

AMENDED IN ASSEMBLY APRIL 27, 2022

AMENDED IN ASSEMBLY MARCH 24, 2022

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

No. 2224

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**Introduced by Assembly Member McCarty**

February 15, 2022

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An act to add Chapter 3 (commencing with Section 11290) to Part 2 of Division 4 of the Business and Professions Code, relating to real estate.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2224, as amended, McCarty. Real estate: transactions: iBuyers.

Existing law, the Real Estate Law, ~~provides for~~ *establishes the Department of Real Estate, with the Real Estate Commissioner as its chief officer, and sets forth the powers and duties of the commissioner relating to the licensure and regulation of real estate brokers and salespersons by the Real Estate Commissioner* and imposes various requirements on real estate transactions.

This bill would require *an iBuyer, defined by the bill as a specified online real estate platform, known as iBuyers, company*, to work with a local real estate ~~agent, broker~~, as defined, when selling real property in California. The bill would exempt from this requirement the initial sale of real property containing new construction.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Chapter 3 (commencing with Section 11290) is added to Part 2 of Division 4 of the Business and Professions Code, to read:

CHAPTER 3. IBUYERS

11290. (a) An iBuyer shall work with a local real estate agent broker when selling and completing a sale of real property located in California.

(b) The requirement in subdivision (a) does not apply to the initial sale of real property containing new construction.

(c) For purposes of this section, “iBuyer” the following terms have the following meanings:

(1) “Automated valuation model” means a computational process, derived from machine learning, statistical modeling, data analytics, or artificial intelligence, that produces an estimate of the value of a residential or commercial property.

(2) “iBuyer” means an online real estate platform that uses algorithms or other technology to buy and sell real property directly from and to private sellers and buyers; company that utilizes an automated valuation model to identify and then purchase a residential or commercial property without the use of a mortgage or other type of financing.

(d) For purposes of this section, “local

(3) “Local real estate agent broker” means a real estate licensee under broker licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of this division whose place of business or practice is located in the county in which the real property to be sold is located.