previously issued license or certificate, as well as laws establishing penalties for failing to notify a licensing agency about a change in address. Under the waivers authorized by this bill, the DRE and boards within the DCA would be able to more quickly and specifically act during future emergencies, whether they are public health pandemics or natural disasters.

*Predatory Real Estate Activity.* During the wildfires that ravaged Southern California in 2025, reports were published describing predatory activity by real estate licensees and other individuals seeking to take advantage of disaster victims. On January 14, 2025, Governor Gavin Newsom signed Executive Order N-7-25, which included statements that the Governor had “personally heard first-hand from homeowners, faith leaders, and business property owners who, while these fires still burn, received unsolicited offers to purchase their property, which in many instances represent their life savings and family legacies, for amounts far less than fair market value prior to this emergency.” The Executive Order further acknowledged that “all those impacted by these fires, and especially property owners who have lost their family home or business, or even their entire neighborhood, may be traumatized, uncertain, and especially vulnerable to exploitative practices of unscrupulous individuals who seek to profit from this disaster.”

Under the authority of the EMS Act, the Governor’s Executive Order provided that to prohibit unsolicited offers to an owner of real property located in the specific areas impacted by the wildfires to purchase or otherwise acquire any interest in the real property for an amount less than the fair market value of the property or interest in the property on January 6, 2025. The Executive Order additionally required the DRE to “expeditiously determine the nature and scope of any unlawful, unfair, or fraudulent practices employed by any individual or entity seeking to take advantage of property owners in the wake of this emergency, and shall provide notice to the public of the nature of these practices, their rights under the law, relevant resources that may be available, and contact information for authorities to whom violations may be reported.” The Executive Order was initially made valid for three months but was subsequently extended.

This bill would codify the substance of the Governor’s Executive Order and make this form of predatory activity professional misconduct for a licensee of the DRE and criminal misconduct for any person. The bill would additionally codify the DRE’s responsibility for determining the nature and scope of any unlawful, unfair, or fraudulent practices. Once codified, these orders would become standard for any future emergency, protecting California disaster victims.

*Debris Removal.* Pursuant to the Public Resources Code, the Department of Resources Recycling and Recovery is required to prequalify contractors to enter into contracts in communities impacted by wildfires. These contracts may be entered into before the onset of major damage in order to retain the contractor in readiness to respond to incidents as needed. Statute further provides that work performed under the contract must be limited to preparation, removal, transport, and recycling or disposal of metals, ash, debris, concrete foundations and flatwork, potentially dangerous trees, and contaminated soil on residential and public properties included in the structural debris removal function.

In the wake of the 2025 wildfires in Los Angeles, Governor Gavin Newsom signed Executive Order N-5-25, which described “the urgent need to expeditiously develop a comprehensive plan for debris removal and execute the contracts and take other actions necessary to expeditiously implement that plan.” With federal assistance, debris removal teams began work to clean up household hazardous waste, including paint, ammunition, pesticides, propane tanks, and batteries in both conventional and electric vehicles. The Governor’s Executive Order directed state agencies “to develop a comprehensive plan for expeditiously removing debris from impacted properties to allow the rebuilding process to commence as quickly as possible, including the prompt execution of contracts with debris removal vendors with a proven track record of successfully delivering services on a timely and cost-effective basis.”

This bill would clarify which contractors are authorized to engage in debris removal in future emergencies and disasters. Notwithstanding the Public Resources Code, contractors with specified licenses or classifications would be allowed to engage in debris removal, and during a declared federal, state, or local emergency or for a declared disaster area, the CSLB would be allowed to authorize additional classifications to perform debris removal, including muck out services, based on the needs of the declared emergency or disaster. This language is intended to assist the state in establishing a clear debris removal plan during future disasters like the 2025 Southern California wildfires.

**Current Related Legislation.** AB 529 (Ahrens) would increase the existing statutory duration for which the BOP may extend waivers of pharmacy laws and regulations beyond the termination of a declared emergency from 90 days to 120 days. *This bill is pending on the Senate Floor.*

**Prior Related Legislation.** SB 569 (Stone), Chapter 705, Statutes of 2019 provided the BOP with additional discretion to authorize pharmacists to fill prescriptions for controlled substances regardless of whether there is a valid prescription form for that drug during a declared emergency.

#### **ARGUMENTS IN SUPPORT:**

The *Contractors State License Board* (CSLB) supports this bill, writing: “In the aftermath of a natural disaster, safe debris removal and disposal is critical to avoid additional health and environmental problems. SB 641 designates which licensing classifications have sufficient experience and training to assist with debris removal on a case-by-case basis during a declared federal, state, or local emergency if needed. The bill also allows CSLB to safely waive certain licensing requirements to support applicants and licensees during a state of emergency. SB 641 will enhance CSLB’s ability to quickly navigate recovery needs and provide expedient assistance for applicants, licensees, and consumers.”



**ARGUMENTS IN OPPOSITION:**

There is no opposition on file.

**POLICY ISSUES:**

Uncodified language in this bill declares that “the Legislature does not intend for any provision of this bill to require regulations to implement.” While this language can likely be viewed as aspirational and not enforceable as a legal requirement, it may nevertheless be inappropriate to presuppose whether licensing agencies within the DCA or the DRE should engage in rulemaking to effectuate a waiver process. The Assembly Select Committee on Regulatory Authority has been established to engage in relevant discussions. As this bill moves forward, the author should consider removing this intent language to more clearly defer to the existing process for determining the need for formal regulations pursuant to the Administrative Procedures Act.

**REGISTERED SUPPORT:**

California Association of Licensed Investigators  
California Board of Psychology  
California State Board of Pharmacy  
Contractors State License Board  
Osteopathic Medical Board of California

**REGISTERED OPPOSITION:**

None on file

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