SENATE RULES COMMITTEE

Office of Senate Floor Analyses

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VETO

Bill No: SB 641

Author: Ashby (D), et al.

Enrolled: 9/18/25

Vote: 27 - Urgency

SENATE BUS., PROF. & ECON. DEV. COMMITTEE: 10-0, 4/7/25 AYES: Ashby, Choi, Archuleta, Arreguín, Grayson, Menjivar, Niello, Smallwood-Cuevas, Umberg, Weber Pierson NO VOTE RECORDED: Strickland

SENATE PUBLIC SAFETY COMMITTEE: 6-0, 4/29/25 AYES: Arreguín, Seyarto, Caballero, Gonzalez, Pérez, Wiener

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25 AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab NO VOTE RECORDED: Dahle

SENATE FLOOR: 39-0, 6/3/25

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener NO VOTE RECORDED: Reyes

SENATE FLOOR: 37-0, 9/13/25

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Wahab, Weber Pierson, Wiener NO VOTE RECORDED: Choi, Gonzalez, Valladares

ASSEMBLY FLOOR: 80-0, 9/12/25 - See last page for vote

SUBJECT: Department of Consumer Affairs and Department of Real Estate:

states of emergency: waivers and exemptions

SOURCE: Author

DIGEST: This bill is an urgency measure that supports licensed professionals impacted by a wildfire or natural disaster by waiving various licensure requirements. Addresses predatory practices by prohibiting a person from making an unsolicited purchase offer in a disaster area. Establishes timelines and certifications for appropriate debris removal.

ANALYSIS:

Existing law:

- 1) Authorizes healing arts programs within the Department of Consumer Affairs (DCA) to adopt regulations to require licensees to display their licenses or registrations in the locality in which they are treating patients, and to inform patients as to the identity of the regulatory agency they may contact if they have any questions or complaints regarding the licensee. (Business and Professions Code (BPC) § 104)
- 2) Authorizes DCA and each of the boards, bureaus, committees, and commissions within DCA to charge a fee for the processing and issuance of a duplicate copy of any certificate of licensure or other form evidencing licensure or renewal of licensure and charge a fee sufficient to cover all costs incident to the issuance of the duplicate certificate or other form but shall not exceed twenty-five dollars (\$25). (BPC § 122)
- 3) Requires each person holding a license, certificate, registration, permit, or other authority to engage in a profession or occupation issued by a board within DCA to notify the issuing board of any change in the person's mailing address within 30 days after the change, unless the board has specified by regulations a shorter time period and subjects a person to a citation and administrative fine for failing to provide notification. (BPC § 136(a) and (b))
- 4) Authorizes programs within the DCA to charge a delinquency, penalty, or late fee for any licensee, up to \$150. (BPC § 163.5)

- 5) Requires DCA programs to develop through the regulatory process guidelines to prescribe components for mandatory continuing education programs administered by any board within DCA. (BPC § 166)
- 6) Authorizes specified DCA programs to require an email address from applicants and licensees at the time of initial application and/or renewal.
- 7) Establishes the Contractors State License Board (CSLB) within DCA to license and regulate contractors and home improvement salespersons. (BPC § 7000 et seq.
- 8) Establishes the Real Estate Law to provide for the Department of Real Estate (DRE) 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 in California. (BPC §§ 10000 et seq.)
- 9) Establishes the DRE to administer the Real Estate Law. (BPC §§ 1004).
- 10) Authorizes DRE to investigate the actions of any person engaged in the business or acting in the capacity of a real estate licensee and temporarily suspend or permanently revoke a real estate license for performing, or attempting to perform, specified violations of the Real Estate Law. (BPC § 10176)

This bill:

- 1) States Legislative intent 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.
- 2) Authorizes the DRE or any board under the DCA to waive certain types of laws related to licensing timeframes, continuing education, examinations, renewal fees, license display, and delinquency fees who reside in or whose primary place of business is in a location damaged by a natural disaster for which a state of emergency is proclaimed or for which an emergency or major disaster is declared.
- 3) Requires a board to notify the director of the DCA in writing of any waiver approved by a board, and provides that the waiver shall take effect after a

- period of five business days after the director receives the notification from the board, unless the director disapproves the waiver within those five days.
- 4) Requires the Commissioner of DRE to do both of the following immediately upon the declaration of a natural disaster for which a state of emergency is proclaimed or for which an emergency or major disaster is declared:
 - 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.
- 5) States that this bill is urgent and necessary to take effect immediately in order to support licensed professionals impacted by the disasters caused by the Palisades and Eaton wildfires

Background

Regulatory programs within the jurisdiction of the DCA issue about 3.5 million licenses, certificates, and approvals to individuals and businesses in over 250 categories. Within the DCA are 38 entities, including 26 boards, eight bureaus, two committees, one program, and one commission (hereafter "boards" unless otherwise noted). Collectively, these boards regulate more than 100 types of businesses and 200 different industries and professions. As regulators, these boards perform two primary functions: Licensing—which entails ensuring only those who meet minimum standards are issued a license to practice; and Enforcement—which entails investigation of alleged violations of laws and/or regulations and taking disciplinary action, when appropriate.

DCA boards are semiautonomous regulatory bodies with the authority to set their own priorities and policies and take disciplinary action on their licensees. DCA has direct control and authority over bureaus.

The Real Estate Law, administered by the Department of Real Estate, provides for real estate licensing in this state. DRE licenses more than 425,000 persons in California: over 293,000 real estate salespersons and over 131,000 real estate

brokers, including corporate brokers, as well as more than 26,000 mortgage loan originators.

COVID Waivers. On March 30, 2020, the Governor issued Executive Order N-39-20 authorizing the Director of the Department of Consumer Affairs to waive any statutory or regulatory professional licensing relating to healing arts during the duration of the COVID-19 pandemic – including rules relating to examination, education, experience, and training. This bill follows that example and authorizes programs to waive various requirements for impacted applicants and licensees.

Wildfires. Climate change, primarily caused by the burning of fossil fuels, is increasing the frequency and severity of wildfires, not only in California, but also all over the world. Since 1950, the area burned by California wildfires each year has been increasing. Drought conditions have brought unusually warm temperatures, intensifying the effects of very low precipitation and snowpack and creating conditions for extreme, high severity wildfires that spread rapidly.

In January 2025, Los Angeles experienced the most catastrophic wildfires in its history. Beginning January 7, a series of wildfires ravaged L.A. County, consuming tens of thousands of acres due to strong Santa Ana winds and severe dry conditions. The Palisades and Eaton Fires were the most destructive, burning over 20,000 and almost 14,000 acres, respectively. The fires claimed at least 28 lives and destroyed over 16,240 structures.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

This bill will result in minor and absorbable fiscal impacts for DCA boards and bureaus, as they already have processes in place to meet the mandates of this bill. DCA notes that in the event of a state of emergency that would impact a large licensing population, workload could be significant and not absorbable within existing resources and that fee waivers would create a loss in revenue. The Office of Information Services (OIS) within the DCA notes any fiscal impact to address board IT workload or updates is indeterminate at this time. DRE reports unknown, potentially significant costs to meet the mandates of this bill, dependent on the frequency and scope of future disasters. DRE notes costs will vary, but the department will require, at a minimum, \$150,000 of staff time for legal, communications, and licensing staff to develop waiver plans, write public notices, and update its regulations, forms, enforcement manual, webpages, and databases

SUPPORT: (Verified 10/17/25)

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

OPPOSITION: (Verified 10/17/25)

None received

ARGUMENTS IN SUPPORT: The California Association of Licensed Investigators writes that "It is important to enact these provisions prior to the next significant federal, state or local emergency in order to ensure that essential services can continue during these challenging periods."

According to the California Board of Psychology, "SB 641 ensures that regulatory bodies can provide immediate and meaningful relief to licensees during emergencies without requiring an executive order. This authority allows the Board to better support licensees experiencing hardship while maintaining continuity of services for consumers. The Board supports SB 641 and appreciates the author's efforts to enhance both regulatory responsiveness and consumer protection in times of crisis."

CSLB notes that "In the aftermath of a natural disaster, safe debris removal and disposal is critical to avoid additional health and environmental problems. SB 641 allows CSLB to determine which licensing classifications have sufficient experience and training to assist in debris removal on a case-by-case basis during a declared federal, state, or local emergency. 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."

GOVERNOR'S VETO MESSAGE:

This bill would authorize licensing boards under the Department of Consumer Affairs and the Department of Real Estate to waive the application of specified laws for licensees and applicants who are impacted by a proclaimed federal, state, or local emergency, or whose homes or businesses are located in a disaster area. Additionally, this bill would ban unsolicited offers by real estate licensees and their clients that are below market value, as it was the day before the disaster, and would ban it throughout the entire geographic area in which the disaster is proclaimed.

I appreciate the intent of the author to help those impacted by natural disasters to find regulatory relief quickly and to protect those with property in disaster areas. In response to recent disasters, my Administration worked closely with the Legislature to coordinate targeted relief and consumer protections to disaster victims - absent the authority sought in this bill.

With respect to the real estate protection provisions, the bill is overly broad, applying to all natural disasters even when housing is unaffected. It also leaves an enforcement gap by regulating licensees only when acting for clients, not for themselves. Together, these issues call into question whether the bill is properly tailored to achieve its stated goals.

For these reasons, I cannot sign this bill.

ASSEMBLY FLOOR: 80-0, 9/12/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

Prepared by: Sarah Mason / B., P. & E.D. / 10/17/25 16:33:00

**** END ****